



2012

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

(Time: April 1st, 2011---March 31st, 2012)



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## → Corporate Philosophy

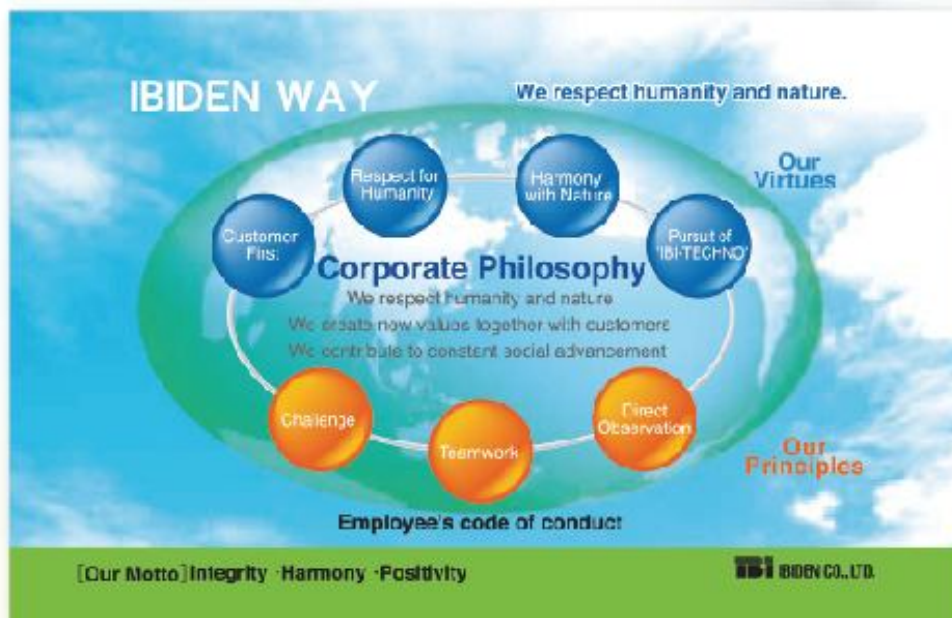
### IBIDEN WAY

#### [ OUR VIRTUES ]

- Respect for Humanity
- Harmony with Nature
- Customers First
- Pursuit of "IBI-TECHNO"

#### [ OUR PRINCIPLES ]

- Challenge
- Direct Observation
- Teamwork



### Corporate philosophy

While respecting people and the global environment, we create new value together with our customers. Further, the hearts of our employees throughout the entire Group are united in our efforts to contribute to sustained development of society.

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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 constant 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.

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

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.

Chairman: 伊藤克巳



## 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



<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

### Corporate Governance

The company actively carries out the "compliance and risk management promotion activities" to strengthen the internal control function, to strengthen the oversight function of the board of directors and the oversight function of the headquarter and the internal audit & secretarial office to establish the transparent corporate control system having social trust.

The goal of corporate governance is to ensure all the management and staff correctively implement business operation in accordance with the statutes and realize internal and external supervising operation management. It is to say maintaining the management system in the state of effectively running. Currently the company has a management system represented by quality, environment, health and safety. All management departments not only the direct departments, but the indirect departments also run PDCA by this management system and gradually improve the business.

### Compliance



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. The Promotion Committee's duties are: 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.

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

#### ■ Compliance policy

Our business activities comply with domestic and international laws, corporate ethics and the criteria of the related parties. All participate in continuous improvement and establish the trust of the community, continue to work with customers to create new values and contribute to the sustainable development of society.

#### ■ 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.





## Risk Management



### Further strengthen the company's risk management system

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. In order to further promote the risk management activities, the various departments seriously discuss 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. We have established and improved the company's risk management activities institutional.

## Supply Chain Management

### The announcement and implementation of Supplier CSR guidelines

The IBIDEN Group satisfies the customers with the corporate concept system of IBIDEN Way, recognizing that further cooperation with suppliers is essential in order to build good relations between the stakeholders. To jointly promote CSR activities can enhance the corporate value and can also achieve the sustained growth of the supply chain as a whole.

