

Communication on Progress

Report to UN Global Compact Organization

Phoenix Contact Asia-Pacific (Nanjing) Co., Ltd

Jan. 10, 2012

1. Statement by Company's General Manager and Company Profile

1.1 Statement by Company's General Manager

This is the fourth time Phoenix Contact Asia-Pacific (Nanjing) Co., Ltd. has made the Communication on Progress Report to UN Global Compact Organization since it has participated in the GC in December of 2006.

The company under leadership of Mr. GM Gu will just as his predecessor Prof. Li Musong stick at supporting without reservation the UN Global Compact, as we strongly advocate the ideas expressed in the Ten Principles of Global Compact and our company has been benefited tangibly or intangibly from being a participant of the Global Compact. It really helps us take advantage of the best properties of the UN Global Compact, such as moral authority and convening power, to learn expertise and experiences from many other key enterprises and stakeholders in the world. It promotes increasing our competitive advantage both at home and in the world marketplace.

1.2 Company Profile

What is new is reported as follows.

Phoenix Contact China 2011 annual meeting was held in Nanjing headquarters on Jan. 24, 2011 to map out new journey and new dream from a new start for 2011 and from then on.

Mr. Senior Deputy Executive President of Phoenix Contact Group / BOD Chairman of Phoenix Contact Holding (China) Co. Stuehrenberg introduced on the meeting the completely new strategy CP2.0 of the Group, facing the new development stage 2020. Compared with product-centered development strategy CP1.0, strategy 2.0 is solution-centered.

Mr. Stuehrenberg said that Prof. Li Musong, the founder of Phoenix Contact China, has earned trust without reservation and assumed heavy responsibility ever since 1993, he devoted himself from fifty odd years old to seventy to developing a miracle of Phoenix Contact China. Mr. Stuehrenberg spoke highly of Prof. Li, of his outstanding powerful leadership and excellent achievements, calling him a splendid model entrepreneur, after he left the post of president, he will remain to be vice BOD Chairman of Phoenix Contact China, and concurrently, takes the post of executive committee adviser of the Group. He will keep exercising check on major strategic decision-making for Phoenix Contact China. The incumbent General Manager of Phoenix Contact China Mr. Gu Jiandang, a member of the pioneering team, has been a driving force for the success on Chinese market, has perfect

career and outstanding power of leadership, will take the post of President and concurrently remains General Manager.

Overseas business director of Phoenix Contact Group/ BOD Chairman of Nanjing Phoenix Contact Co. Mr. Massmann congratulated Phoenix Contact China on rapid growth in 2010 on basis of perennial sound cycle of development and remaining the overseas No.1 of the Group, expressed thanks to the whole of its employees for their hard working and contributions to the Group's development and has great expectations of Chinese company: to reach 6 billion Yuan in 2020 and charge at 10b.target. Mr. Massmann holds that persons of ability are the decisive factor for attaining the pending goal, the team building-up is required to be quick and balanced, its members should be of high quality and have comprehensive capability, is able to function with trans-sector and trans-cultural thinking.

The leaders of German Group presided at the handing-over ceremony for old and new leaders of Phoenix Contact China.

To open up a unique vista, Mr. Stuehrenburg and Mr. Massmann, having taken the trouble of traveling from thousands miles afar, brought a solid relay baton of standard size, made of copper, to Mr. President Li Musong with inscription " 18 Years of Outstanding Leadership and Success Prof. Li Musong" on it and another relay baton to succeeding President Mr. Gu Jiandang with inscription " Excellence today and in the Future Mr. Gu Jiandang".

Phoenix Contact China, honored as the model of Sino-German cooperation, has been operating successfully in China during the past 17 years, not only has been leading the market of connectors for more than 10 years, but is the undisputed market leader in fields such as surge voltage protection, electronic interface, etc. Phoenix Contact China, the core constituent of the Group Company, is next only to the German company proper. Having surpassed the milestone of 1.5 b Yuan, Phoenix Contact China is aiming at becoming the most trustworthy brand in the field of electricity and automation both domestic and global.

