Explanatory notes to the KPIs reported in the Corporate Social Responsibility Chapter of Infineon Technologies Annual Report 2012.

These explanatory notes refer to the Key Performance Indicators (KPIs); electricity consumption, water consumption, PFCs emissions and accident statistics, published in the Corporate Social Responsibility section of the Infineon Technologies AG Annual Report 2012. These figures were reported at a Group-level. In 2012 these KPIs were independently verified by KPMG AG Wirtschaftsprüfungsgesellschaft within a Limited Assurance using the ISAE 3000 Standard. More information about the verification can be found here (LINK).

Reporting standards

Infineon Technologies used internal Group guidelines as reporting criteria. The data collection and Group’s guidelines’ definitions for the KPIs reported are based on the Sustainability Reporting Guidelines (G3.1) of the Global Reporting Initiative.

Organizational boundaries

Our reporting includes all our own production sites and corporate headquarters, which are part of our certified IMPRES management system, as well as our production site in Morgan Hill. To determine its organizational boundaries Infineon Technologies follows the operational control approach. Operational control of our organizational units is established when Infineon Technologies AG is entitled to more than 50 percent of the voting rights, whether indirectly or directly

External companies in which Infineon has no operational control operate at some of our sites. In our reported KPIs data of these external companies are not included.

Determination of the Key Performance Indicators

We continually strive to improve the data quality of our KPIs.

a. Electricity consumption:

Included in the electricity consumption is the electricity consumption of the above mentioned sites for the respective Infineon fiscal year.

b. Water consumption:

Included in the water consumption are the consumption of the above mentioned sites, taking into consideration the reporting of both; the own-supplied water and the water provided by third-parties (e.g. municipal water) for the respective Infineon fiscal year. Water which is used as cooling water or process water is included too.

c. PFCs¹:

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¹ Perfluorinated compounds
PFCs are essential for the production of semiconductors. They are used in etching processes for patterning of wafers and cleaning of production equipment for CVD processes (the so-called "chemical vapor deposition"). Therefore, PFCs are used at Infineon only in the front-end locations.

The conversion factors in CO2 equivalents are based on a worldwide predetermined algorithm which must be used within the semiconductor industry. The algorithm is distributed annually by the relevant organizations and Infineon Technologies receives the methodology from the ESIA\(^2\).

The ESIA updates the calculation method based on the scientific assessments of the IPCC\(^3\), and the calculations for the GWP\(^4\).

The reported PFCs figures refer to the amounts consumed during the respective fiscal year by Infineon.

d. Accident Statistic:

Included in the reported information are the accidents of the above mentioned sites. In the reporting accidents are considered those from one day work-absence. Our base is “calendar days”. The accident day itself is not counted. The calculation of the „per 1000 people“ quota is based on the workforce at the end of each fiscal year, and includes employees with full-and part-time contracts.

**Datenqualität**

We continually strive to improve the quality of our data via the implementation of policies, systems, procedures and internal controls at Group and Site level.

In case of business acquisitions/sales, the figures of those would be adjusted in conformity with the organizational boundaries mentioned above.

In case during the compilation of the monthly data for the Annual Report some official information for any of the reporting periods were not available, those figures would be adequately estimated based on the previous months’ values and any other meaningful comparable values.

In case a significant error in the fiscal year (meaning greater than 5 percent at a Group level) was found, it would be corrected. In case a major error which does not indeed affect the reporting period but still affects the information of the Annual Report or the previous years was found, it would be corrected.

This year we have changed the reporting scope of the accidents’ information from calendar year into fiscal year, so that this change was also extended to the previous fiscal years.

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\(^2\) European Semiconductor Industry Association  
\(^3\) Intergovernmental Panel on Climate Change  
\(^4\) Global Warming Potential – the GWP is based on 100 Years