



# CSR Report 2013

of IBIDEN Electronics (Beijing) Co., Ltd.  
Corporate Social Responsibility Report

( Time: April 1st, 2012---March 31st, 2013 )



# Corporate Philosophy

## ❖ IBIDEN WAY

To achieve the sustainable development of this company, all the staff are united as one to behave a common standard, showing the common values.

## ❖ MISSION

We contribute to the progression of society through innovative technology, with respect for both individuals and the global environment.

## ❖ IBIDEN Group Charter of Behavior

### Article 1: Compliance with laws, regulations, and ethics

We comply with laws, regulations and ethical requirements of the countries and regions where its business operations are based. We work against corruption in all its forms, and carry out open and fair corporate activities with the intention of becoming a company that enjoys the confidence of the international community. We also protect and properly manage personal and customer data and other types of information.

### Article 2: Development together with stakeholders

We develop together with our stakeholders, so we enhance the transparency of management and build a trustworthy relationship through communication. We also actively engage in community-based activities that contribute to society as a good corporate citizen.

### Article 3: Providing customer delight

We provide customer delight, so we have a good understanding of social trends, future needs and develop. We provide safe and secure products and services to maximize our customer's satisfaction by growing IBI-TECHNO.

### Article 4: Management based on global standards

We manage our group based on global standards. We respect human rights and other international norms of behavior. Also, we respect culture and customs in each country or region concerned when carrying out our corporate activity.

### Article 5: Harmony with nature

We harmonize with nature in all areas of our corporate activities. We manage to develop technologies to achieve good balance between the environment and business, and we provide environmentally friendly products and services by promoting energy and resource conservation activities.

### Article 6: Attractive and vibrant company

We aim to become an attractive and vibrant company on the basis of fair, equitable and result oriented employee evaluation personnel system. We aim to have a safe and comfortable working environment. We create a rewarding corporate culture that the employee can respect for each diversity, and fully exercise their skills and abilities.



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# Chairman of the Board Message

All staff at home and abroad of the IBIDEN Group are based on the concept of IBIDEN Way, unite as one and work hard in order to achieve the goal of sustainable development of the group. IBIDEN Group's corporate philosophy, the "IBIDEN WAY," states that we contribute to plentiful social advancement. To achieve this, we will promote CSR management practices in order to act responsibly and build a trustworthy relationship with stakeholders. Our practices based on the four themes: internal control, human resource management, environmental management, and social contribution.

We have set CSR as one of the key of the company management. We are actively carrying out environmental protection as preventing global warming, improving the recycling rate of the resources and providing the products manufacturing in the process which continually reduce the environmental load. Meanwhile, we are taking active measures on the new risks from the expansion of the business scope of the Company. We carry out the CSR operations together with the stakeholders, such as in supply chain management, and we comply with the CSR guidelines for suppliers the company made in this year to achieve sustained growth together with our suppliers.

Also, when new risks appear with the business expanding of the company, in order to deal with it, the company takes active measures and at the same time strengthens the contribution to the local community through personnel training policy of focusing on communication, takes the social responsibility for the stakeholders who are closely associated with the company, improves the satisfaction of the employees and the local community, and promotes business activities.



Actively promote the CSR operating activities, improve the supply chain together with our suppliers and achieve sustained growth.

Chairman: 今坂克巳

## CSR Policy

The Group's CSR concerns four policy areas: (1) internal control including corporate governance, compliance and risk management; (2) human resources management; (3) environmental management; and (4) social contribution. The Group attempts to address these four areas in its effort to undertake activities in a broad sphere for the benefit of all stakeholders and to forge stronger relationships with our stakeholders based on mutual trust.



< Conceptual diagram of "implement CSR management" >

Based on our four themes of internal control, human resource management, environmental management and social contribution, we will implement activities in a wide range of areas and build a trustworthy relationship with all stakeholders.

# Internal Control

## 【Company's operating management system】

Currently, the company established management systems represented by quality, environment and safety and health; however, document management and promotion system except ISO is not perfect enough. As customer proposed the requirement of establishing such management systems as goal achievement situation, internal and external audits situation, review and implementation system by administrators on corrective measures related to constitution of compliance, the company decided to establish the company's operating management system except ISO9000, ISO14000 and OHSAS18000 for systematic summarization and regulation on content of administration, compliance and risk management, as well as corresponding audit at request by customers and control on management risks in compliance, labor rights and business ethics, administration and other aspects. So far, framework of management system manual has been preliminarily completed.