In the period of past 5 years, Phoenix Contact China went through hardship of type conversion, realized the transit from customer-oriented to market oriented and established the trans-product market operational model to integrate resources in the industry and sales model facing up to various customer groups. Distributive and direct sales networks have been covering the whole country. Market and technology have outgrown Nanjing where is located regional headquarters and due deployment is made in big cities such as Beijing, Shanghai, etc.

Procedural management system, featuring fineness in dealing with business, has been shaped. Teamwork has become mainstream work-style and work idea instead of individualistic heroism. Internally employees are continuously growing up, recruitment of talents from outside is sustained, the two respects having brought out the best in each other. A multifaceted team facing up to the future has been built up.

How can a medium-sized company integrate in itself the comprehensive competence inherent in major companies and nimble emergency adaptability feature of small-sized companies in the process of its own development? The apparently unattainable contradictory competence is none other than the sought-after ideal of Phoenix Contact. Phoenix Contact Group with foresight keeps investing in China and in the future

Phoenix Contact Holding (China) Co., Ltd with its four subordinate subsidiaries was established during financial crisis time 2009, completed overall transformation and switching over in 2010, and entered the stage of full operation in 2011. There will be more subordinate subsidiaries to turn up thanks to putting into effect company strategy of merger and acquisition. Phoenix Contact China, integrating marketing, production, R & D and logistics into one, covers Asia-Pacific market with Chinese market-centered regional business department to form a various elements-driven innovative business model, the elements being sales/market/R&D, and solution/industry operational and merger/acquisition.

Phoenix Contact upholds the idea of repaying the country through developing industry, struggles to forge localized competence, builds up Chinese market-driven business process, creates values for Chinese customers in respect of innovation, quality, speed, cost, etc.

Phoenix Contact focuses development in the coming 10 years on pursuing excellence in business areas of devices, systems and solutions and so on, to work out industrial solutions aimed at electric power, automobile, water processing, wind-electric power, buildings, mechanical manufacturing, industrial processes, telecommunications, transport, infrastructure, etc. Automation will be the core of industrial solutions. The slogan "Automation Realizes Dreams" is indicative of company's march, approaching 2020.

To face development strategy CP2.0 of Phoenix Contact Group Company and development strategy CS3.0 of Phoenix Contact China, 2011-2012 is determined by Phoenix Contact as the new period of strategic type transformation. During this period employees will be taken more care of, more platforms will be created to face future development. Customer-centered and result- oriented fair management reform will be performed to face the future, oppose cutting up the links among departments and regions, optimize processes, making them more transparent and strengthen the implementing power.

The new strategy got off to a start in 2011. Phoenix Contact had been re-organizing its competitiveness.

Phoenix Contact Group Global Kick-off Meeting will be held in Nanjing for the second time in January of 2012. Phoenix Contact China will demonstrate itself to the world as a company with comprehensive competence, a trustworthy strong platform. Chinese team will be more proactive, more open and more professional in meeting inevitable fast change to embrace the bright future. We have a dream for Phoenix Contact China, including Asia-Pacific Co. to be built up to become a unique great company, the genuine top one world-wide for Phoenix Contact Group, a pivot for Phoenix global 2020 strategy. Phoenix Contact China belongs more to the world than to China.

2. Implementation of Ten Principles of Global Compact

2.1 Human Rights

The Phoenix Contact Asia-Pacific (Nanjing) Co., Ltd. as well as other companies of Phoenix Contact China has been behaving in the same way as its parent company, German Phoenix Contact Group, has ever since its founding attached great importance to supporting

and respecting the protection of internationally proclaimed human rights and fulfilling the corporate responsibility to protect against any human rights abuses.

Company's managers are required to take responsibility for the sustainable development of the enterprise, work out the common mission and responsibility for the whole team, to be concerned with employees' satisfaction and participation. At all times we aim at creating all possible working opportunities with dignity and prospect for employees at all levels to embrace, helping them make career development planning, leader's ability development planning, conducting construction of human resource management system to strengthen implementing power, making it target- oriented and result—oriented, for the mediocre to give way to those of ability and industrious. More managers capable of assuming overall responsibility are expected to appear by Phoenix Contact.

