

NON-FINANCIAL PERFORMANCE INDICATORS

CORPORATE SOCIAL RESPONSIBILITY AT INFINEON: SETTING STANDARDS – THROUGH INNOVATION AND VOLUNTARY RESPONSIBILITY

www.infineon.com/CSR_Reporting

In addition to the statutory audit regarding the Group Management Report, selected qualitative information and indicators relating to sustainability activities at Infineon were subject to an independent “limited assurance” engagement by KPMG AG Wirtschaftsprüfungsgesellschaft in accordance with the International Standard for Assurance Engagements (ISAE 3000), the pertinent standard for assuring sustainability information. Further information, including the independent assurance report issued, can be found in the Corporate Social Responsibility section of the Infineon website.

The term “sustainability” encompasses the interaction between economical, ecological and social factors. This definition was included in the Brundtland Commission report back in 1987 and remains valid to this day. In 2011 the EU Commission additionally established a definition of Corporate Social Responsibility (CSR) as “the responsibility of enterprises for their impact on society”.

Creating a viable, sustainable society is a challenge that needs to be addressed through the cooperation of stakeholders from society, industry, commerce as well as the political decision makers.

Our strategic focus on the three key themes energy efficiency, mobility and security is making a valuable contribution towards a world of sustainable applications and end-user products and, hence, in the long run, towards a sustainable society. Additionally, we take on voluntary responsibility in line with our CSR pillars:

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The great importance that Infineon attaches to CSR is highlighted by its renewed inclusion in the “Dow Jones Sustainability Europe Index”, in which Infineon is sector leader of the semiconductor industry in the criteria Product Stewardship and Operational Eco-efficiency. The “Sustainability Yearbook” once again included Infineon among the top 15 percent most sustainable companies worldwide; more clear evidence of Infineon’s credentials in this area. 2,500 companies are assessed annually and ranked in terms of sustainability for inclusion in the Sustainability Yearbook.

Infineon has been a participant in the UN Global Compact Initiative since 2004 and has given a voluntary commitment to comply with the UN Global Compact's ten principles relating to human rights, labor, the environment and anti-corruption. These principles form the framework of Infineon's CSR concept, which has been developed with the needs of Infineon's stakeholders – its investors and customers, suppliers and employees – as well as political decision makers in mind. Due consideration was also given to social issues and international standards. Current developments addressed by non-governmental organizations and competitors were also taken into account in the assessment.

Requirements and needs were primarily identified using internationally recognized methods such as the Materiality Matrix and the EFQM (European Foundation for Quality Management) Model for Excellence, a wide-ranging management framework used by more than 30,000 organizations throughout Europe.

Based on this specified framework, Infineon conducted interviews with both internal and external stakeholders on major CSR-relevant issues at Infineon and, after assessment, the results of these interviews were incorporated in our CSR strategy.

As a UN Global Compact participant, Infineon has given a commitment to abide by the stated principles and presents its Communication on Progress on the implementation of its CSR concept:

Human rights		Implementation
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	Infineon's Business Conduct Guidelines reflect our commitment to comply with internationally proclaimed human rights. This also includes protecting the personal dignity and privacy of every individual. We shall not condone human rights abuses. Information concerning this issue is available on our corporate ethics website. The Business Conduct Guidelines shall apply to both internal cooperation and conduct towards external partners. We expect our suppliers and service providers to comply with the requirements included in our Principles of Purchasing, and to monitor their compliance with those principles. Infineon also expects suppliers and service providers to comply with all applicable laws, including those related to working practices and forced labor.
Principle 2	Businesses should make sure they are not complicit in human rights abuses.	
Labor		Implementation
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Our Business Conduct Guidelines acknowledges the right of employees to join associations and the right to collective bargaining to agree on working conditions. Infineon and the respective employee associations work together constructively and in good faith as well as with mutual respect. In this endeavor, we strive to achieve a fair balance between Infineon's economic interests and those of the employees. Even in cases of dispute, the goal shall always be to maintain viable cooperation in the long-term.
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labor.	Infineon's Business Conduct Guidelines reflect Infineon's commitment to comply with international proclaimed Human rights. We are therefore against any form of forced labor.
Principle 5	Businesses should uphold the effective abolition of child labor.	Infineon's Business Conduct Guidelines also address one of the main duties of the Global Compact: We do not permit work to be carried out by persons under the age of 15. Exceptions apply to employment relationships in developing countries under the International Organization Convention 138 (minimum lowered to 14) or to governmentally authorized job training courses or apprenticeship programs that clearly benefit the persons participating.
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	As reflected in the Business Conduct Guidelines, discrimination shall not be tolerated. We do not tolerate any discrimination, harassment or offence based on race, color, national origin, gender, religion, age, disability, union or political affiliation, sexual orientation, marital or family status against an Infineon employee or a business partner. Any forms of sexual harassment, corporal punishment, physical coercion and verbal abuse are prohibited, as well as any intimidating hostile or offensive conduct that interferes with an employee's work performance.