The headquarters promoted IAMS system as well.

## 【compliance and risk management】

The company requires the full implementation of compliance activities, and in order to achieve the objective of the compliance promotion, we set the Compliance Promotion Committee, composed by the chairman, vice chairmen and members, compliance promotion responsible person and the secretariat. Since June 2007, we convene a meeting of the Compliance Promotion Committee once every six months to conduct compliance promotion activities.

In addition, we set the Compliance Oversight Committee whose duties are to deal with the problems in the process of compliance promotion.

Taking into account of the rapid changing operating environment, the risk issues which will bring serious impact to business activities or harm to the corporate value may increase. To this end, we hold a meeting of the risk management Promotion Committee with the goal of developing the business sustainably and improving the interests of our company. Since October 2009, every three months to every six months, the ministers over management staff participate in a regular meeting of risk management.

Since June 2012, we combine the Compliance Promotion Committee and the risk management Promotion Committee into one compliance and risk management Promotion committee. The Promotion Committee's duties are not only: to determine compliance development direction throughout the company; to implement compliance activity reports and evaluation; to control the violation matters of compliance; to carry out elementary education and other compliance related matters. But also the members of the Committee seriously discuss further how to promote the risk management activities like what measures should be taken and what specific should be done around the company's risks. All departments develop and implement a program of activities. Through risk management activities, staff optimization, environmental improvement and cost improvement get good results.





### ■ Standards for Employee Behavior

The IBIDEN Electronics (Beijing) Standards for Employee Behavior - Employees' Code of Conduct was formulated in February, 2006. In November 2010, articles with regards to employees' human rights in the Code of Conduct for Employees were amended at request of interested party. In January 2013, chapters and sections of the Code of Conduct were accordingly amended and revised in line with amendment on IBIDEN Group Charter of Behavior.

### ■ Compliance reporting system

If an employee finds corrupt or non-compliance behaviors, he should directly feedback to the Compliance Report suggestion box. We also publish and open the report channel of the Compliance Oversight Committee to suppliers and related parties.



# *People oriented and harmonious development* Human Resource Management

Employees are precious treasure for achievement of sustainable development of the company. IBIDEN Electronics (Beijing) adheres to the principle of people-oriented, encourages development of diversified capacities of talents and creative gift, and constantly optimizes allocation of human resources. In addition to safeguarding employees' legal rights, we are committed to concern on employees, enhancement of training and development of talents, and dynamic integration of self-development and value realization of employees with development of the company for the purpose of mutual growth of both employees and the company.

The company continuously implements the simultaneously developed talent strategy of "internal growth and external recruitment" and cultivates a team consisting of talents with outstanding specialty accomplishment and professional dedication. By the end of March 2013, total number of employees of 24-year average age reached 2,500.

## **【Standard employment system and safeguard employee right and benefit】**

The company strictly enforces national labor laws and regulations that signs labor contracts with all employees, timely contributes all kinds of social insurance in full specific amount, and fights against forced labor. We continuously improve a variety of employment system, adhering to fair and impartial principle; formulate scientific job responsibilities and rational allocation of human resources for sufficient guarantee of employees' rights; and continuously optimize employees' dormitory, shuttle and other supplementary welfare guarantee.

## **【Focus employee development and initiate better future】**

The company creates multi-sequencing channel of career development path for employees and indicates their vocational development direction; optimizes performance management system, introduces concept of management by objectives, and defines assessment criteria and performance incentives mechanism, so as to create sound development environment for mutual growth of both employees and the enterprise.

Focusing on talent strategy with priority to enhancement of employee's quality and capacity and optimization of structure of employee team, we establish and perfect "double-tower" talent cultivation and development model that on the basis of employees of different ages with different positions and capabilities at different levels, we implement targeted cultivation of professional skills and comprehensive capacity, to provide employees with solid support.

During the report period, the company improved training course and system necessary for employees at all levels, enriched training patterns and course contents for enhancement of their working capabilities and vocational level. We launched "middle-level and high-level management training program" "IEB-professional technology series training" "course design and development" and other training projects targeting employees at all levels. We organized 201 items of training, with a total of 133,653 training class hours, 16,430 person time throughout the year.

