



# CSR

Report 2015

Report period: April 1, 2014 to March 31, 2015  
IBIDEN Electronics (Beijing) Co., Ltd.

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## Message from the Chairman

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### Message from the Chairman

To build a better society, and to achieve sustainable development of our company,

To closely combine CSR and corporate operations, to be more deeply and actively engaged in CSR activities.



#### To be more actively committed to environmental improvement

We will actively implement environmental protection activities to prevent global warming and improve waste recycling rate, continuously improve manufacturing engineering, provide various products produced with low environmental-load manufacturing engineering, carry out energy conservation activities and production initiatives in the principle of clean production, and make contributions to the Earth's environmental protection cause.

#### To pursue real management and fully participated business activities

According to the IBIDEN Way spirit summarized and modified in the 100th anniversary of the company, we are working for the company's sustainable development. We will be more united and strive for greater achievements towards a higher goal. We promote "cross section teamwork activities" to realize true management and fully participated business activities.

#### To systematically promote the global CSR management

IBIDEN Group, based on both the IBIDEN Way and the IBIDEN Group Charter of Behavior, which builds trustworthy relations between the enterprise and society through corporate operations, and is committed to promoting operation reliability and transparency. Real CSR operations complaint with corporate culture will be put into practice to maintain permanent operations and contribute to social development.

Chairman: 西田 剛



## CSR Operation conception and promotion system

IBIDEN Group's CSR follows the corporate philosophy of "having respect for both individuals and the global environment, contributing to the progression of society through innovative technology". We are committed to promoting reliability and transparency of corporate operations, and build the trustworthy relations between the enterprise and society, aiming to seek the group company's permanent existence and contribute to social development.

"IBIDEN Group Charter of Behavior" reflects the responsibilities of transnational corporations and its requirements for stakeholders represented by world's leading customers, which reflects the goal of CSR activities, and also is the striving direction of all employees of the group companies.

### [CSR promotion system]

The company appoints Operating & Planning Departments the promotion department of CSR activities. All departments have appointed persons in charge of promotions in their respective departments' CSR and compliance activities, supervising the execution of compliance activities and training department employees. In addition, Operating risk management promotion committee plans social contribution activities and follow EICC (Electric Industry Code of Conduct) and other international norms to advance development of causes, thereby strengthening CSR management.

To strengthen CSR management, we must raise each employee's awareness of CSR, to popularize the importance of CSR, we will continue to implement enlightenment education



## IBIDEN Group Charter of Behavior

### 01 Compliance with laws, regulations and ethics

We comply with laws, regulations and ethical requirements in countries and regions where its business operations are based. We fight against corruption of all forms, carry out open and fair corporate activities and are committed to be a company widely trusted by international community. At the same time, we also protect and properly manage personal and customer data and information of other forms.

### 02 Development Together with Stakeholders

We develop with our stakeholders because we increase management transparency and build trustworthy relationship through communication. In addition, as a good corporate citizen, we actively carry out community-based activities that contribute to society.

### 03 To provide customers with satisfaction

We provide customers with satisfaction, because we can well understand social trends, future needs and development. Through the progressive development of IBI-Techno, we provide safe and reliable products and services to maximize our customers' satisfaction.

### 04 Management based on global standards

We manage our group with global standards. We respect human rights and other international norms of behavior. Also, when conducting our corporate activities, we respect the culture and customs of each relevant country or region.

### 05 Harmony with Nature

We are in harmony with nature in all areas of our corporate activities. We are trying to develop technologies and maintain a good balance between environment and business, actively promote energy and resource conservation activities, and provide environmentally friendly products and services.

### 06 Attractive and dynamic company

According to our fair, impartial and performance-linked personnel appraisal system, we are committed to being an attractive and dynamic company. We aim to have a safe and comfortable working environment. We create a corporate culture that can motivate and satisfy employees' sense of achievement. We have respect for diversity of talents, and fully exercise their skills and abilities.

### ▼ [CSR policy]

We aim to enhance our corporate value

- By raising awareness of the need for IBIDEN to act responsibly and honestly in the interest of sustainable operations
- By fulfilling our responsibilities in a well-balanced manner from an economic, environmental and social standpoint
- By working in partnership with all of our stakeholders

Conduct activities widely in internal control, talents management, environmental management, and social contribution, build relationships with our stakeholders based on mutual trust.