Environment		Implementation
Principle 7	Businesses should support a precautionary approach to environmental challenges.	<p>Developing energy-efficient products is a key element of our desire to save energy and to deal with climate change. In order to ensure efficient resources management, to protect the environment as well as to maintain high standards in occupational health and safety, Infineon established an Environmental Protection, Occupational Health and Safety Management System in all Infineon production sites worldwide that is certified according to ISO 14001 and OHSAS 18001 standards since 2005.</p> <p>For Infineon, responsibility and sustainability are more than just the fulfillment of legal requirements. Our IMPRES program (Infineon Integrated Management Program for Environment, Safety & Health) is a symbiosis between responsibility for humans and environment and economic success and includes our commitment to efficient resources management in the interests of environmental protection and ecological innovation.</p> <p>Efficient energy management is a key issue in the world's attempts to save energy and reduce greenhouse gas emissions. We have therefore integrated our Energy Management System into IMPRES and are currently working on the certification process as part of our multi-site approach in accordance with ISO 50001.</p>
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	
Anti-corruption		Implementation
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	<p>The Management Board and the Supervisory Board of Infineon Technologies AG view corporate governance as a comprehensive concept for responsible, transparent and value added corporate management.</p> <p>Infineon's Business Conduct Guidelines define the requirements related to the treatment of business partners and third parties. This also includes compliance with laws and fair business practices, in particular the prohibition of active and passive bribery. This is monitored by the Compliance department.</p>

OUR SEMICONDUCTOR PRODUCTION – A BENCHMARK FOR SUSTAINABILITY

For Infineon, active CSR management is more than just fulfilling legal requirements.

Our IMPRES program ensures that essential aspects of sustainability are embedded within our organization.

IMPRES is implemented at all significant production sites and certified according to ISO 14001 and OHSAS 18001 standards since 2005. We have also begun the preparations to integrate ISO 50001 Energy Management Standards requirements into IMPRES.

Sustainable usage of resources

The shortage of natural resources is one of the great global challenges of our time. The efficient use of resources can therefore make an important contribution towards securing the future. We at Infineon have been rising to this challenge for years.

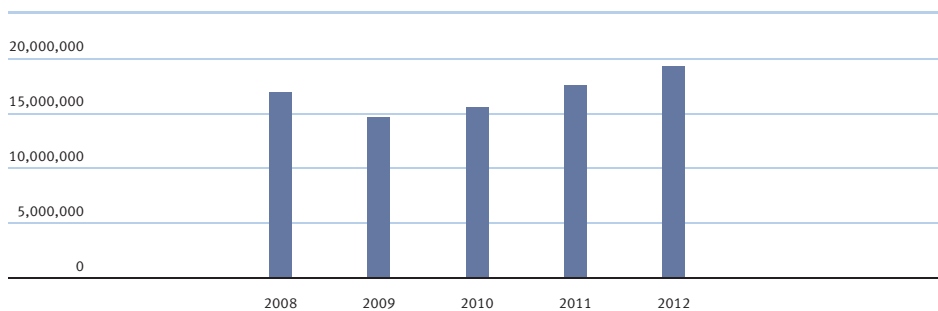
Water

None of Infineon's production sites are located in regions where there is a shortage of water. We nevertheless see it as our responsibility to use water resources carefully and apply this principle rigorously in our everyday operations. The results of our efforts to reduce water consumption at our manufacturing plants are impressive.

Total water consumption at our front-end and back-end production plants, including Campeon corporate headquarters, totaled 19,330,623 cubic meters (m³) in the past year.

Infineon's water consumption

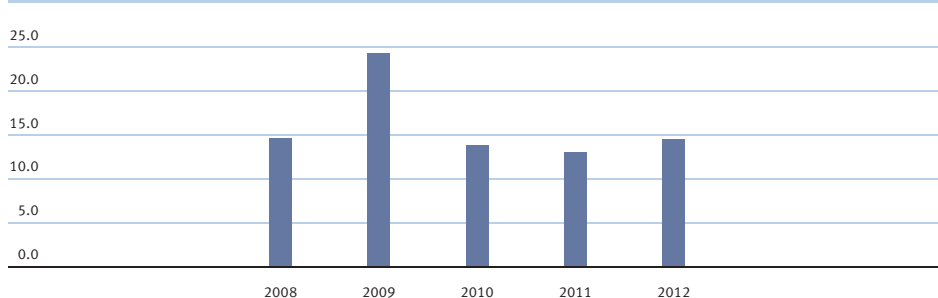
in cubic meters



One internationally recognized parameter for water management at our front-end sites is water consumption per square centimeter manufactured wafer, calculated in liters per square centimeter.