## **【Listen to employees' demands and emphasize democratic ideas】**

The company continuously improves internal communication and management system, establishes diversified information delivery channels and information expression channels, and encourages employees to participate in enterprise management. As to vital interests of employees, we promptly initiate response procedures for practical protection on the right to know and participation rights of all employees. Meanwhile, we grasp thought tendency of employees in all directions through satisfaction surveys, interviews and other ways for solution of various issues of employees with regards to salaries and benefits, vocational development and other aspects, for the purpose of cohesion of public support and promotion of harmony.

### **Case: Sunflower Plan of "hearty care and new commencement"**

During the report period, Personnel Department and Safety and Health Department jointly carried out the activity of "Visiting dormitory for voice of employees" at regular intervals. Meanwhile, the company established internal communication system, formulated Company's Internal Communication and Management Regulations, and increased communication channels conducive to employees' feedback to superior in such flexible patterns as precious-heat telephone hotline, precious-heat mailbox and precious-heart sunflower card.





## ◆ 【Devote to humanistic care and create harmonious culture】

Adhering to human-oriented concept of "respect and care", the company extensively launched such activities as health care of employees, care of female employees and visiting difficult employees, and implemented rich and colorful entertainment and sports to adequately relax mind and body of employees and create optimistic, progressive and harmonious atmosphere and culture.

### Case: Colorful employees' activities

Organization of outdoor sightseeing of employees



New Year's party of employees



Subsidy for difficult employees



Distribution of festival gifts to female employees on women's day



## ◆ 【Association】

In 2012 we use TPM new activity methods(Through innovation, standardization, efficiency and personnel training activities to increase the force of enterprise business, developing, manufacturing and managing) and invite external teachers to guide the improvement activities carried out.

External teacher guidance on STI :

External teacher guidance on TPM activity methods:

### case :

Factory TPM activity report



Equipment reliability improvement activities



Invite external teachers to do special guidance and seminar according to the actual situation of our factory monthly.



LPSR process guidance



Manufacturing technology department on STI Seminar

## ◆ 【Self-accomplishment competition】

During the report period, we raised 45 issues from the Self-accomplishment competition which was held a total of 6 times, once every two months, sharing improvement outcomes to carry out improvement activities horizontally on each process.



Self-accomplishment competition of Factory One



Self-accomplishment competition of Factory Two



Dormitory interview



Dormitory interview



Sunflower card

# Human Resource Management

## ❖【Improvement Assembly】

Carry out the Improvement Assembly activities of each group led by the senior leaders every month, which was held a total of 10 times in 2012. And improves a total of accusation 1,340, reached a rate of 83%.



Improvement Assembly on Nickel Au plating line of Factory Two



Improvement Assembly on Etching line No. 2 of Factory One

## Safety and health activities

### ❖【Safety, Health and Environment Committee】

The general manager serves as the chairman, and convenes monthly meeting regularly, the staff above the section chief of management department level and the staff above the system chief of production sector and staff representatives attend the meeting as members of the Committee, listen to the security environment department reporting security environment indicators advancing results of that month, discuss security environment priorities. It is the highest-level meeting of security environment management.

0 work-related injuries, 0 occupational diseases are the company's annual production safety goals. In order to achieve these goals, doing well the three-level safety education before the employees going into the factory, doing the periodic workplace environment detection, carrying out the full participation emergency drill are the focuses of the day-to-day work. From training and improving staff awareness of production safety, carry out a series of colorful safety activities, integrate the construction of safety culture into the corporate culture construction, nurture and create an overall safety culture.

The working accident occurrence rate in 1 million labor hours is 0.51 in 2012. Sickness absence rate is 0.30. The number of employees had a medical exam are approximately 2300 person.

On the basis of the previous achievements, the company develops the 2013 annual occupational health and safety objectives and targets:

1. 0 injuries and occupational diseases
2. Pass certification for safety production standardization implementation
3. Sickness absence rate (cumulative) below 0.5

The following are parts of the company's safety and health activities:

organize fire drills, health lectures, primary knowledge of first aid training, AIDS intervention activities and so on.



Health lecture



Primary knowledge of first aid training



AIDS intervention



Fire drill



# Environmental Management



## 【Energy conservation activities】

Energy conservation and emission reduction is eternal theme of current society, and advocacy of green and pursuit of environmental protection have always been concept of IBIDEN Electronics Group.