• Global environment •

## Internal Control

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### Internal Control

To enhance corporate value through sustained growth and achieve corporate governance, we realize that "building reasonable system to ensure business" (internal control) is the foundation, and an important subject of corporate operation, and are actively promoting it throughout the group companies.

The purpose of IBIDEN Group internal control is to actively carry out "compliance and risk management promotion activities" to strengthen internal control and to build transparent corporate governance system trusted by society. In addition, IBIDEN Group's "internal control" means that all employees independently develop the company's frame and system for internal control to improve the effectiveness and efficiency, comply with business operation relevant laws and regulations, protect corporate assets, prepare trustworthy and correct financial account budget, financial statements, and accurately process daily business to ensure healthy and stable operation of the company.



#### [Compliance Promotion Activities]

The company has set up a Compliance Promotion Committee and the general manager serves as the chairman so as to widespread compliance awareness among employees. The Committee is responsible for preparation of summary reports of the company's compliance activities, implementation of activity assessment, and development of principles and plans based on which corporate activities are carried out.

Company Compliance Promotion Committee meetings are held twice a year, two sessions for 2014 were held in June and December respectively.

**Compliance Education:** To promote compliance activities, it is needed to continuously maintain employee consciousness at a higher level. Therefore, in order to increase employee awareness of compliance, each division enforces compliance activities, and laws and regulations as well as the company's internal norms, CSR activities, and staff education and training on conduct code associated with daily business should be continuously carried out. The company further implemented reception fee management related education in 2014 and strengthened entertainment expenses management. Counteracting education has been provided to internal management against bribes, further enhancing corporate management level of prevention and discovery of improper behaviors.

**Compliance evaluation:** the company has enforced compliance evaluation since the second half of 2009. In addition to evaluation of compliance pursuant to compliance evaluation specifications of ISO14K and OHSAS18K, the Operating& Planning Department will evaluate in July every year the compliance by relevant departments of laws and regulations. Incompliant situations, if any circumstance occurs, will be rectified, which will enhance the level of legal compliance.

**Internal and external audit:** Operating& Planning Department implements internal audit and corresponds to external audit (customers and the headquarter). Internal audit involves interviews with staff, looking up documents and etc. for strengthened internal control. Results of internal audit will be communicated to the supervision office of the headquarters, which improves the timeliness of the group company's overall audit system. External audit means the entire company, compliance, fiancé, asset and other aspects. Rectifying measures should be taken internally for continued improvements in case of inconsistency in actual business.

#### [Risk management promotion Activities]

##### Basic policy

Analyze varied risks in corporate management, and properly handle losses of operation resources that greatly influence the company's smooth operation to decrease losses of safety of stakeholders including shareholders, clients, directors and employees as well as corporate operation resources, and maintain sustainable corporate operation.

The company develops risk management objectives twice a year in line with the company's basic guidelines and risk management regulations. Responsible management departments are established for each risk project to actively promote risk management initiatives. In addition, the company regularly carries out risk evaluation and includes issues having a great impact on corporate operation as key issues. Risks are reduced to ensure sustainable corporate operation. In 2014, activities that might reduce import & export procurement were carried out, so were activities involved with changed environmental laws in response to air pollution.

Besides risk management related to corporate management, labor rights and ethnical risk management in the perspective of labor protection have been carried out in response to client requirements, and this improves the company's CSR event management level.