What the company has been doing in this respect will be seen more in the excerpts of the Collective Contract of Phoenix Contact Asia-Pacific (Nanjing) Co., Ltd and Special Agreement for Female Staff and Workers (See appendices I and II)

As stated in the Preamble of the UN Universal Declaration of Human Rights (referred to as "Declaration" hereafter), "The peoples of the United Nations have determined to promote social progress and better standards of life in larger freedom", we include the Corporate Social Responsibility (CSR) under this heading of Human Rights.

2.1.1 What Have We Been Doing for CSR?

In order to bear more social responsibility, a fund named Musong love-minded and sponsored by the management team represented by Prof. Li Musong, and another "Phoenix fund to return favor to society" sponsored by the BOD had been set up simultaneously to ensure that in the coming 10 years at least ten million Yuan (US \$ 1.0567million) will be invested in the fund.

Our main concerns about the CSR have been focused on 2 aspects: first, to promote education in the society, and second, to help disadvantaged groups in the society.

2.1.1.1 To Promote Education in the Society

(1) In 2011 our company responded to Jiangsu provincial Hope Project "For the dream to come true", gave student grants to 40 poor students from Nanjing, Northern part of Jiangsu province and Xinjiang Construction Regiment for their dreams of entering the university to come true.

(2) Phoenix Contact China set up scholarship program in more than ten universities, such as Tongji University, Nanjing University, Southeast University, Shanghai Electric Power Institute, Southwest Jiaotong University, etc to provide support for and stimulate students to improve achievement in study. In past decade our company has been giving grant-in-aid to almost a thousand outstanding students both in study and character, coming from poverty-stricken areas of the country.

(3) In 2011 a Great Prix Competition for Automation named "Exploration" had been held to encourage university students and engineering technicians to develop their innovative

thinking, and stress applications of automation technology. Before that time such contests had been successfully held for 4 times, they all effectively promoted automation education and assisted in training professionals, including students, practitioners, personnel of academic bodies, instructors and professors to widen their vision, innovate solutions of automation.

(4) To provide support for universities and cooperative partners to lead the development trend of automation technology, the second Asian annual EduNet had been held at the end of October of 2011 in Qingdao, Shandong province. Students from 12 universities in China and more than 30 experts and scholars from universities and educational institutions of Germany, Indonesia, Ukraine, Thailand, etc took part in the campaign.

(5) Since 2006 the company has sponsored Sino-German yearly Vocational Education Forum named “Q-China” for six times in 6 years on end, which has been promoting vocational education for both countries and multifaceted cooperation between them and its development in the long run. Participants from Chinese and German universities and vocational education institutions exchanged their experiences in school-enterprise joint vocational education and end up deepening development of and cooperation in Sino-German vocational education.

(6) To keep participating in the drive to forge ahead with rehabilitation of Chinese traditional culture for it to keep pace with the times. The culture has been universally recognized as being extensive and profound in philosophy and resources of food for thought, in particular, in life philosophy and human ethics. Especially nowadays, it renders great assistance to boosting people’s morality and public order.

2.1.1.2 To help disadvantaged groups in the society

(1) The company found the welfare house (orphanage and house for abandoned children) in Gaochun county near Nanjing 3 years ago, since then Phoenix Contact China has donated devices and materials, such as machine for dehydration, air-conditioners , rehabilitation apparatus , quilted covers, medical-nursing articles, etc, and encouraged every year employees to contribute clothing and other articles of daily use to the house. A platform is built up so that more employees are able to take part in the charity activities organized by the company. More than 60 employees have visited the Gaochun welfare house for 11 times during recent 2 years. Some people in Sales department, being touched in the heart by children’s conditions, say they will work harder to be able to offer more help to the House and the children there. At every Children’s Day on June 1st and at year end, the company has some people specially go to the House with gift to express sympathy and solicitude for children and personnel in the House.