The company establishes energy-saving committee with key of energy protection lessons and environment lessons and members of all departments to jointly promote energy-saving. Set annual energy-saving objectives and index every year, discuss and confirm improved plan and push forward energy-saving improvement according to implementation plan. Energy-saving Management Regulation formulated by the company include energy management responsibility of every department, energy-saving objective management, energy-saving education and training, energy-saving management requirements, energy measurement and data statistics, energy-saving technology improvement, energy-saving reward system, etc. Implement energy monitoring, check and keep records for daily energy saving, blame the phenomenon of energy waste and formulate strategies to implement improvement measures and realize continuous improvement of energy management.

In order to achieve annual energy-saving objectives, the company implements regular meeting system of energy management. Harmonize all departments to conclude and arrange energy-saving work, push forward the improvement of energy-saving and optimize energy management system through weekly meeting of energy-saving working team and monthly meeting of energy-saving committee to continuously improve energy management level and energy-saving effects of the company.

Minister of protection department of the company is appointed as the charge man of energy-saving committee, who will discuss and arrange energy-saving work of the company with committee members regularly, including:

- Convene energy-saving regular meeting of relevant departments every Friday, in which every department will report the progress of current energy-saving work and the plan of the next work.
- Convene meeting of energy-saving committee every month, in which relevant leaders will arrange and plan the energy-saving work.
- Set energy-saving objectives and confirm the objective accomplishment condition regularly, and then investigate the unfinished objectives and establish improvement plan.
- Organize energy-saving activity for the company regularly.



## 【The improvement instances of energy efficiency】

Energy-saving improvement of the company will be done in two aspects, management improvement and technology improvement respectively.

### ( 1 ) Following work were developed in 2012 for management improvement:

- Firstly: Implement weekly energy-saving tour inspection to search problems in No. 1 plant and No.2 plant to stop waste. 236 problems were found and improvement rate is 100%.
- Secondly: Insist to convene energy-saving promotion meeting. There are total 137 proposals were proposed, which shall be fulfilled in 2012 as planned.
- Thirdly: Positively response power ration requirement of Beijing in summer to decrease air conditioning load and control and manage the temperature of air condition in whole plant, which effectively decrease the load pressure from IBIDEN Electronics (Beijing) on BDA ( Beijing Economic -Technological Development Area ) power grid in electricity peak period.
- Fourthly: Inspect lighting of the whole plant and adjust the necessary lighting according to illumination to push forward the improvement of energy-saving.
- Fifthly: It is required to test the condensation water quality everyday to maintain the unqualified water in time, which effectively decreases the consumption of pure water and natural gas.
- Sixthly: Use outdoor cold source in time according to seasons to decrease energy consumption to maximum extent.
- Seventhly: Control water and electricity index of production equipments to promote the energy consumption in unit cost.



# Environmental Management

## (2) Following works were developed for technology improvement:

- Firstly: Recycle and utilize high pressure washing for grind, which effectively save water consumption of 2468.52t/year.
- Secondly: Stop using water supply pump of reclaimed water in No. 2 plant and use the pressure of main pipe for reclaimed water supply to directly supply for power equipments, which reduces 260,000KW electricity.
- Thirdly: Stop operation management of central air-conditioning of water treatment, which save tap water source 1800t.
- Fourthly: Extend water time of resin tower for pure water to reduce regeneration time of resin tower and save great amount of water and chemicals for resin tower.
- Fifthly: Use LED light to replace present daylight lamp, which may save 1156320 Kwh of electricity every year.

Compared with 2011, the amount of energy saving reaches 2834 ton of standard coal equivalent with continuous promotion of energy-saving activities.



### 【Focus on improving the project "Improvement of recycling water direct supply in No. 2 plant"】

30KW water supply pump is used for motive water supply in No. 2 plant to directly supply for a whole day, the power consumption of which is great. Pressure of reclaimed water supply in developed zone may reach to 0.45Mpa, and the pressure may remain 0.2Mpa above when water consumption in plant is large, which may satisfy with the requirements of water supply pressure of motive equipments. Stop using reclaimed water supply pump after 2-week stability test and adopt direct supply from water pipe network of reclaimed water in developed zone. No abnormality in water supplement of equipment.