Specific water consumption of the Infineon front-end sites worldwide

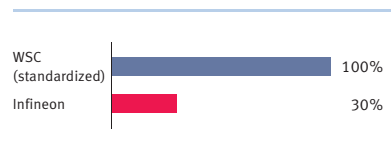
in liters per square centimeter manufactured wafer



In 2011 Infineon's European front-end sites consumed approximately 70 percent less water to manufacture one square centimeter of wafer than the global average reported in a survey conducted by the World Semiconductor Council (WSC).

Water consumption

per square centimeter manufactured wafer



This result was achieved through strictly applied measures. Infineon's manufacturing sites in Regensburg (Germany) and Villach (Austria) provide specific examples of sustainable water management systems. At these two locations, we withdraw water from wells, which is then cleaned and used to cool our production machinery. We opted for this environmentally friendly approach in order to reduce our energy consumption. The water used in this cooling process is cleaner than when it was extracted and can therefore be discharged directly into near-by rivers.

In fact, much of the water used in production is of such good quality that we have official approval from the relevant authorities to discharge it directly into rivers. The efficient use of water is supplemented by an effective system for waste water collection and treatment. Within this system, waste water is collected in groups according to type, which can then be conditioned using the most appropriate treatment methods. At the end of this process, the treated water can be discharged into the public sewage system, clear evidence of the efficacy of the treatment methods used. A further part of the waste water, if technically feasible, is re-directed into our water reclaim system and re-used in production.

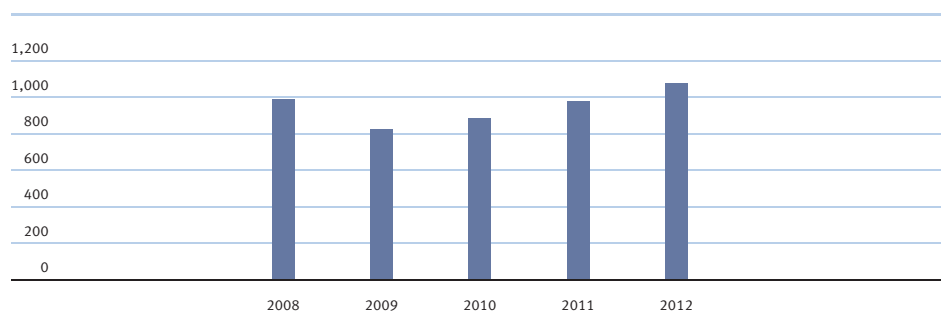
Energy efficiency and climate protection

Energy efficiency is the best and most attractively priced energy resource

Most of the energy used by Infineon at its production facilities is electrical power. Roughly two thirds of this energy is consumed at our front-end manufacturing facilities – mostly for processing silicon wafers – and roughly one third at our back-end facilities, i.e. in the assembly and testing of components. The sophisticated processes used by the semiconductor industry require a stable electrical supply at all times without any power interruptions. Reducing energy intensity at our manufacturing sites without negative impact on our production processes is a challenge to which we have risen for many years now. The focus of our efforts has primarily been on our front-end facilities, partly because of the high levels of energy required to operate front-end processes and partly in deference to the sensitivity of these processes. Total electricity consumption at our front-end and back-end production plants, including our Campeon corporate headquarters, totaled 1,074 gigawatt-hours (GWh) in the past year.

Infineon's electricity consumption

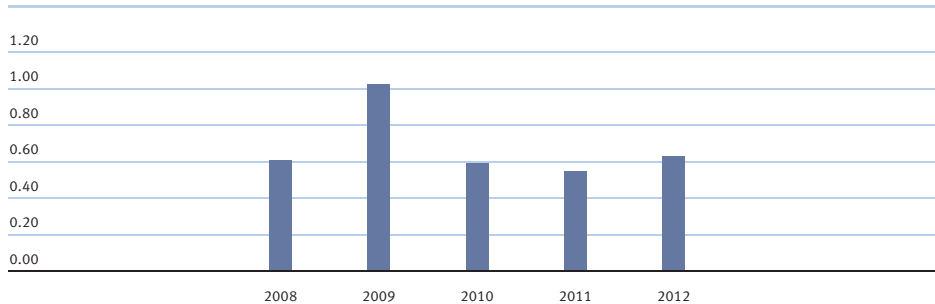
in gigawatt hours



One internationally recognized parameter to assess energy intensity and energy efficiency at our front-end sites is electricity consumption per square centimeter manufactured wafer, calculated in kilowatt-hours per square centimeter.

