



CSR **2014** Report

Report Period: April 1, 2013-March 31, 2014

IBIDEN Electronics (Beijing) Co., Ltd

CONTENTS

03

Message from the Chairman

04—05

CSR operation of IBIDEN
Group Companies

06

Internal Control

07—10

Human Resources Management

11—13

Environment Management

14

Social Contribution

15

Company Profile

Message from the Chairman



Tightly integrate CSR with corporate operation, carry out CSR more deeply and actively, so as to make the society more beautiful.

— Work actively for a better environment —

Carry out actively environmental activities for preventing global warming and improving waste recycling rate, keep improving manufacturing engineering, provide various products manufactured from engineering with low environmental load, and contribute to the global environmental protection cause.

— Enhance Competitiveness through Participation by All Staff —

For the purpose of strengthening corporate operation, We has been committed to the progresses and practices of self-initiated improvement activities, we call it IPM (IBIDEN Profit Management). “Zero Loss” campaign participated by all is underway, involving production department to technology and indirect departments. In future, we will exert our efforts to promoting this campaign to improve the profit level of the group companies.

— Promote CSR operation with a global vision —

Based on the policy of the group companies and the eye-catching EICC Code of Conduct (Electric Industry Citizenship Coalition) as the CSR international standards, IBIDEN improves its internal management system, integrates global vision and local social visions, carries out operating activities valuing all stakeholders, and aims to become an enterprise widely trusted by the society.

Chairman: 印土坂克巳

CSR operation of IBIDEN Group Companies

MISSION

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

SPIRIT

Trust through Integrity
“Wa”: Teamwork & Synergy
Challenge with Passion
IBI-TECHNO innovation

IBIDEN WAY IBIDEN's corporate philosophy system

For the purpose of sustainable development of the company, IBIDEN WAY is the common code of conduct that unites all the employee of the group companies and embodies common values.



CSR Operation Conception and Promoting System

CSR of IBIDEN adheres to a corporate philosophy “respect individuals and global environment, boost social development through innovative technologies”. IBIDEN, through its operation, is dedicated to improving its operation reliability and transparency and building a trust relationship with the society, with a view to seeking perpetual existence of the group companies and making contribution to the society.

IBIDEN Group Behavior Charter reflects our role as a global corporation as well as requests from our stakeholders dominated by world first-rate clients, and shows the objective of CSR activities as well as the direction of the efforts of all employee of the group companies.

【CSR Promoting System】

We appoints Operating & Planning Department as the department for promoting CSR activities. All departments have appointed persons who are responsible for promoting CSR, compliance activities, supervising the execution of compliance activities, and providing trainings for employee of the headquarter. In addition, Operating Risk Management & Promoting Committee plans social contribution activities, promotes business development in line with the EICC (Code of Conduct) and other international standards, thus to strengthen CSR management.

To strengthen CSR management, we must raise each employee's awareness of CSR, and we continue with our enlightenment education to popularize the importance of CSR.

CSR operation of IBIDEN Group Companies

Behavior Charter

01 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.

02 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.

03 Providing Customer with Delight

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

Management based on Global Standards 04

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.

Harmony with Nature 05

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.

Attractive and Vibrant Company 06

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.

— 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 operation.
- 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.



Internal Control

In order to achieve sustainable growth and improve enterprise value, we have come to realize that internal control is an important subject of corporate operation, and are actively promoting it throughout the group companies.

By strengthening our internal control functions through proactively developing "activities for advancing compliance and risk management", we are creating a transparent corporate control system that can accommodate the reliance of our shareholders and society. In addition, to ensure healthy and stable operation of the company, all the employee have decided the framework and system of the internal control of their own accords to improve business efficiency, observe laws and regulations, work out reliable budget report and financial report, and handle daily matters precisely.

【Compliance promoting activities】

We has set up Compliance Promoting Committee, and GM acts as its chairman to make the awareness of compliance wide-spread among the employee. The Committee takes charge of promoting compliance activities, overall management, execution activity review, deciding guidelines and plans, and undertaking activities accordingly.

Compliance Company-Wide Promoting Committee Meeting is held twice a year, in June and December 2013 respectively.