Photos of activity scene in company



Appraise of excellent energy-saving proposals

Summary of energy saving activities conference



### 【Implementation of green procurement】

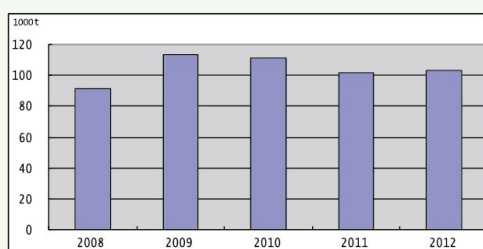
Since the green purchasing management system has established in 2011, the company continuously perfect and improve the operation of system. Enhance the investigation and examination against the supplier in 2012 and make investigation and evaluation for green purchasing against packing material suppliers, new-imported raw material supplier, semi-manufactured goods suppliers and other 18 suppliers. Based on the implementation of investigation of chemical substances from suppliers, establish green purchasing management database of suppliers, provide relatively complete information for control of hazardous substance in product and do not purchase goods not met with purchasing requirements to ensure all the goods provided by suppliers are satisfy with requirements. Revise chemical substance management reference according to customers' requirements to control limit value of chemical substance content more strictly.

Push forward green purchasing with suppliers for all the goods, from raw materials, spare parts to office supplies by operation and implementation of green purchasing management system, develop activities for comprehensive evaluation of environmental influences and devote ourselves to making contribution to social sustainable development.

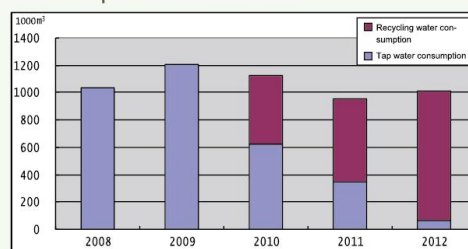


## 【Environmental load associated data】

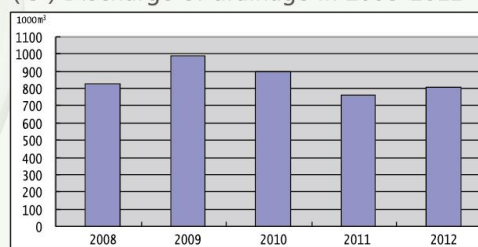
( 1 ) CO<sub>2</sub> emissions in 2008-2012



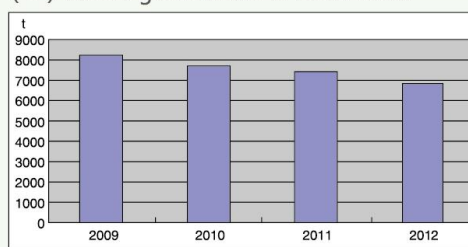
( 2 ) Tap water and recycling water consumption in 2008-2012



( 3 ) Discharge of drainage in 2008-2012



( 4 ) Waste generation in 2008-2012



( 5 ) Exhausting

Discharge point	Test items	Unit	National standard	Beijing standard	Self-management standard	Average	Maximum
Mist purification tower	Sulfuric acid mist	( mg/m <sup>3</sup> )	45	5	4.5	0.08	0.15
	HCl	( mg/m <sup>3</sup> )	100	30	25	3.86	4.74
	HCN	( mg/m <sup>3</sup> )	1.0	1.9	0.9	0.05	0.05
Carbon surface	Toluene	( mg/m <sup>3</sup> )	40	25	20	0.06	0.09
	Phenol	( mg/m <sup>3</sup> )	100	20	15	0.02	0.02
	NMHC	( mg/m <sup>3</sup> )	120	80	70	0.79	0.97
Deodorizer	Ammonia	( mg/m <sup>3</sup> )	—	30	25	0.50	0.78
	Hydrogen sulfide	( mg/m <sup>3</sup> )	—	5	4.5	0.13	0.24
General exhaust	Dust	( mg/m <sup>3</sup> )	120	30	25	1.45	1.90
	Toluene	( mg/m <sup>3</sup> )	40	25	20	0.05	0.06
	NMHC	( mg/m <sup>3</sup> )	120	80	70	2.26	2.67





# Social Contribution

We carry out some activities in China with the corporate philosophy of “with respect for both individuals and the global environment”.

## 【Social activity】

### ◎【voluntary service organization】

In March, 2013, the company approves to establish voluntary service organization of IBIDEN Electronics (Beijing) to recruit volunteers. As the “Capital Civilized Unit” of Beijing, the company will develop volunteer service activities according to requirements of Beijing, developed zone and company and enterprise culture. The task of the company is participating volunteer service activities, maintain inner order, defuse conflicts to provide guarantee for enterprise development and improve civilized etiquettes of employees.