The IBIDEN Group makes public the "Fundamental Policy" "Guidelines for Procurement Activities" "Requests to Suppliers" on the website homepage of the company headquarter and invites suppliers to participate in CSR activities. In order to promote CSR activities with suppliers and continue to grow, according to the "Requests to Suppliers" we make the specific "IBIDEN Group Suppliers CSR Guidelines".

IBIDEN Electronics (Beijing) Co., Ltd. using it as the basis made and publicized "IBIDEN Electronics (Beijing) Co., LTD Suppliers CSR guidelines". And it requires the main suppliers to sign the compliance confirmation form about the CSR guidelines. On the basis of full understanding of the CSR guidelines by the various suppliers, we hope the suppliers commit to continuous improvement according to it. And we hope the various suppliers require their own suppliers also comply with the same suppliers' conduct standards and implement thoroughly.

# → Human Resource Management

## IPM activities

### ► IPM meaning

IBIDEN Profit Management

### ► IPM activities introduction background

In 2011, according to the company's development strategy, in order to reduce costs and make the company become a sustainable growing and developing company in China, the company introduced IPM activities. The TPM promotion room was changed to IPM promotion office.

### ► IPM activity methods

Through innovation, standardization, efficiency and personnel training activities to increase the force of enterprise business, developing, manufacturing and managing.



### ► IPM educational activities

This year, mainly through carrying out the education for the level above section manager, autonomous research of the level above Deputy Department Manager, basic education and training for the team leaders, education and training for the quality preservation activities, education and training for self-preservation activities and the 5S literacy training, we have greatly improved the staff's understanding on carrying out the IPM activities and consolidated the foundation of IPM activities.



The standardized operation training implemented by the internal lecturer of the company on the staff above the section manager level



The internal lecturer of the company is explaining how to carry out self-preservation activities

## Examples of activities

### Waste improvement - business efficiency improvement

Business efficiency improvement includes the improvement of business efficiency and management functions, clearance and high-efficiency of the office area, improvement of the function of various management departments and the work efficiency, parsing and improving business content by Rolls Analysis. This year the indirect departments mainly focus on the improvement of business content and management functions of business efficiency to carry out this activity.

#### [Association]

Invitation of external teachers to guide the improvement activities carried out by the indirect departments



Purchase order management business efficiency improves



The preservation plan preservation STEP4 waste improvement activity



### 【Self-praise Assembly】

Share improvement outcomes and carry out improvement activities horizontally on each process through self-praise.



Self-praise Assembly of Factory One



Self-praise Assembly of Factory Two

### 【Improvement Assembly】

Carry out the Improvement Assembly activities of each group led by the senior leaders



Factory One improves a total of accusation 12,564, reached a rate of 99%



Factory One improves a total of accusation 58,339, reached a rate of 99%

## 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 manager of management department level and the staff above the team manager 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.

In March 2011, we achieved the Beijing Municipal Safety Month Activities Award of Excellence. In October 2011, we were awarded the Beijing "The safety songs sung Event" Award of Excellence, in November 2011, we achieved the Beijing Safety Month Award for best practice activities.

On the basis of the previous achievements, the company develops the 2012 annual occupational health and safety objectives and targets:

1. 0 injuries and occupational diseases
2. Less than 2 pieces of million labor hours adventure events
3. Sickness absence rate (cumulative) below 0.5

The following are parts of the company's safety and health activities: organize fire drills, songs of life we sing together and safety blackboard appraisal and Chinese health lectures, primary knowledge of first aid training, AIDS intervention activities and so on.



Chinese health lecture



AIDS intervention



Primary aid training



Fire drill



Songs of life we sing together



Safety blackboard appraisal

## → Environmental Management



### Energy conservation activities

Energy conservation is the eternal theme of today's society, enterprises as the mainstay of the social composition shoulder important mission of energy conservation. Advocating green and pursuing environmental protection have always been IBIDEN Group's philosophy. Since the establishment of the plant, it began to actively promote the concept of energy saving, regarding energy-saving, water-saving, natural gas-saving and reducing carbon emissions as major propulsions and got the praise of the leaders at all levels in Beijing and the Development Zone.