Specific electricity consumption of the Infineon front-end sites worldwide

in kilowatt hours per square centimeter manufactured wafer



This standard parameter enables us to assess how energy-efficient we are in comparison with international averages. The result is noteworthy: In 2011 Infineon used 51 percent less electricity per square centimeter of manufactured wafer at its European front-end facilities than the worldwide average reported by the World Semiconductor Council (WSC), clear evidence of the high level of efficiency achieved at our production sites in terms of energy consumption.

Infineon’s global energy efficiency program “Energy 2015” applies to all sites and will help us to identify and implement further areas of potential improvement. In Europe alone, the quantity of electricity saved (or simply not consumed due to efficiency improvements) cumulatively during the period from 2002 to 2011 totaled approximately 2.3 terawatt-hours (1 terawatt hour corresponds to 1 billion kilowatt-hours). This is equivalent to the annual consumption of a European city with 2.1 million inhabitants.¹

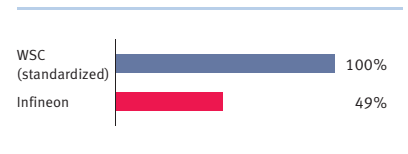
Climate protection: reduction of greenhouse gases

In addition to energy, the use of certain greenhouse gases – so-called “perfluorinated compounds” – are essential for the production of semiconductors and influence our environmental footprint. They are used in the etching processes needed to structure wafers and to clean production equipment used in Chemical Vapor Deposition (CVD) processes. We are very committed to minimizing the emission of these gases as part of our integrated environmental and climate protection concept. Since the use of these compounds depends on the process landscape in each individual set of circumstances, Infineon believes that it is most appropriate to reduce emissions on the basis of a voluntary self-commitment.

Within the framework of the Kyoto Protocol, back in 1998 Infineon gave a voluntary commitment to reduce emissions of PFC gases – calculated in CO₂ equivalents – at relevant production sites to 10 percent below their 1995 values. In a similar vein, Infineon has also signed up for various other voluntary self-commitments, particularly in Europe and Germany. The self-commitment entered into by the German semiconductor industry agreed that PFC emissions would be reduced by up to 8 percent by 2010 compared to their 1995 value (also calculated in CO₂ equivalents).

Electricity consumption

per square centimeter manufactured wafer

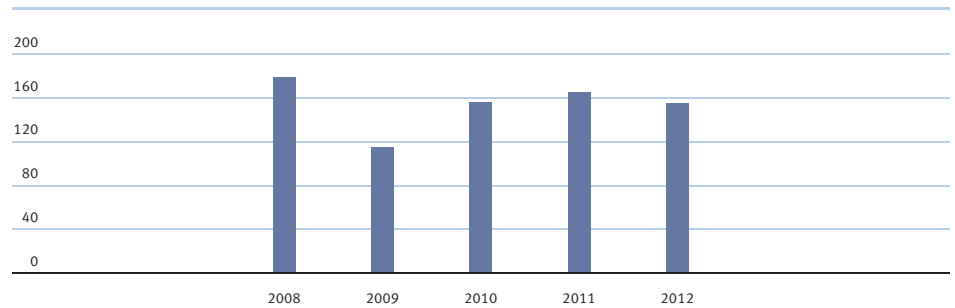


¹ Fachverband für Energie-Marketing und -Anwendung (HEA) e. V. within the VDEW (Trade Association of the Electricity Industry); 4 person-household

Huge efforts have been undertaken by Infineon during the past years to achieve this ambitious target. Processes were continuously optimized as part of a wide range of projects. The introduction of “Remote Plasma Clean” technology, for instance, has increased the conversion factor for nitrogen trifluoride (NF3) from approximately 50 percent to 99 percent. In addition, our front-end manufacturing plants have been working for several years on increasing the proportion of alternative process gases with higher conversion factors and lower global warming potential. As well as strategies based on reduction and substitution, the targeted use of waste air abatement systems to treat PFC-contaminated air has had a significant impact on the reduction of PFC emissions in absolute terms. This was only possible with the aid of investment, process innovation and solution-focused concepts, for example a complete redesign of the waste air abatement concept, which was essential for this sustainable success story. Crucial for the progress made was the high quality of work carried out at the relevant sites and a continual search for improvements. These concepts have meanwhile been implemented at all relevant sites. This outcome is further evidence of the success of our efforts.