Compliance education: To promote compliance activities, it requires a relatively high level of employee's awareness. Therefore, in order to raise employee's compliance awareness, all departments carry out specific compliance activities, and offer trainings every month on laws and regulations governing daily business, internal rules and regulations as well as code of conduct for employee. Furthermore, for new employee, each department will discuss the definition of CSR and compliance violation to deepen their understanding using cases around as examples.

Internal audit: Operating & Planning Department exercises internal audit, which strengthens internal control through face-to-face talk with employee and referring to invoices. The results of internal audit will also be reported to the Audit Group of the Head Office to strengthen the practical results of the overall check system of the group companies.

【Risk Management Promotional Activities】

Basic Approach

Analyze various risks to corporate operation, handle properly losses of operating resources that can have major impact on the smooth management of operations by the group companies, reduce and prevent recurrence of losses of safety and operating resources for shareholders, customers, officers and employees and losses of operating resources to enable continuation of company operations.

Based on the basic approach and risk management regulations, a relevant administrative division is arranged for each risk item in order to actively promote risk management. In addition, we will evaluate risks regularly. Besides extracting the risks, we will list subjects with major impact on the corporate operation as important subjects, reduce the risk and ensure stable and continuous operation of the company. In fiscal year 2013, we improved the engineering capacity in response to market (product) change risks and reduced risks imposed by changes to laws and regulations on labor environment.

Human Resources Management

【Concern about Development of Employee and Improve the Sustainable Development Capacity of both Employee and Company】

Along with rapid changes of clients and products, human resources management strategy shall also make adjustments and changes along with our policies. Based on our development objective, the focuses of human resources management in 2013 were First, continued to improve the capacity of various employee, encouraged diversified development of talents, kept extending the development space of employee, Second, improved and standardized management, made efforts to care about employee and fully guaranteed various rights and interests of employee based on changes in laws and CSR. As a result, employee gained development and realized their values, which is a organic combination with development of the company, and the employee and the company grew together.

【Concern about development of Employee and create a beautiful future】

In 2013, we, on the basis of well-established position system, performance management system, salary incentive system, employee development system, paid even closer attention to the training and development of various employee and made them grow together with the company.

Holding the spirit of talent strategy and focusing on improving the qualification and ability of employee and optimizing the staffing structure, based on “twin-tower” talent training and development pattern, we implemented targeted professional trainings on skill and comprehensive capacity for employee of different positions, teams, ages and with different abilities ,which provided a solid support for the development of employee.

Within the report period, we designed and implemented “Dawn Plan” on improving comprehensive management capacity for first-line high-qualification management; for first-line team leaders, we promoted training courses on communication skills participated by all employee and for technical employee, we offered various programs for enhancing thinking and technical ability. While focusing on improving the ability of the employee, we values highly the physical and mental relaxation of its employee as well and organized many outdoor development tour and activities. Through enriched trainings and lectures of different levels, types and forms, we promoted the co-development of employee and company and provided talent guarantee for the sustainable development of the company.

【Standardize Management and Guarantee Rights and Interests of Employee】

Based on our consistent “compliance-based” operation policy, we pay attention to the changing tendency of relevant laws and regulations governing HR and labor in time, respond to the policy orientations, and keep improving various labor and employment systems. In 2013, soon after the release of Labor Contract Law of P.R.C. (as amended), we worked out in time relevant plans, transferred the production line worker originally employed as dispatched labors properly into the company in groups and different times, and signed labor contract with all of them. Meanwhile, in order to further improve the salary and welfare benefits for employee, considering the characteristics of the production line worker, we drafted a salary system meeting their demands, make an evaluation and adjustment every three months, and provide timely incentive and recognize the performance of employee, we created bi-way promotion route for production line worker, namely promotion of managerial positions and technician positions which extended vast space for the development of production line worker, and further optimized a series of welfare guarantees such as employee dormitory, regular buses and dining. The execution of the above policies provided a true “work decently with dignity” working environment for first-line production worker.