In October 2011, the company held the energy-saving activities kick-off meeting with the theme of "I act for energy-saving, new low-carbon life" to mobilize all employees to actively participate in energy-saving activities. The company carried out a series of energy-saving activities, including energy saving poster, energy-saving knowledge quiz, energy saving and improving the experiencing, energy saving self-praise activity and so on. Through these energy saving activities, we improve the full awareness of energy conservation, strengthen the energy conservation management and reduce the energy consumption.

In December 2011, factory one again successfully introduced reclaimed water technology after factory two first used reclaimed water in the enterprise in the development zone. As the first company which took lead in introducing reclaimed water into production in Beijing Economic and Technological Development Zone, the company became an excellent example of the development zone and got live interviewed and praised by the Development Zone television station.

In 2011, through the continuous efforts of everyone, we have achieved good results in energy-saving. In total energy use: water, electricity, gas, respectively year-on-year reduced by 15%, 8%, and 15%; in energy use amount of board area units: water, electricity, gas, respectively year-on-year reduced by 11%, 4%, and 11%.

Reducing fixed costs by way of improving the methods helps the plant meet the minimum consumption operation. Controlling variable expenses by improving management and constantly improves the rate of qualified products, and make it proportional to the production amount.

From the construction of the plants, the company formulates energy reduction targets every year, continuing to promote energy conservation improvement. 2012 annual corporate energy use unit quantity indicators: The first half of the year indicators: reducing 1.5% of the monthly unit dosage than 2011; The second half of the year indicators: reduce 3% in unit dosage than 2011 per month.







## The improvement instances of energy efficiency



### 【Improvement of water saving】💧

- Import water project in Factory One, save a large amount of tap water.
- Pure water tower inverse washing water recycle, reduce tap water use.
- Recycle production line steam and air conditioning steam condensate, reduce tap water.
- Use reclaimed water to flush bathroom, substantially reduce the amount of water use.



### 【Energy-saving improvements】💡

- Comprehensive replace the LED lamps, reduce lighting electricity consumption.
- Introduce production equipment energy-saving mode, reduce electricity consumption in the production process.
- Improve temperature control, reducing the electricity consumption of the air conditioning system in the public areas.
- Introduce inverter, reducing the waste of electricity caused by pump frequency operation.

### 【Natural gas improvement】🔥

- Implement on-site air conditioning temperature management, reduce the air conditioning load and reduce natural gas usage of the freezer.
- Import freezer winter energy-saving mode, effectively use the outdoor cold source of cooling water in workshop, reducing the gas consumption of the freezer.
- Import new fan spring and autumn energy-saving mode, use the outdoor air-conditioning to reduce the indoor temperature, reducing the use of natural gas of the freezer.
- Recycle the production line steam and air conditioning steam condensate directly to the boilers, reducing the use of natural gas of the boilers.



## → Environmental Management

### Focus on improving the project “new air damper reducing and improving of Plant Two”

The second plant uses the new wind system, all new wind no matter heating or humidifying in winter or cooling or dehumidifying in summer are converted using primary energy natural gas and secondary energy electricity to ensure the constant temperature and humidity in the workshops and meet the production process requirements; After field inspection and measurement, we find that there are many places on the ceiling of the factory workshops are not tightly sealed, the seals on the doors and windows in the factory aging and deforming, resulting in the loss of fresh air, causing part of the energy wasted.

After plugging and improving all air leakages at the workshop, the new air damper amount reduce 48000m<sup>3</sup> / h on the basis of the existing wind amount. According to the amount of wind, we can turn off 1 set of small new fan, which can also correspondingly reduce the electricity and natural gas energy consumption and equipment maintenance costs. Calculate according to the amount of energy use of the previous year, we can save 1.06 million Yuan a year.