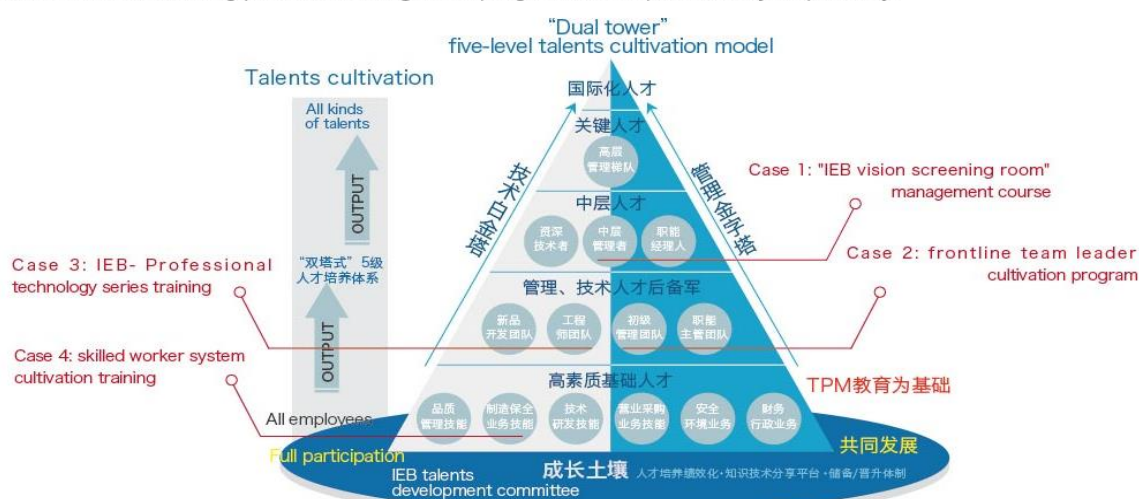
## Human Resources Management

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Employees are a valuable asset to achieve sustainable growth. Ibiden Beijing is people-oriented and encourages diversified development and creativity of talents. The company unremittingly optimizes human resources configuration, maintain staff' s legal rights, and are committed to employee care, strength talents cultivation and development, organically combine staff' s self-development, value realization and corporate development for common development of employees and the company.

### Long-term employee training mechanism

The company' s "twin towers" talents cultivation system establishes cultivation system respectively for management personnel and technological personnel. We introduce many forms including expert instruction, action learning, and Internet classes in cultivation of management talents. Cultivation of technical personnel centers on position skills and knowhow of quality, cost and manufacturing process are taught in a progressive and planned way respectively.




During the reporting period, the company improves all levels of staff training curriculums, enriches training forms and course contents, to enhance their working capacity and operational level. "IEB vision screening room", "IEB- professional technology series of training", "frontline team leader growth plan" and other training programs for all levels of staff are launched. 167 trainings are organized throughout the year, a total of 206,122 class hours, training a total of 25,003 employees.



Action Learning  
World's coffee discussion



Group photo  
taken after training



Video viewing  
and Wechat discussions

**Case 1:**  
"IEB vision screening room"  
management course

In order to enhance the management skills of middle and senior management, we carried out in stages trainings especially for department managers. With mixed trainings taken in the form of collectively watching video lectures, group discussions, situational question solution simulations, and Wechat group discussions, participants master the essential mentality, skills, and leadership, they also analyze actual work problems, exchange their ideas and achieve the purpose of team integration.

### Case 2: Frontline team leader improvement Plan

In order to enhance the management level of frontline managers, stabilize frontline staff and enhance their operational level, we carry out a series of training to frontline group leaders primarily in the form of case study. The training is divided into new group leader cultivation module and incumbent group leader cultivation module. Different cases are chosen for different training objects. Training in five aspects of role cognition, communication skills, cultivation of subordinates, work relationships, and work improvements, so that participants may acquire management knowledge with simulated processing of cases.



Case study ▲



Case explanation  
in group discussions ▲



Group  
treatment advices submittal ▲

### Case 3: IEB- professional technology training series

In order to continuously improve the produce quality, technology of process and technical equipment capacity of the company' s products, we train the company' s relevant technical staff. We implement technical trainings with invited Japanese experts from the headquarters, external trainers and internal senior engineers. Technical training not only provides technical and instrumental methods to participants, but also sets up a communication platform for technical staff, so that they learn and improve together.



External  
trainers give lessons ▲



internal  
experiment discussion ▲



Japanese experts  
from headquarters give lessons ▲

### Case 4: Mechanic system cultivation and training



director motivates masters ▲



One-to-one  
experienced worker guidance ▲



Team leader guides worker ▲

In order to develop outstanding frontline operators, enhance work improvement and TPM level, we adopt "one-to-one" mode training for technical staff since their recruitment. Experienced workers are designated as masters of newly recruited and those masters are well selected and trained, and they may familiarize new employees with work and manufacturing skills. Cultivation of masters is another way to improve site staff technical level, and only masters can be promoted to a higher technological position.