Infineon's PFC emissions

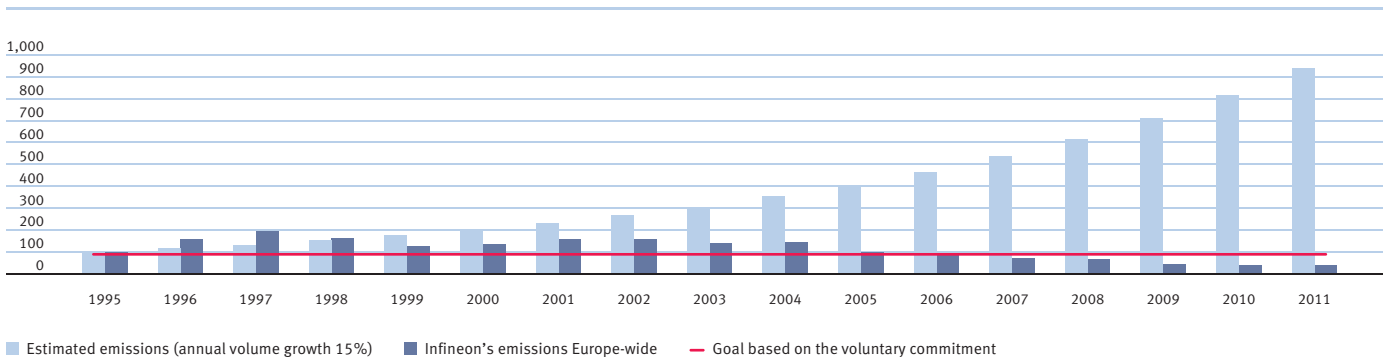
in kilotons CO₂ equivalents



Thanks to these new concepts for the abatement of waste air, and the reduced volume of harmful gases and more efficient processes, Infineon achieved already in 2007 its voluntarily self-committed targets. The progress made also meant that Infineon was able to make a significant contribution to fulfilling the German and European voluntary self-commitments. In Germany, for instance, PFC emissions were reduced by more than 47 percent. The total of PFC emissions by Infineon in the fiscal year 2012 amounted to 155.88 kilotons of CO₂ equivalents. In terms of climate protection we see ourselves as playing a pioneering role and as a reliable partner.

European PFC emissions

in percentage based on the output value (100%) of 1995



Waste management

All production processes generate waste that cannot be avoided despite significant progress made in terms of process optimization. The principal task of Infineon's waste management system is to reduce waste volumes to a minimum and ensure that any waste arising is either recycled or properly disposed of. For this reason, waste is collected separately wherever possible at the point where it is produced. Some materials such as the solvent cyclopentanone are recycled, either internally or externally, whenever economically and ecologically feasible, and can therefore be re-used in the production process. This approach can significantly reduce the purchase of new materials. Specific waste management activities at Infineon in 2011 enabled us to produce approximately 51 percent less waste than the worldwide average reported by the WSC, measured in terms of wafer surface manufactured at our European front-end production facilities, clear evidence of the high degree of efficiency achieved at those facilities and of the pro-active contribution being made towards sustainability in this area.

Chemical safety

Besides resources such as water and energy, numerous chemicals are also used in the manufacture of semiconductors. A set of preventive measures aimed at protecting human health and the environment have been successfully implemented as part of a global approval process and have been incorporated into occupational safety concepts. Achieving full compliance with applicable laws and regulations is also the basis for our actions in this area. The most significant set of regulations comes in the form of European chemicals legislation (REACH: Registration, Evaluation, Authorisation and Restriction of Chemicals; European Regulation (EC) 1907/2006). REACH came into force on June 1, 2007 and deals with the registration, assessment, approval and restriction of chemicals produced for or used in the European market. The introduction of REACH constituted a paradigm change. The responsibility for the implementation now lies mainly with industry itself, instead of just with the public authorities.

Infineon investigated the potential negative impact of REACH, for example the impact of the reduced availability of chemicals, on the supply chain and our production facilities at an early stage. In order to avoid these pitfalls, we initiated the REACH@Infineon project in December 2006, including an evaluation of the impact of REACH on all relevant suppliers. Key suppliers were made familiar with REACH requirements in a series of interviews and workshops. REACH requirements were also incorporated in Infineon's Purchase Specifications and are one of the criteria of the supplier selection process.

Even though the scope of REACH legislation is restricted to Europe, Infineon has opted for a global approach. Compliance with these regulations across the globe provides maximum flexibility worldwide for our processes and for the chemicals used in the manufacturing process.

Infineon's products qualify as Articles in accordance with REACH. In other words, they do not contain any substances that could be released under normal or reasonably foreseeable conditions of use. Substances used in the manufacture of Infineon products are therefore not subject to registration requirements.