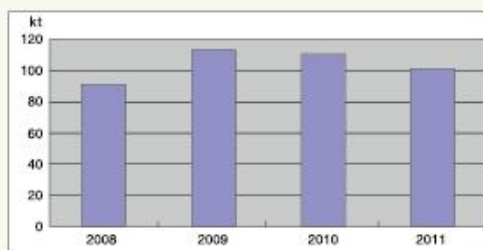
### Implementation of green procurement

Since establishing green procurement management system in February 2011, the company strengthens the management of the supply chain. First, we convened the suppliers to hold IBIDEN Group Green Procurement Guidelines description conference in May 2011, describing for the suppliers the relative requirements of IBIDEN for implementing green procurement. Secondly, we issued questionnaires to the suppliers, requiring them to share and self-declare the harmful substance information in purchased goods. Thirdly, we examined and evaluated the suppliers, for the products containing restricted substances we will prohibit from buying, gradually reduce the amount of use of the purchased products containing the substance of management and seek alternatives. Make sure that the purchased products supplied by the suppliers meet RoHS requirements.

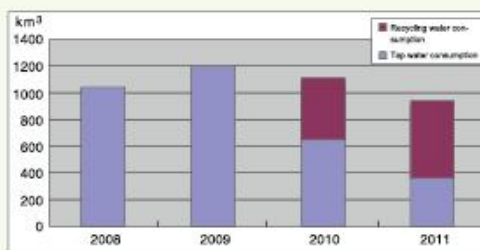
In the running of the green procurement management system, the Beijing factory imports harmful chemical substances management software platform, improving the level of job management and operational efficiency. At the same time, gradually establish and perfect the system files to provide protection for the good functioning of the system.



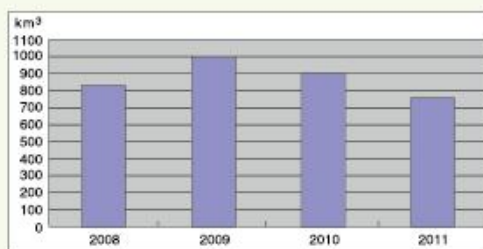
## Environmental load associated data



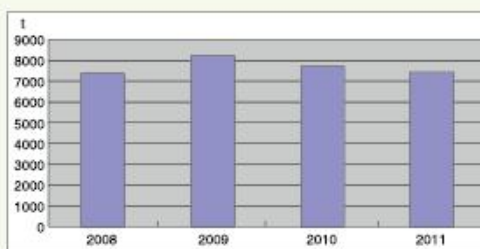
(1) CO2 emission in 2008-2011



(2) Tap water and recycling water consumption in 2008-2011



(3) Discharge of drainage in 2008-2011



(4) Waste generation in 2008-2011

Discharge point	Test item	Unit	National standard	Beijing standard	Self-management standard	Average	Maximum
Melt purification tower	Sulfuric acid mist	[mg/m³]	45	5	45	1.05	3.29
	HCl	[mg/m³]	100	30	25	0.34	0.63
	HCN	[mg/m³]	1.0	1.9	0.9	0.006	0.012
Carbon surface	Toluene	[mg/m³]	40	25	20	<0.0015	<0.0015
	Phenol	[mg/m³]	100	20	15	0.10	0.21
	NMHC	[mg/m³]	120	80	70	0.21	0.35
Deodorizer	Amonia	[mg/m³]	—	30	25	0.03	0.05
	Hydrogen sulfide	[mg/m³]	—	5	4.5	0.002	0.005
General exhaust	Dust	[mg/m³]	120	30	25	3.22	4.90
	Toluene	[mg/m³]	40	25	20	<0.0015	<0.0015
	NMHC	[mg/m³]	120	80	70	0.63	0.71

(5) Exhausting



## → Social Contribution

**We carry out some activities on the environment in China  
with the corporate philosophy of “Harmony with nature”.**

### ◆ Environmental activity

#### ■ 【 Tree planting 】

Since 2010, the company will plan trees at Beijing outskirts for three consecutive years and establish a monument at the site.

April 16, 2011 (Saturday), company leaders, employees and their families, all together 369 persons came to Nanbaidai village, Fangshan District of Beijing to carry out social contribution - 2nd Beijing suburb tree-planting. This time we planted 220 trees and also maintained the trees planted at the first time. Through tree planting activities, we implement the concept of corporate social responsibility and achieve the purpose of the harmonious development of enterprise and the 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 waste 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 3,172 Yuan and from April 2011 to March 2012, we recycle and accumulate community fund 1,116.66 Yuan.