“Dawn Plan” kickoff



training photo

Human Resources Management

↙
Create a harmonious
working environment
and care about
employee

We takes full advantage of its perfect communication channels, such as Joy hotline, joy mail, joy feedback, employee dorm interview, employee communication meeting, to listen to various voices, opinions and claims of the employee sincerely. These efforts have not only removed their worries, learned about their claims, improved the management system, but more importantly have made the employee involved in the daily operation and management and made them feel they are recognized and cared

about by the company, and secured their “host” position and active, upright and harmonious working environment for the employee.

In the human-oriented principle of “respect and care”, we provided health care for employee, showed concern for female employee, and built mummy house for employee in the lactation period, delivered warmth to employee in difficulty, carried out enriched cultural and recreational activities, which made the employee relax their body and mind fully, and created an optimistic, enterprising and harmonious atmosphere and culture.



activity of company
culture construction



activity of company
culture construction

IPM promotional activities ↘

IPM promotional activities: We carried out on-site small group improvement meeting, as well as 5S and 3type of maintenance activities, which raised rapidly equipment management level of on-site personnel by combining theories and practices, and also invited experts from the headquarter and TPM to provide trainings on business efficiency, cost control and plan management, and raised the comprehensive management level of the managerial employee.



Implementation of Education
on 3-maintenance activity method



Trainings on QC 7 tools

Human Resources Management

[Loss improvement—business efficiency improving activities]

Business efficiency improving activities have two purposes: to improve business skills and to strengthen management mechanism. It aims at building effective management mechanism by eliminating loss and reducing cost, on the basis of coordination between management department and production department.



Instructions on activities intending to improve the production management efficiency



Instructions on activities intending to improve development

— Guidance meeting —

External teacher was invited to instruct business efficiency improving activities.



First factory self-praise competition



Second factory self-praise competition

— Self-praise competition —

sshare the improvement results and spread horizontally to various work procedures through the form of self-praise (time/2M).



11,980 items in all pointed out by first factory improvement meeting
Achievement rate 98.22%



18,321 items in all pointed out by second factory improvement meeting
Achievement rate 99.16%

— Improvement meeting —

organize improvement meetings of each team participated by all, and headed by top leaders.

In March 2014, a book of Brief Introduction to TPM continuous excellent prize was compiled and will enter the primary review period. We believe that we can successfully achieve various targets of the 9 pillars through joint efforts of all employee ,smoothly achieve TPM continuous excellent prize, and manifest again our management level.

Human Resources Management

Safety and health activities

Basic guidelines of labor safety and health

Based on IBIDEN WAY and through labor safety and health activities participated by all, we will consider “minimizing factors of threat to the lives of all involved in our operation and factors with negative impact on health” as our basic principle, so as to reach balance between labor safety and health and operating activities of the company.

Safe, Health and Environmental Committee: General manager acts as the chairman and convene meetings every month on a regular basis, managerial positions of administration department and production department and employee representatives attend the meeting as committee members, listen to report by Safe Environment Department about the promotional results of safe environment indicator of the same month, discuss major safe environment issues, and it's the highest level safe environment meeting.

“Zero industrial injuries and Zero occupational disease” is the annual safe production target of the company. To achieve this goal, we will handle well three-level safety education for new employee of the factory, monitor the environment of the workplaces regularly, and organize emergency drills participated by all, and these are still the major daily works. We will begin with training and raising the employee's awareness of safety, carry out a series of enriched safety activities, integrate safety culture construction into the building of corporate culture, and cultivate and create a comprehensive safe cultural atmosphere.

In 2013, the frequency level was 0.88. Disease-caused absence rate was 0.29. Physical examination provided for employee totaled about 1,520 person times.

We worked out occupational safety and health targets for 2014 on the basis of the above achievements

①	Frequency of industrial injuries	0
②	Severity level of industrial injuries	0
③	Times of occurrence of fires and dangerous incidents	0
④	Disease-caused absence rate (cumulative)	<0.5

The below are some of the safety and health activities of the company: organizing and giving lectures on health, trainings for new employee and blood donation activities.



Lectures on Health for employee



Training for New employee



Blood Donation of employee

Environmental Management

Basic approach

We conduct the environmental load reduction activity participated by all employee under the IBIDEN WAY, in order to reduce the bad effect on global environment generated in our business operation, fulfill the role as an enduring company and coexist with the global environment.