Waste generation

per square centimeter manufactured wafer



The REACH Candidate List (a list of substances of very high concern that may be subject to authorization) is published by the European Chemical Agency (ECHA) and currently contains 84 substances¹. Inclusion of a substance in the Candidate List does not preclude its use in products, but does, however, entail certain notification and information requirements. Infineon complies with these requirements for products and packaging materials by including an appropriate paragraph in its Dispatch Notes to European recipients and in the form of a REACH Declaration. The wide range of measures implemented at an early stage enabled us to comply with REACH requirements in a highly efficient way and to avoid disruptions to the supply chain.

The CLP Regulation (European Regulation (EC) no. 1272/2008) came into force on January 20, 2009. This regulation deals with the classification, labeling and packaging of substances and mixtures throughout Europe. Based to a large extent on the so-called “Purple Book” recommendations issued by the United Nations, it sets out a universal system for classifying, labeling and packaging chemicals in the form of safety data sheets and operating procedures. The objective is to standardize, and make more transparent and comparable, the level of protection for human health and the environment on a worldwide basis. The European Directives 67/548/EWG (Dangerous Substances) and 1999/45/EG (Dangerous Preparations) – the legal basis for classification and labeling that is still currently valid – will be revoked with effect from June 1, 2015. Lengthy transitional periods apply with respect to conversion to the new regulation. The CLP Regulation has been mandatory, for instance, for substances since December 1, 2010 and becomes mandatory for mixtures with effect from June 1, 2015. The long transitional period for classification and labeling is meant to ensure that all parties concerned (authorities, business and other interested parties) have sufficient time to make the changeover.

In order to avoid dependence on the specific changeover plans of our suppliers, Infineon will use both classification systems simultaneously up to the end of the transition periods, thus assuring the highest possible level of safety when using chemicals worldwide.

We are generating net ecological benefits

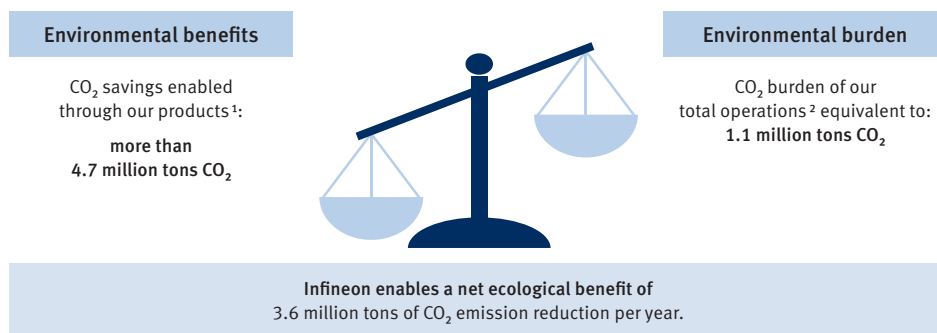
Consistently applied CSR management at our production facilities boosts efficiency and contributes to the reduction of our environmental footprint. However, Infineon goes one step further. Innovations and solutions developed by us in the fields of energy efficiency, mobility and security enable Infineon to create ecologically sustainable applications and raise the ecological efficiency of end-user products across their entire life-cycle. The results of this are striking.

Based on our calculations, Infineon’s production sites’ carbon footprint – considering the impact of all relevant issues from our perspective including materials used and logistics – amounts to 1.1 million tons of CO₂ per year.

Products manufactured by Infineon within this footprint and supplied to our customers enable annual savings in the end-products in which they are incorporated of approximately 4.7 million tons of CO₂ per year. In this way, Infineon generates net ecological benefits of more than 3.6 million tons of CO₂ annually. Infineon helps to save more CO₂ than it generates and can thus boast a positive ecological-balance. Even while accepting that ecological-balance analyses can be subject to imprecision due to the complex issues involved, the conclusion to be drawn from our calculations is clear.

¹ Latest update June 18, 2012

Infineon enables a sustainable society



¹ Considering only Automotive products, lamp ballast control, PC power supply; real figure is higher.

² Including manufacturing, transport, material, chemistry, water/waste water, emissions, energy consumption; values are based on internal figures as well as official data.

OUR RESPONSIBILITY ALONG THE VALUE-ADDED CHAIN

All companies with global operations generally have a complex supplier structure. Compliance with our stated CSR requirements is tested for a whole range of business processes, including the selection of materials, the scope of services provided by suppliers, the purchase of equipment as well as machinery and the construction and utilization of production facilities. These tests are also based on the UN Global Compact Principles. Infineon actively supports external suppliers and service providers in their endeavors to comply with these requirements. Infineon’s requirements in this respect are set out in its “Principles of Purchasing”, which in addition to CSR-related issues, also cover security-related issues as well as delivery capacity. These principles are mandatory for Infineon’s suppliers. A good example of Infineon’s voluntary responsibility is its conflict minerals’ approach.