### ◆ Social activities

#### ■ 【Donation】

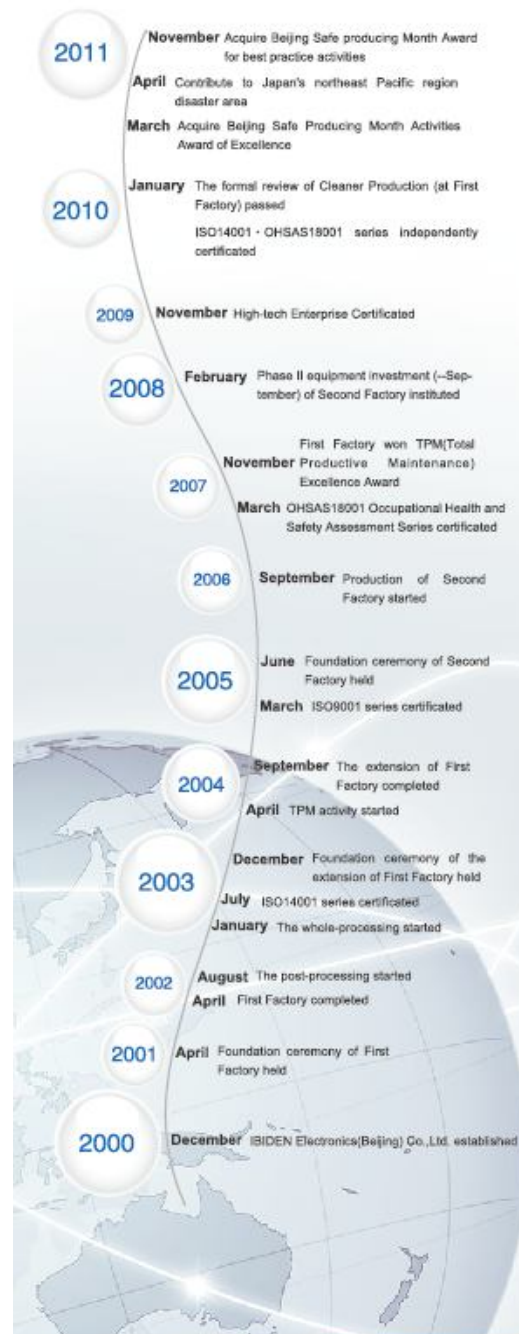
When great earthquake in northeastern Japan and other disaster occur, we raise contributions from our employees and donate it together with the contributions of the company to the Red Cross to help the disaster places.





# Company Profile ←

## Development

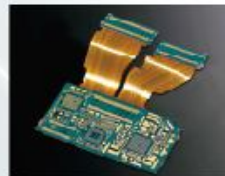


## Company profile

Company name : IBIDEN Electronics (Beijing) Co.,Ltd.  
 Organized: Dec 25th, 2000  
 Ownership: Japanese sole proprietorship  
 Parent company: IBIDEN CO.,LTD.  
 Main products: High-density high-layer-count PWBs  
 Total investment: USD 205,000,000-  
 Capital amount: USD 73,900,000-  
 Chairman: MR. Sagisaka Katsumi  
 General manager: MR. Yuan Benzhen  
 Plant area: First Factory: 37,500 ㎡ / Second Factory: 79,600m2 ㎡  
 Number of employee: 2,535  
 Office: No.15, Rongchang East Street, Beijing Economic-Technological Development Area P.C.: 100176  
 Tel: 010-67882288  
 Fax: 010-67872807  
 Home-page: www.ibidj.com.cn

As of March 31st, 2012

## Main Products



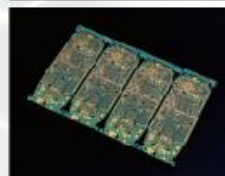
### e-Flex

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



### FVSS® (Free Via Stacked Up Structure)

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



### Build-up Substrates

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

**IBI IBIDEN Electronics (Beijing) Co.,Ltd.**  
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