## [IPM Promotion Activities]

### IPM Education Activities:

TPM activities this year are in their stage of high-speed development and enhancement. Frontline management mastering activity approaches may educate and cultivate frontline worker and improve the comprehensive skill level of all employees.



Implementation of standardized management education



Three preservation basic methods education of maintenance dept

Senior leaders and TPM activity experts give TPM activity guidance on a regular basis, providing effective protection to improve TPM level.

### [Guidance meetings]

External lecturers are invited for targeted and planned guidance on TPM activity approach.



Equipment loss improvement lecture-type education



LT shorten improvement subject frontline guidance

### [Awarding meeting]

JIPM Association awarded prize on March 18, 2015, Tokyo, Japan after TPM excellence award audit.



Award for excellence in Consistent TPM Commitment



Group photo of company representative and JIPM experts



Award for excellence in Consistent TPM Commitment marks a new level of the company's TPM activity management level; with joint efforts, the company will be built in to safe, environmentally protectively, high-tech, high-quality, highly-satisfactory, high-yield and sustainable modern plant.

### [The "Improvement" Meeting]

Action and fully participation of all company members, by combining theory with actual practice.



Small group self-maintenance improvement meeting



Management improvement meeting

### [Audit meeting]

JIPM Association (Japan Institute of Plant Maintenance) experts audit TPM excellence award activity for two times in July and December, 2014.



The First audit meeting in July 2014



The Second audit meeting in December 2014

## [Safety and health activities]

### Occupational Safety and Health Basic Policies

In accordance with "IBIDEN WAY", through full participation in occupational safety and health activities, we minimize factors that threaten the life and health of all staff involved with corporate operations and that is our basic policy, with this we coordinate occupational safety and health and the company's operating activities.

**Environmental Health and Safety Committee:** With General Manager as the chairman of the committee, regular monthly meetings attended by division directors and above from management department and section directors and above from production department as well as staff representatives as committee members, safety and environment department's lecture on monthly safety & environment indicators promotion will be given, and key safety and environment issues will be discussed, making it the highest ranking meeting on safety and environment.

Zero injury and zero occupational disease is the company's annual safe production target, in order to achieve this target, three-level safety education before operations should be ensured. Operational place environmental monitoring, accident emergency drills fully participated by all staff are still the focus of our routine work. Starting from cultivate and improve staff's sense of safe operation, we carry out a series of safety activities and integrate safety culture into corporate culture construction, cultivating and creating overall safety culture.

The company's frequency level of occupational injuries per one million working hours was 0.59 in 2014 and sickness absence rate was 0.32. 1137 employee health examinations have been carried out.

Based on previous achievements of the company, we have made the indicator of occupational safety and health goal in year 2015.

①	Frequency of occupational injuries (one million work hours)	0
②	Occupational injury severity level (one million work hours)	0
③	Number of fire and other incidents	0
④	Sickness-caused absence rate (cumulative)	< 0.5



virulent training



Elementary first aid training



Safety month award meeting

## Basic Policy

According to "IBIDEN WAY" and with fully participated activities to reduce environmental load, we reduce the impact on the Earth's environment by the company's operating activities, inherit this concept to next-generation enterprises and coexist with global environment.



## [Environment emission reduction activities]

In order to fulfill corporate social responsibility, the company has been actively promoting environmental pollution reduction activities, carried out clean production-oriented activities and continued to promote environmental improvement. In response to the Beijing Clean Air Action Plan, the company makes low-nitrogen modifications to gas-fired boilers to reduce nitrogen oxide emissions. By replacing boiler burners and re-combustion of boiler exhausted fumes again, we improve boiler combustion efficiency, and reduce nitrogen oxide emissions by 5 tons. In addition, by optimizing the process, we reduce the use of drugs containing volatile organic compounds and reduce the emissions of VOCs. In terms of waste, the implementation of copper waste liquid copper recycling reduces sludge production capacity by 500 tons. As to energy conservation, the use of cold winter natural source by refrigerators reduces natural gas use by 1.8 million cubic meters.