(2) As started from August of 2009, the company implements emergency relief program to offer help to employees in some special periods of difficulty, such as the case when their lineal relatives are severely sick or deprived of labor capability or some accidents happening

to the family. To this day we have relieved 26 employees' parents and 30 employees themselves of their temporary difficulties.

2.2 Labor

The main work the company's Trade Union has done in 2011 may be summarized as follows.

2.2.1. To construct harmonious relations between employer and employees

The 1st staff and workers representative assembly of 2nd session had been held as scheduled, on which a collective contract with an attachment between company's leadership and trade union had been renewed, the attachment being special agreement relating to female staff members and workers. Some contents of the contract are cited below.

2.2.2 To care about improvement of employees' life conditions

(1) Welfare system and dispensation specifications had been put under supervision of company's trade union, in particular, holiday subsidy on the occasion of Spring Festival, the Dragon Boat Festival, Mid-Autumn Festival and International Working Women's Day, allowance for having only child, allowance for tourism, for keeping fit, etc included.

(2) Trade Union's representative extends regards in the name of company's leadership to employees in hardship or condoles with employees upon their mishaps..

(3) In coordination with public service department to put canteen's meals and sanitary conditions under supervision.

(4) In coordination with human resource department to supervise implementation in compliance with labor contract of the state in respect of employment.

(5) In coordination of administrative department to effect management of emergency relief fund for employees in temporary hardship.

2.2.3 To forge ahead with corporate culture construction

(1) To organize employees to study life philosophy and ethics. A special reading room with various books on social sciences and humanities has been arranged for employees to read

at their leisure time.

(2) In coordination with administrative department to organize Phoenix Physical Education Day activities, a health sports club has been set up to provide sports appliance for employees to play basketball, soccer, badminton, table tennis, etc.

(3) To organize workers to go touring in groups.

(4) To coordinate in organization of New Year party for employees in Logistics and manufacturing centers.

2.2.4 To strengthen security management and security culture construction

(1) In coordination with safety control department to ensure safeguard. To this end it's necessary to reinforce management and quality education for guardians.

(2) In coordination with IMS (Integrated Management System), come to grips with the job of safe production in manufacturing and logistics centers, fulfill trade union's function of surveillance and checking up, publicize " safety tops everything", set firmly the idea "management may not hit the nail on the head, there is never such a safety management that can't be done well". What is really important is to remove hidden peril, taking precautionary measures.

2.3 Environment

The company keeps paying close attention to the E-P (Protection of Environment) , at all times spares no efforts to do its best in utilization of natural resources. The idea is fulfilled in product manufacturing processes as well as in the period of new product research & development.

2.3.1 Environment Policy and Environment Criteria

2.3.1.1 Environment Policy

The company has drawn up its environment policy as the crux of establishment of environment protection management system, based on relevant laws and regulations and prevention of pollution strategy.

The company's environment policy reflects the overall orientation and basic commitment of the company to environmental protection, it reads as follows:

A. To abide by all relevant environment protection laws, regulations and other requirements.

- B. To economize on resources and energy, to bring all kinds of the waste under control to the utmost. To devote every effort to pollution prevention and sustained improvement in this respect.
- C. To popularize environment protection ideas and enhance the environment protection consciousness of all cooperative partners concerned, especially our suppliers and customers.

2.3.1.2 Environment Criteria (omitted)

2.3.2 New Measures Taken to Protect Environment

2.3.2.2.1 Electronic Purifying System of Oil Fume in Canteen

Previously, in canteen there has been installed an oil fume processing system with water and vessel hood to filter and reduce the oil fume before discharging into the air. In 2009, has been put into use a most modern electronic oil fume purifying system, capable of preventing fire and removing peculiar smell. It fully dissolves the molecular structure of grease and oil by means of the chemical way of photolysis and oxidization. The purification is conducted without exhaust discharged, without using water and cleaning agent. After purification there isn't any residual grease left over and a really good result of environment protection is obtained.