【Energy Conservation Activity】

Energy conservation and emission reduction is a major measure for applying scientific development outlook and building a socialist harmonious society; is the inevitable way for promoting economic restructuring and transforming the mode of growth; is the inevitable choice for building a resource-conserving and environmental-friendly enterprise; and a must way to improve enterprise competitiveness and cope with global climate changes.

We has set up Energy Conservation Committee and promoted the energy conservation works, with Energy Maintenance Group, Environmental Group and Energy Conservation Team as the major participators and various departments as the members. It works out energy conservation targets and indicators every year, discusses and decides improvement plan, and advances energy conservation improvements according to the action plan. The company has drafted Energy Conservation Management Rules, including energy management duties of various departments, energy conservation target management, energy conservation education and training, energy conservation management requirements, energy metering and data statistics, energy conservation technology progresses, energy conservation incentive system, etc. Energy monitoring is exercised, daily energy conservation check and record are managed well, energy loss phenomena will be pointed out and measures will be worked out and acted out, thus to achieve constant improvement in energy management.

To achieve the annual energy conservation target, We exercises a system of regular meetings for energy management. It executes energy conservation work reports (monthly meeting of energy conservation committee), coordinates various departments to summarize and arrange energy conservation works, boosts improvements in energy conservation, improves energy management system, so as to constantly raise our energy management level and energy conservation effect.

We organized Energy Conservation Improvement working Group, and the improvements are to be promoted jointly by Energy Maintenance, Equipment and Technology, Environmental Group and relevant departments,

Including mainly:

- (1) Each monthn confirm progresses in energy conservation together with the headquarter and publicize excellent energy conservation examples of other factories.
- (2) Convene meetings of Energy Conservation Committee each month, during which relevant leaders will dispose and arrange energy conservation works.
- (3) Draft energy conservation target, confirm the completion of the targets regularly, and make investigation and work out improvement plan for the unachieved targets.
- (4) Organize regularly energy conservation activities of the company.

【Improvement Cases of Energy Conservation】

Improvement of energy conservation of the company is mainly carried out from two aspects: basic improvement and technical improvement.

A The following works were carried out concerning basic improvements in 2013

01

Exercised monthly energy conservation patrol and inspection system, looked for problems in the first and second factory, eliminated Loss, spotted 188 incompliance items, and attained 100% improvement.

02

Used actively new energy-saving products (energy-saving nozzles, energy-saving modulator tubes and cool source plate replacement and installation).

03

Responded actively to the requirement of Beijing city on electricity rationing, reduced the load of air conditioner, and exercised temperature control management for air-conditioners of the whole factory, and effectively reduced the load pressure of our factories on BDA (Beijing Economic-Technological Development Area) power grid during the peak period.

04

Checked the lighting of the whole factory, adjusted unnecessary lightening based on luminance, and promoted energy conservation improvements.

Environmental Management

A The following works were carried out concerning basic improvements in 2013

05

Demanded daily monitoring of the quality of condensed water, maintained the disqualified in time, and effectively lowered the consumption of pure water and natural gas.

Controlled water and electricity indicators of the production equipment, and promoted cost-energy consumption of the unit.

07

06

Adjusted timely new wind and used outdoor cool source in time based on seasons, and minimized energy consumption.

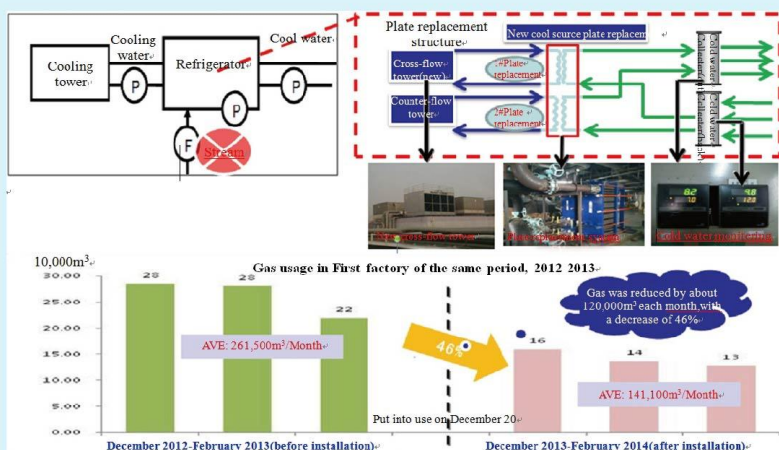
Pooled data, fed back problems and confirmed with the head office every month.