### ◎【activity for helping student in poverty-stricken area】

The company invested capital and called leaders and employees to donate books and other goods, and organized 31 employees of heart group of IBIDEN Electrics to go to national destitute areas to help students of Yanghe Town Central Primary School of Kangbao County, Hebei Province and Xiao'er Taixiang Central Primary School of Zhangbei County, in which the number of beneficial students are over 500.



## 【Environment activity】

### ◎【tree planting activity】

The company has developed tree planting activity in suburb of Beijing for 3 years since 2010. Monument was established in planting area.

On April, 21st, 2012 (Saturday), 200 people of the company, including leaders and employees went to South Baidai Village in Fangshan District of Beijing developed social contribution, the third Beijing suburb planting activity. In this activity, 220 trees were planted and trees planted before are maintained. Concept of social responsibility of the company was implemented and carried out in this planting activity to achieve the objective of harmonious development of both enterprise and environment.



### ◎【the recovery activity of available resources】

Since 2010, in the way of providing employee's awareness to the environment protection and the response to calling for energy conservation and emission reduction, we recycle the recyclable resources including waster paper, used books and magazines, newspapers, drinking bottles and cans which we ignored in the past. We make contact to cash with the recycler and the money from the recycling will be used on other social contribution activities.

Since the carrying out of the activity, we cumulate 3864.5 Yuan and from April 2012 to March 2013, we recycle and accumulate community fund 692.5 Yuan.





# Company Profile

## 【Development】

2000	December	● IBIDEN Electronics (Beijing) Co.,Ltd. established
2001	April	● Foundation ceremony of First Factory held
2002	April	● First Factory completed
	August	● The post-processing started
2003	January	● The whole-processing started
	July	● ISO14001 series certificated
	December	● Foundation ceremony of the extension of First Factory held
2004	April	● TPM activity started
	September	● The extension of First Factory completed
2005	March	● ISO9001 series certificated
	June	● Foundation ceremony of Second Factory held
	September	● Put the FVSS® product into production
2006	September	● Production of Second Factory started
2007	March	● OHSAS18001 Occupational Health and Safety Assessment Series certificated
	November	● First Factory won TPM(Total Productive Maintenance) Excellence Award
	December	● Achievements obtained in water-saving activity
2008	February	● Phase II equipment investment (---September) of Second Factory instituted
2009	June	● Put the e-Flex product into production
2010	January	● The formal review of Cleaner Production (at First Factory) passed
2011	November	● Acquire Beijing Safe producing Month Award for best practice activities
2012	February	● Top 50 for tax payment and top 50 tax increase enterprise
	July	● Gain the Capital cultured and civilized work unit

## 【Company profile】

Company : IBIDEN Electronics (Beijing) Co.,Ltd.

Office: No. 15, Rongchang East Street, Beijing Economic -Technological Development Area

Zip: 100176

Organized: Dec 25th, 2000

Ownership: Japanese sole proprietorship

Main: High-density high-layer-count PWBs

Tel: 010-67882288

Fax: 010-67872807

Home-page: [www.ibibj.com.cn](http://www.ibibj.com.cn)

Parent company: IBIDEN CO.,LTD.

Chairman: MR. Sagisaka Katsumi

General : MR. Yuan Benzhen

Total investment: USD 238,000,000-

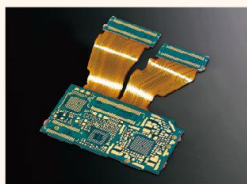
Capital amount: USD 84,900,000-

Plant area: First Factory: 37,500m2 / Second Factory: 79,600m2

Number of employee: 2,546

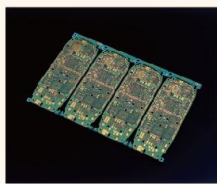
As of March 31st, 2013

## 【Main Products】



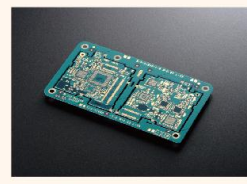
e-Flex Substrates

Rigid-flexible substrates partially using flexible materials. By eliminating a connector, it achieves thinner products and high connection reliability.



Build-up Substrates

Laser-formed vias enabling to provide the high-layer count PWBs with extremely dense patterns.



FVSS® ( Free Via Stacked Structure )

FVSS® is the next generation build-up PWB with fullstacked structure achieved by filling micro-vias with copper.



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