Energy conservation improvement group was founded, the power maintenance, equipment technology, environment department and related department joint hands in improvements, which mainly include:

- (1) Monthly confirmation of energy saving progress and promotion of outstanding energy saving cases in other plants with the headquarter;
- (2) Energy saving meeting is held monthly and relevant leaders will arrange energy saving work;
- (3) Energy-saving targets are developed to confirm regularly completion of targets, review incomplete targets and develop improvement programs;
- (4) The company also regularly organizes energy conservation activities.

### Improvement Cases of Energy Conservation

The company's energy conservation improvements are carried out mainly in two aspects were, respectively, basic improvements and technology improvements.

(1) The following works was carried out in 2014for basic improvements:

First: Timely adjustment of fresh air depending on the season to minimize energy consumption.

Second: Active use of new energy conservation products (replace backward motor, introduce LED lighting should be eliminated).

Third: steam condensate water quality is tested daily, and non-qualification will be timely maintained, effectively reducing the consumption of water and natural gas.

(2) The following works was carried out for technology improvements:



three adjustments of standby equipment in the 2<sup>nd</sup> plant are made



three adjustments are made to air knives and pump frequency of certain equipment.



Outdoor cold source is used in winter, and the 1<sup>st</sup> plant saves 404 thousand KWh, and the 2<sup>nd</sup> saves 382 thousand cubic meters of natural gas.



Boiler exhaust gas emissions improvement, nitrogen oxides emissions of the 1<sup>st</sup> plant is are reduced by 65% and these of the 2<sup>nd</sup> plant is reduced by 48.2%.



LED lamps are introduced to replace conventional fluorescent lamps and fluorescent lamps electricity consumption is reduced by 76%. (Cumulative replacement of 4115 lamps)



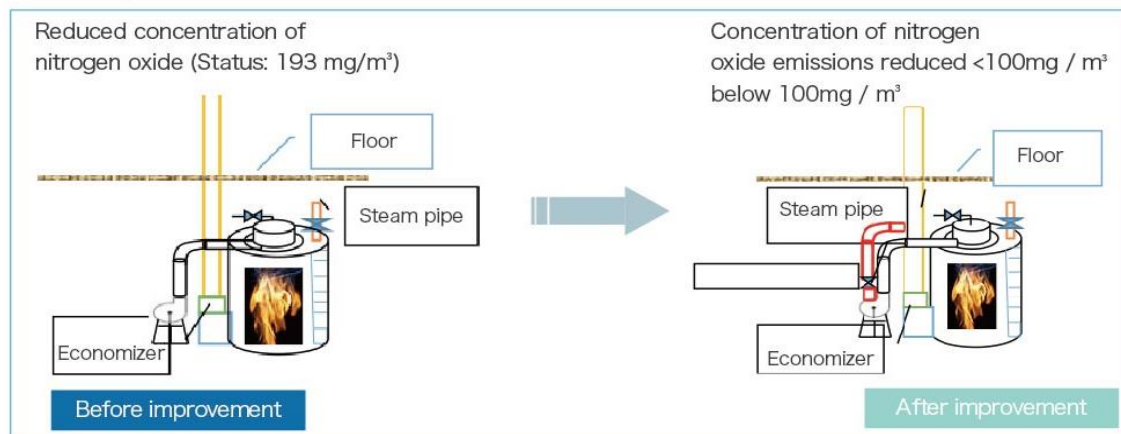
the 1<sup>st</sup> plant installs transducers for fresh air fan, reducing electric power consumption by 40%; the 2<sup>nd</sup> plant installs transducer for acid mist purification tower circulating pump reduces electricity consumption by 33%.