Conflict minerals

Reporting requirements to the US Securities and Exchange Commission have been extended by Section 1502 (“Conflict Minerals Provision”) of the Dodd-Frank Wall Street Reform and Consumer Protections Act. Companies that use so-called conflict minerals or related derivatives (currently Gold, Tantalum, Tungsten and Tin) are required to report on such usage if the minerals originate from the Democratic Republic of Congo or an adjoining country. Infineon itself does not have any reporting requirements to the SEC.

Nevertheless, since 2009 Infineon on a voluntary basis requests its suppliers to provide information about the use of the above-mentioned metals (including cobalt), in order to support its customers. As the result of our assessment, a “Conflict Metals” statement was drawn up, listing the smelters identified in our supply chain. An analysis of this data by region shows that the smelters concerned are located in Europe (11 percent), Asia (71 percent) and America (18 percent). Therefore, based on our current state of knowledge, none of the smelters is located in the Democratic Republic of Congo or an adjoining country.

On August 22, 2012, the implementation conditions necessary for the entry into force of the reporting requirements were published by SEC. These reporting requirements for those affected companies will be obligatory in 2014 with regards to the year 2013. Infineon will continue supporting its customers and will again evaluate its supply chain with regard to the use of potential conflict minerals in accordance with the recently published requirements.

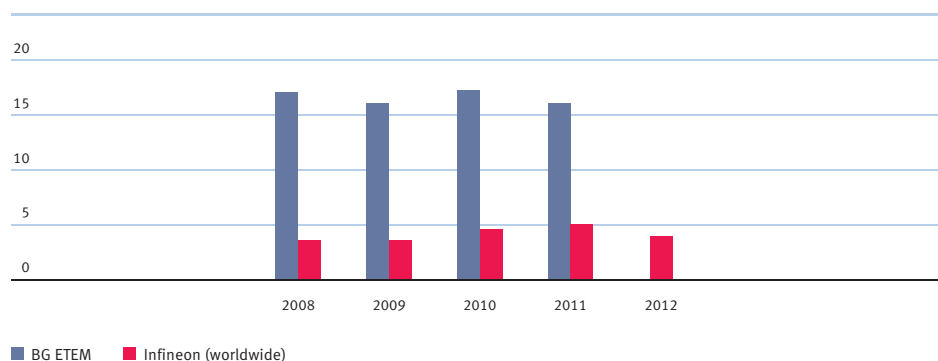
RESPONSIBILITY FOR OUR EMPLOYEES

The safety of our employees is a key issue for Infineon. Our concepts for occupational safety focus on prevention, with the aim of minimizing the occurrence of workplace related accidents. The Occupational Safety and Health Management System in place at Infineon's production sites and at Campeon corporate headquarters are certified in accordance with the OHSAS 18001 standard. One major aspect of this system is the requirement to carry out a workplace-related risk assessment for all workplaces, documenting and evaluating all potential risks. Based on this, experts devise individual concepts for workplace safety that are applied worldwide, through which risks to employees in the work environment can be largely ruled out. The effectiveness of these measures is regularly assessed and appropriate changes made whenever necessary. At the same time, Infineon is constantly striving to find ways to minimize potential risks. For example, in the area of chemical safety, this could be the replacement of dangerous substances by alternative chemicals that are potentially less harmful.

The low number of accidents confirms the efficacy of our system. The rate of accidents at Infineon is substantially lower than the average reported by BG ETEM, the German Social Accident Insurance Institution for the Energy, Textile, Electrical and Media Products Sectors (Berufsgenossenschaft Energie Textil Elektro Medienerzeugnisse). Infineon records accidents on a very prudent basis. We record all work-related accidents that result in an employee being absent from the workplace for at least one day, whereas BG ETEM only records accidents after three days of absence. Data disclosed for Infineon refer to the relevant fiscal year, while data reported by BG ETEM refer to the calendar year. In the 2012 fiscal year Infineon had a rate of 4 accidents per 1,000 employees.

Statistics for occupational accidents Infineon worldwide

per 1,000 employees



Apart from fostering occupational safety, we also provide a wide range of opportunities for our employees to actively improve their health.

WE ARE SOCIALLY ENGAGED: CORPORATE CITIZENSHIP

Infineon attaches great importance to positively interacting with local communities in the regions in which it operates. Infineon activities should reflect its spirit in the areas of environmental sustainability, economic development and social commitment.