2.3.2.2.2 Use of Noise Preventive Housing

In order to suppress the intense low frequency pulse noise from the punching presses in metal-processing shop, the damping pad and the sound-proof housing are used. It took another half year to improve further the sound-proof technology. The sound insulating groove is used to insulate the noise source in addition to sound insulating pad and noise preventing housing.

2.3.3 Enterprise Environment Behavior Evaluation Indices & Standards (See Appendix III)

2.3.4 Latest Development

The latest development of usage of Phoenix Contact technology in environment protection industry is to spread and popularize its products in wind-electricity, solar energy, etc new green power industries. The technological edge of Phoenix Contact found its expression in that it provides a whole set solutions for industrial automation and application of technologically advanced Phoenix Contact products, such as PLC relays, MINI isolation transducers, QUINT power supply, lay-out systems, tandem interface, wireless communications, optic fibers, connecting tools, lightning and surge-voltage protecting device modules, UT series connectors, etc, would result in reduction of device kinds, enhance of device installation efficiency, largely saving installation spaces, lowering installation and maintenance costs to significantly raise maintenance efficiency and so on.

In China wind-electricity market for electrical components it is expected for Phoenix Contact to have more than 40 % shares. In Daban town of Xinjiang Autonomous Region, Yichun city of Heilongjiang province, East-Ocean Bridge, Shanghai, Xiangshan, Xinzhu city,

Yunnan province etc, wind-electricity sites, people invariably find the silhouettes of Phoenix Contact products. Phoenix Contact automation systems are also adopted to use in the Shilin solar energy project of 166 MW in Yunnan province, which tops Asia in installed capacity.

In October of 2010, a big forum on building intelligent electric power grids was held in and sponsored by our company, which was attended by relevant officials and prominent experts from various districts and enterprises in the country.

Phoenix Contact China not only prides itself on setting great store by observing environmental protection in production and business operation, but takes pleasure in making contributions to building green industry in the country.

2.4 Anti- Corruption

Phoenix Contact China has been working against corruption in all forms ever since its founding in 1993. It did dismiss in isolated cases very few employees committing such wrongdoings as soon as they were ferreted out. There has been no single tax evasion by the company, hence we have been repeatedly awarded the title of “Top Ten Taxpayers in Nanjing” and “Organization of Credit AAA rank in Nanjing”.

Not only in order to do away with all possible bad practices from top higher echelons of management to ordinary members, but also inculcate clear conscience in them, boost their morality consciousness and humanistic culture level in general, the company has been devoted itself to promoting Chinese traditional culture with Prof. Li and Mr. General Manager Gu taking the lead personally. The core principles of ethics of Chinese traditional culture are filial piety, fraternity, loyalty, honesty, propriety, righteousness, integrity and the sense of shame.

Apart from routine training in technology and skills, the company has arranged special training courses in Chinese traditional culture and corporate culture for all employees to go through in turn, the trainers being appointed from within and from outside, including President and General Manager of the company. The trainees have amounted to 1024 in total.

Such training courses are being continued.

Appendix I Collective Contract of Phoenix Contact Asia-Pacific Co., Ltd

(2012 version)

Chapter I General Principles

Article 1 In order to build stable harmonious labor relations, to maintain legal rights and interests of employees and the enterprise in compliance with laws, rules and regulations such as [Labor law of People's Republic of China], [Labor Contract Law of People's Republic of China], [Trade Union Law of People's Republic of China], [Collective Contract

Rules] of Labor and Social Security Ministry and [Jiangsu Provincial Collective Contract Regulations], the two parties signed this contract, complying with principles of mutual respect, negotiation on equal footing, honesty, fairness, cooperation, taking account of the two parties' legal rights and interests.

Article 2 The contract is a written agreement, signed by the company and company's employees through collective negotiations, in respect of labor contract management, payment for labor, working time, rest and vacation, labor safety and sanitation, vocational training, insurance and welfare, etc. in compliance with laws, rules and regulations.