## Key improvement project 1- boiler exhaust emissions improvement

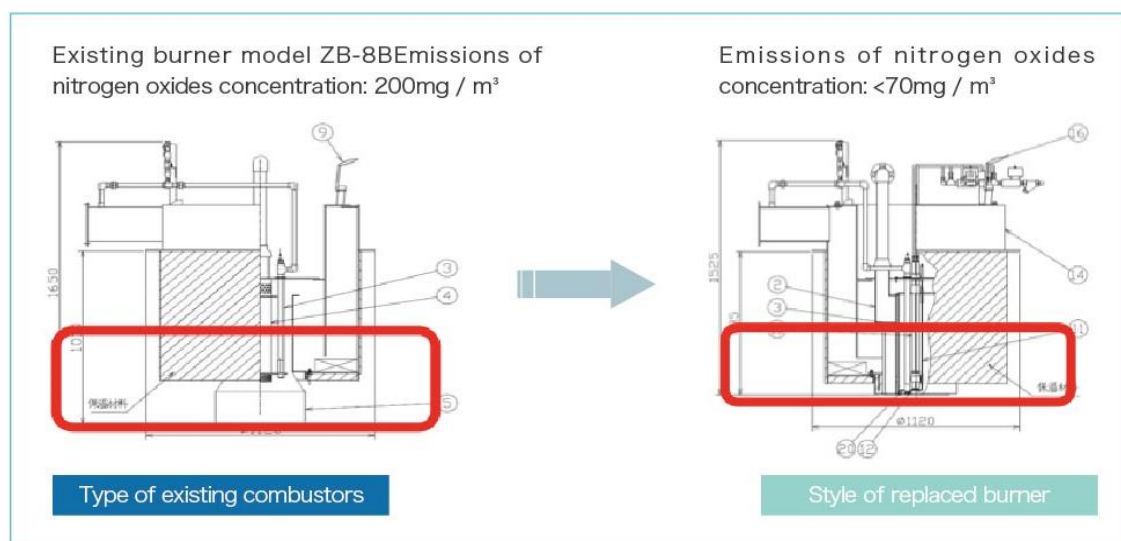
### ▼ The 2<sup>nd</sup> plant: CZI-1700, EI-2000 boiler



Principle: Exhaust fumes are again introduced into the boiler for combustion, reducing nitrogen oxide

Improvement: Connect the exhaust duct and the boiler fan air intake duct and install automatic valve control system to improve combustion efficiency.

### ▼ The 1<sup>st</sup> Plant: C Z I - 4 0 0 0 G S boiler

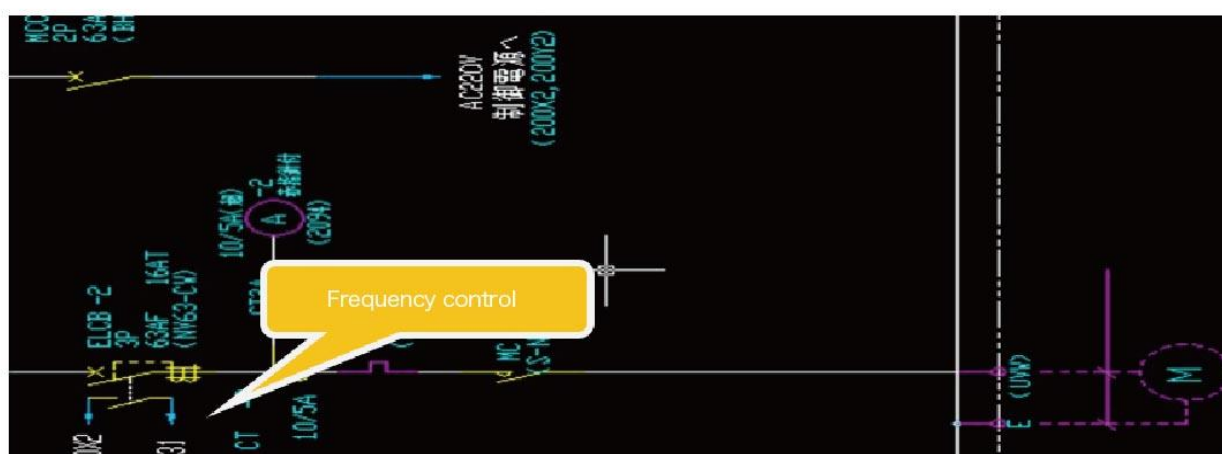


Principle: Replace for burners with good combustion efficiency to reduce nitrogen oxide emissions.

Improvement method: Replace current burner model ZB-8B to ZB-8W, improving combustion efficiency.