Based on the results of the Infineon CSR EFQM process and building on the issues identified in our Materiality Matrix, Infineon decided to establish its own set of Corporate Citizenship Guidelines. These guidelines describe the opportunities and focus areas that Infineon considers to be the basis for its Corporate Citizenship activities. These guidelines are based on the ten principles contained in the UN Global Compact, the OECD's (Organisation for Economic Co-operation and Development) UN Millennium Development Goals and the UN Local Agenda 21. The initiatives and organizations that Infineon selects to support must comply with all relevant legal provisions applicable in the country or region, in which the Corporate Citizenship Initiative has been developed, and in which it will take place. Infineon only supports initiatives that respect all social and ethical groups in the country or region concerned. All initiatives must comply with the requirements contained in the Infineon Business Conduct Guidelines and with the UN Global Compact Principles.

Furthermore, appropriate assessment must be carried out to determine the accountability, credibility, reputation and security of all initiatives prior to any undertaking on Infineon's part. In the future, adequate monitoring of the activities supported, in terms of fulfillment of the desired purpose, shall take place.

Infineon's Corporate Citizenship strategy is based on clearly defined focus areas. One of these includes measures aimed at "Responding to Natural and Humanitarian Disasters", in which Infineon and its employees worldwide collaborate to support voluntary work and donation activities in the case of such disasters. Infineon also supports "Environment, Safety and Health (ESH) Activities", activities which address "Local Social Needs" and those supporting the motto "Education for Future Generations".

ESH activities: Infineon strives to keep the impact on the local community's environment to a minimum. With this goal in mind, for example, employees from the Infineon plant in Malacca (Malaysia), organized a river-bank clean-up campaign in June 2012 in conjunction with the "Melaka State Event". Thanks to the employees' active participation, the banks of the Putat river could be cleaned up.

Addressing local social needs: Infineon endeavors to support social activities together with the local community, one example of which is the "Learn for Life" project. Infineon organized a number of events over the past two years to help children with mental or psychological issues in the Chong'An municipal district (Wuxi Administrative Area). A large number of volunteers joined in to provide help. This year we were honored to be invited to the Wuxi Charity Party, which was held at the local educational television company on May 16, 2012 under the slogan: "Share the Culture, Fulfill the Dream".

Under the motto “Bringing joy to many children by fulfilling small wishes”, the Munich “Giving Tree” (“Geschenke-Regen”) campaign was carried out for the fourth year in succession at our Campeon headquarters. The aim of this Christmas campaign is to bring joy to children from disadvantaged social backgrounds, giving Infineon employees the opportunity to fulfill children’s wishes at Christmas time. The children noted their wishes on a card with their name and put them in an envelope. The envelopes were then hung on a Christmas tree in the Campeon employee canteen. Employees wishing to participate were able to collect these wishes in December and fulfill them in their own personal way.

Together with the Munich “Geschenke-Regen” organization, the Infineon team selected and visited four institutions to whose children the gifts would be given. Many of those children have faced tragic lives and circumstances in the past and were receiving their very first individual Christmas present.

Education for future generations: Education is the foundation for the future of each individual. Investing in the education of young people creates the environment in which people can develop their skills, and at the same time, make it possible for society to meet future challenges. In Malacca (Malaysia) Infineon donated more than 400 used computers and notebooks to Tzu Chi schools and non-governmental organizations. This equipment will help the young people concerned to improve their chances in life. This project also addresses a principal pillar of sustainability: environmental protection. The 400 used computers and notebooks were cleaned, formatted, tested and then distributed to more than 40 schools and non-governmental organizations over the course of the last two years.

RECOGNITION FOR OUR ENDEAVORS

Over the years, Infineon has won many awards from a wide range of environmental organizations, customers and other initiatives for its work in the area of CSR. Infineon is extremely proud of the awards it has been honored with.

Infineon Austria won the “TRIGOS Carinthia Award” for the fourth year in succession during the year under report. This annual award for CSR activities has been presented for the last eight years in Austria by a group of organizations, including the Red Cross, SOS Kinderdörfer, the Chamber of Commerce and the Association of Austrian Industry, who awards prizes to companies in Austria showing particular social responsibility. Infineon Austria was awarded the prize in the “Ecology” category for sustainability achievements in the field of electro-mobility and for activities related to the generation of local heating supply from biomass.

The FTSE4Good Index Series assesses performance of companies with internationally recognized CSR standards that require to meet stringent environmental, social and governance criteria. Infineon was again included in the FTSE4Good Index Series in 2012.

Infineon has earned this recognition thanks to an ongoing learning and improvement process. Helping to shape global developments on a pro-active basis, good cooperation with the community and taking voluntary responsibility for people and the environment are the underlying tenets of our integrated approach. This approach is alive at Infineon – both in our strategic concepts and in our day-to-day activities.

FTSE4 Good