Article 3 The collective contract normalizes the behavior criteria for persons concerned of two parties and is protected by laws. After taking effect, the contract is binding on the company and all company's employees. The norm of labor contracts signed between the company and individual employees must not be lower than that of this contract, in case company's regulations contravene the collective contract, the later is taken as the criterion. The collective contract draft should be submitted to staff and workers representative assembly to be discussed and to be made public to all workers and staff after being approved.

Article 4 The Trade Union is a representative of staff and workers' legal rights and interests. The employer respects and supports Trade Union upholding staff and workers' rights and status according to the law. When the employer is to draw up or modify regulations or other major issues, directly relating to payment for labor, working time, rest and vacation, labor safety and sanitation, insurance and welfare, workers' training, labor discipline and labor quota management, etc, these matters should go through discussion by the whole of staff and workers or on their representative assembly, to be negotiated on the basis of equality before making decision.

In case the Trade Union or staff and workers consider relevant regulations or major

decisions not appropriate, they are entitled to put forth the matter to the employer to improve and modify through negotiation.

Appendix II Special Agreement for Female Staff & Workers

Trade Union of Phoenix Contact Asia-Pacific(Nanjing)Co., Ltd

Trade Union of Nanjing Phoenix Contact Co., Ltd

Trade Union of Phoenix Contact R&D Center & Technical Support Co., Ltd

Chapter I General Principles

Article 1 In order to maintain lawful rights and interests of female staff members and workers, reduce or overcome their special difficulties due to physiological characteristics to care about their health, the agreement is worked out, based on national [Labor Law], [Trade Union Law] and [Protection Regulations for Female Staff and Workers].

Article 3 The agreement is binding on the company and female staff and workers to the same extent.

Chapter II Labor Protection for Female Staff and Workers

Article 4 Men and women enjoy equal pay for equal work, this being embodied while the labor relations between the employer and the female staff or workers are built and labor contract signed.

Article 5 The company must care for female staff and workers in their “Five periods” based on their physiological and working characteristics.

Article 6 All departments, where female staff and workers fit in, mustn’t refuse to recruit female staff member or worker under the pretext of marital status, or enhance recruiting requirement.

Article 7 Departments mustn’t reduce female staff members or workers’ basic pay in periods of their pregnancy, confinement, and lactation, or dissolve their labor contracts.

Article 8 Female staff and workers have to abstain from some kinds of labor as stipulated by Labor Ministry [Labor kinds female staff and workers are to abstain from].

Article 10 Pregnant female staff and workers are not to be arranged extra working time beyond normal working days. For those that working as usual is difficult, work quantity should be reduced or other work assigned in accordance with certificate of medical institution.

Parturition examination in working time should be accounted for labor time, and

relevant labor quota should be deducted. It is not to be treated by the company as sick leave, or leave of absence, or as neglecting work.

Appendix III Enterprise Environment Behavior Evaluation Indices & Standards

1 Discharge Standards

There is no industrial waste water resulted from Phoenix Contact production processes. The noises are mainly spread from air compressors and cooling towers. We practice monitoring and control over sewage and noises and percentage of meeting the standards reaches 100%. The retrievable solid waste is outsourced to be retrieved in a unified way. The main dangerous waste substances are waste emulsion, waste machine oil and waste cleaning liquid. According to State strict implementation system about moving dangerous waste substances, we entrust qualified institutions approved by E-P Bureau to retrieve and process these substances, the completion of processing rate reaching 100 %.