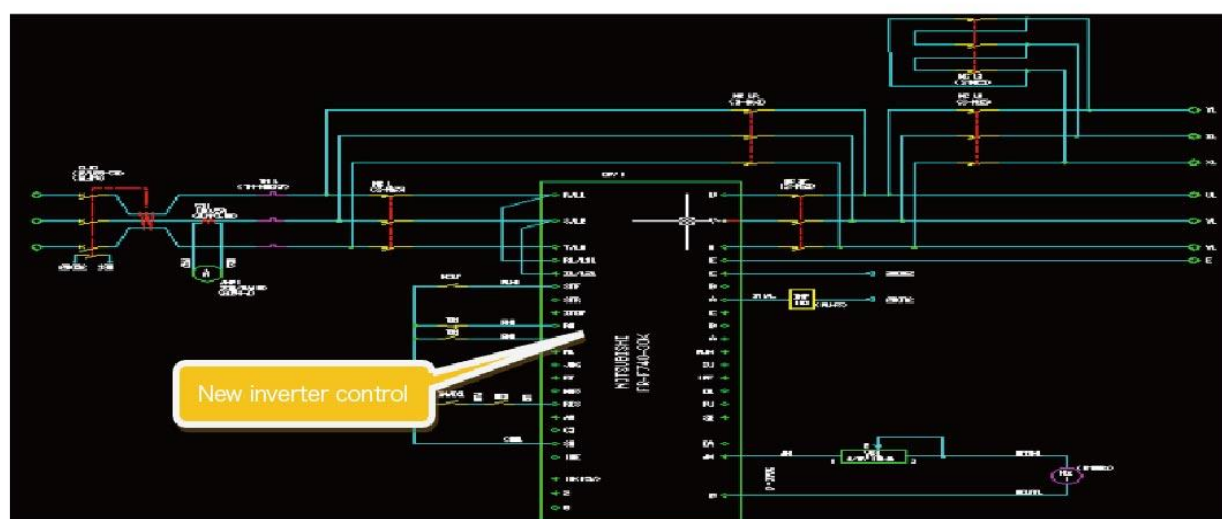
## Key improvement project 2 - acid mist purification tower loop inverter installation

The original water pump was directly operated with suction and closing control of the contactor, the high starting with electronic power currently and failure to automatically adjust operation status with actual needs cause a waste of energy resources.



Improvement programs:

1. According to use of site control cabinet Increase one 5.5KW inverter on the original control cabinet;
2. Use original pump control electrical components, make reasonable adjustment according to control;
3. The following diagram is a schematic diagram after transformation;