08

B The following works were carried out concerning technical improvement:

1. Adjusted equipment standby of first and second factories and adjusted a total of 27 places.
 2. Adjusted and improved 76 places of air knives and pumps of some equipment.
 3. Introduce cool source energy conservation system into the first factory and cut substantially the use of gas (100,000 m³ each month);
 4. Promoted water treatment and copper recovery projects, and cut sludge treatment and improved recovery and recycling rate.
 5. Replaced the existing fluorescent lamp with LED, resulting in conservation of electricity energy by 1156320 Kwh each year (1,500 pieces replaced accumulatively)
 6. Shortened the ejection time of compressed air of dust collector of laser equipment (200000m³ compressed air conserved each month).
 7. Used new water-saving nozzles and saved 286 tons tap water each month.
- Energy conserved in 2013 reached 494 tons of standard coal through the continuous energy conservation activities.

【Key improvement project “Gas Improvement in First Factory”】

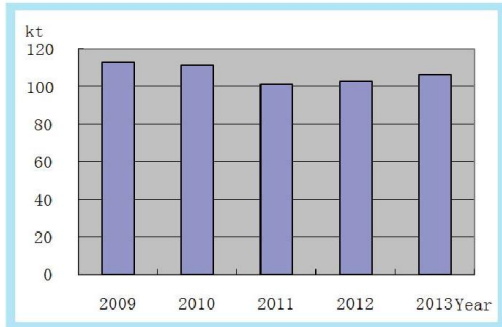


In 2012, gas usage of first factory per month was 261,500m³ on average, gas was greatly conserved by installing plate replacement of cool source (In winter, outdoor temperature is low, natural cooling reduces temperature of cool water, cooling tower and plate replacement was used to lower the temperature of cold water to 6-9°C to provide use for workshop procedures and air conditioners. Since energy-saving mode was formally in use, the system was operating normally,

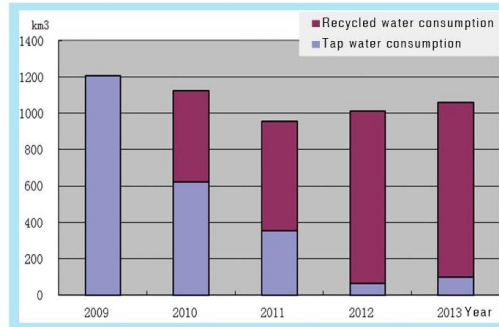
cool water temperature reached the technical requirements and all refrigerators were stopped.) Through installing cool source plate replacement, monthly gas usage was cut by 120,000m³, which greatly reduced the boiler load and emission of nitrogen oxide.