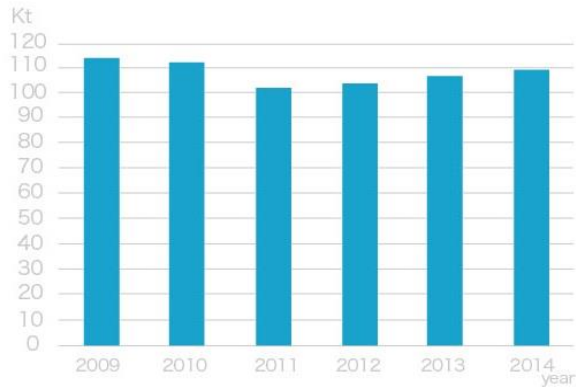




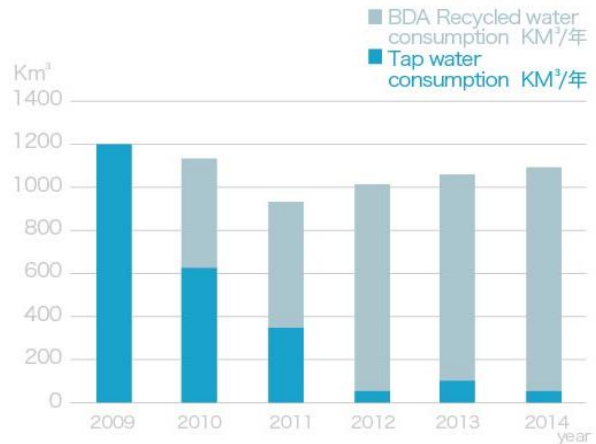
## Environmental Management

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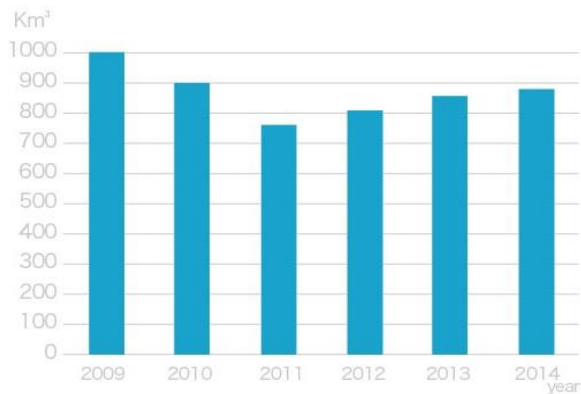
### [Environmental load related data]



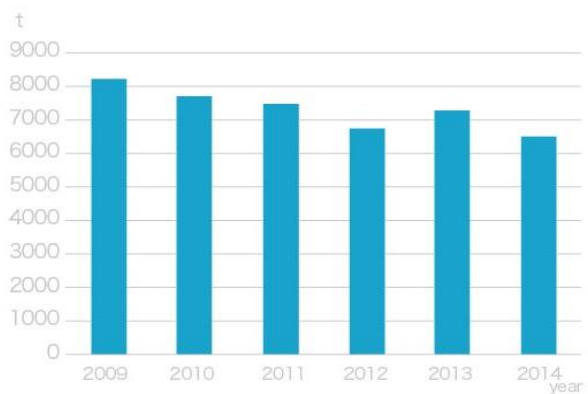
CO<sub>2</sub> emission, 2009-2014



Tap water and recycling water consumption in 2009-2014



Water discharge in 2009-2014



Waste generation in 2009-2014

Emission point	Inspection item	Unit	National standard	Beijing standard	Self-managem ent standard	Average	Maximum
Acid mist purification tower	Sulfuric acid mist	mg/m <sup>3</sup>	45	5	4.5	0.55	2.18
	Hydrogen chloride	mg/m <sup>3</sup>	100	30	25	1.51	2.74
	Hydrogen cyanide	mg/m <sup>3</sup>	0.5	0.5	0.45	0.15	0.18
Deodorization tower	Ammonia	mg/m <sup>3</sup>	—	30	25	0.41	1.19
	Hydrogen sulfide	mg/m <sup>3</sup>	—	5	4.5	0.04	0.08
General exhaust	Dust	mg/m <sup>3</sup>	120	30	25	3.28	7.70
	Toluene	mg/m <sup>3</sup>	40	12	10	0.20	0.30
	NMHC	mg/m <sup>3</sup>	120	20	18	2.20	7.12

Results of atmospheric exhaust

Our company carries out social contribution activities in the following three aspects in 2014.

### On April 12, 2014

On April 12, 2014, IBIDEN (Beijing)'s more than 120 employees and their families participated in tree planting activities in Beizhai Town, Huairou District, Beijing. The event witnessed the planting of more than 200 trees, improving environment and promote employees' awareness of environmental protection.



• Earth environment protection activity •



• Student caring activity •



### On November 1, 2014

On November 1, 2014, IBIDEN (Beijing)'s 13 staff representatives went to Hebei Duzhangzi Primary School and Qinmugou Primary School for students caring activities. Those students caring activities donated enamel blackboards, electric water boiler, books and stationery to those schools. While fulfilling its corporate social responsibility, the company helped students grow up healthily.

### On June 26, 2014

On June 26, 2014, IBIDEN (Beijing) Tug of War Team (13 people) participated the Third Tug of War Game in Beijing, standing out from 40 participating teams, and obtained an outstanding achievement of the fifth place. Through those sports projects, team spirit among employees was enhanced.



• Social region contributions activity •



## Company Profile

IBIDEN Electronics (Beijing) Co., Ltd. CSR Report 2015



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

Date of incorporation: December 25, 2000

Ownership: Solely Japanese-owned enterprise

Parent company: IBIDEN CO.,LTD.

Main products: High-density multilayer printed circuit boards

Total investment: USD 268,000,000-

Capital amount: USD 94,900,000-

Chairman: MR. Nishida Tsuyoshi

General Manager: MR. Yuan Benzhen

Number of employees: 2,450

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\*As of March 31, 2015

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