Environmental Management

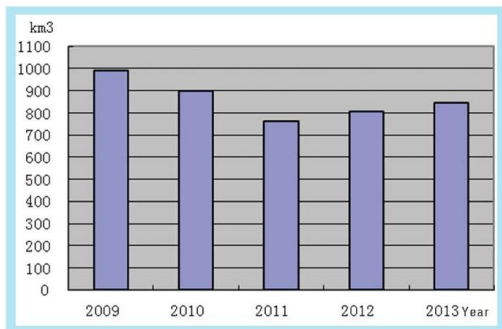
【Environmental load related data】



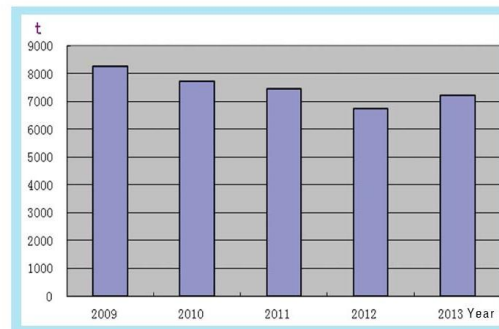
(1) CO2 emission, 2009-2013



(2) Tap water and recycling water consumption in 2009-2013



(3) Discharge of drainage in 2009-2013



(4) Waste generation in 2009-2013

Emission points	Test Items	Unit	National standard	City Standard	Voluntary standards	Average	Maximum
Acid mist purification tower	Sulfuric acid mist	(mg/m³)	45	5	4.5	0.49	1.89
	Hydrogen Chloride	(mg/m³)	100	30	25	1.91	2.76
	Hydrogen cyanide	(mg/m³)	1.0	0.5	0.45	0.06	0.09
Deodorization tower	Ammonia	(mg/m³)	—	30	25	0.32	0.33
	Hydrogen sulfide	(mg/m³)	—	5	4.5	0.02	0.02
General ventilation	Dust	(mg/m³)	120	30	25	2.45	5.50
	Methylbenzene	(mg/m³)	40	25	20	0.06	0.08
	NmHc	(mg/m³)	120	80	70	1.75	2.09

(5) Emissions from atmospheric detection results

Social contributions



Global environmental protection activity

“

On April 20, 2013, IBIDENS (Beijing) staff and their families totaling more than 100 went to Nanbaidai village, Zhangfang Town, Fanshang district, Beijing City. More than 300 trees were planted there. This activity raised the staff's awareness of environmental protection while beautifying the environment.

”

“

On October 12, 2013, more than 30 staff representatives of IBIDENS (Beijing) went to the Central Primary School of Zhaoyanghe Town, Kangbao County, Hebei Province for education-aiding activities. It provided the long-expected dining tables and chairs and sports facilities like basketball rack. While performing its social responsibility, it also contributed to the healthy development of the students.

”



School Support activity



Contributing to Social Welfare and Local Communities

“

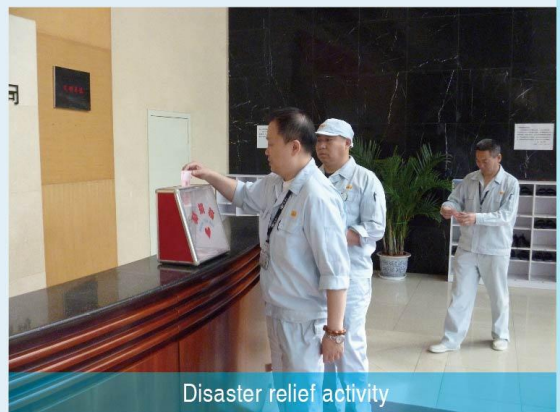
On December 11, 2013, IBIDEN organized voluntary blood donation activity. IBIDENS staff volunteered actively. After screening, 54 staff donated their precious blood, totaling 10,800ml. This activity cultivated staff's "saving lives and repaying the society" humanistic spirit.

”

“

On April 20, 2013, at the news of 7.0 earthquakes in Ya'an of Sichuan province causing great losses of people and properties, IBIDEN summoned all of its staff immediately to donate money for the disaster-stricken victims. Under the leadership of the company, 1,345 staff contributed their love and raised a total of RMB 40,300, a small part contributed to the reconstruction of the disaster region.

”



Disaster relief activity

Company Profile

Company : IBIDEN Electronics (Beijing) Co.,Ltd.
Office: 100176
No.15 Rongchang East Street Beijing
Economic -Technological Development Area
Tel: 010-67882288
Fax: 010-67872807
Website: www.ibibj.com.cn
Organized on: December 25, 2000
Ownership: Solely Japanese-owned enterprise
Parent company: IBIDEN CO.,LTD.
Main products : High-density multilayer printed circuit
Total investment: USD 268,000,000-
Capital amount : USD 94,900,000-
Chairman: MR. Sagisaka Katsumi
General Manager : MR. Yuan Benzhen
Number of employee : 2,410

As of March 31 2014





IBIDEN Electronics (Beijing) Co.,Ltd.

ADD: No.15 Rongchang EastStreet BDA Beijing China 100176

TEL: 010-6788-2288

<http://www.ibibj.com.cn>