Part of requirement indexes and measurement data are shown as follows:

Item monitored	Index term	Requirement	Value Measured in 2009	Value Measured in 2010
Noise (db)	Noise in Factory Territory	<60	56.7	55.7
Waste Water(mg/L)	PH	6-9	7.44	7.65
	SS	< 400	16	44
	COD	< 500	200	185
	Amino nitrogen		28	16.2
	Animal or Plant Oil	< 100	0.98	2.32

Note: PH –Acidity-alkalinity of waste water sample

SS –Suspended substance contained in waste water sample

COD—Oxygenation quantity in oxidization in waste water sample

The Qualified Institutions and their Licenses for Processing

Name of Waste	Category No.	Qualified Institution for Processing	License No. for Processing Waste
Waste Emulsion	HW08	Nanjing Huifeng Waste Processing Co.	JS0115001136-5
Waste Cleaning Liquid	HW42	Nanjing Huifeng Waste Processing Co.	JS0115001136-5
Waste Machine Oil	HW08	Nanjing Dingzun Industrial-Trade Co.	JS011100D158

2 Control over the Total of Discharge

The total of discharged pollution is made by the company, strictly complying with the permit stipulated in the city's license.

3 About Abiding by E-P Laws and Regulations

It is stipulated by the 6th article of [The Environment Protection Law of the People's Republic of China] that every unit and every individual are obliged to protect the environment and entitled to report to the authorities on and bring a charge against the unit or individual polluting or damaging the environment. According to the principle of strictly abiding by state laws and regulations, based on the real conditions of company's products and services, our company has meticulously carried out the work of identification, acquisition and grasping the requirements of relevant laws and regulations as our work norms.

The company is equipped with discharging system to separate rain water and sewage, the latter being mainly drainage from toilets, bathrooms and canteens. The sewage is drained away after biochemical processing to sewage processing factory in Jiangning development zone. Annually we conduct environmental supervision of sewage only to find that the state standards are met.

In the production processes, no waste water is produced, because the processes are fully dry.

4 Administration of Environmental Risks

In order to be able to deal with many unexpected unfavorable factors to the environment possibly occurred in production, discharge, transport, warehousing, managing, servicing, new project developing, etc., the company has drawn up emergency case plans of analysis, assessment and control implementation (omitted).

5 Regular Application for Pollution Discharge

Phoenix Contact China regularly and accurately applies to E-P Bureau for registration to acquire pollution discharge license. (See the pollution discharge license 2011 below)

6 Normalized Arrangement of Pollution Discharge Outlets

The pollution discharge outlets are arranged to meet the requirement "apparent, reasonable, and convenient" and clearly marked for the professionals to collect samples to effect monitoring and supervision conveniently.

7 E-P Organization, Personnel and Systems in the Enterprise

Phoenix Contact China incorporates green operating ideas in its enterprise operating strategy, decision-making and operating and managing process, sets great store by disseminating green ideas to strengthen E-P consciousness among employees, develop green products and logistics, exerts efforts to reduce resource consumption and goods damages. A specific post of environment managerial representative has been set up under direct leadership of General Manager. A full-time E-P organization--integrated managing

sector has been established. As required by the standards of ISO14001/ RoHS management system, the integrated managing sector under the leadership of the managerial representative exercises strict control over and management of environmental elements in the whole production process ranging from raw materials, components and accessories to finished products. The sector performs on-site examination of suppliers to make sure that their environmental management meets our company's E-P requirements. The sector also engages in working out E-P managing systems to push forward E-P drive, some of them being listed as follows:

- Environment management assessing and examination procedures
- Environment factors identification and appraisal procedures
- Environment laws, regulations and other requirements procedures
- Policies, targets, indices and managing plans procedures
- Exerting environmental influences on relevant partners procedures
- Control over wastes
- Chemicals, oil and grease management procedure
- Monitoring and measuring of environment occupational health and safety effects
- RoHS control
- Emergency case of chemicals leakiness accident tackling
- Emergency case of fire or explosion accident tackling

Note: RoSH stands for "The restriction of the use of certain hazardous substances in electrical and electronic equipment" of European Union's instruction in E-P, clearly restricting the use of 6 substances: mercury, lead, chromium, cadmium, polybrominated ether dibenzene and benzene polybromide.

8 Comprehensive Utilization of Solid Waste

The company lays stress on the comprehensive utilization of resource and recycling of the waste. The main raw materials of Phoenix products are nylon particles and copper.

The comprehensive utilization rate of nylon particles in molding and injection workshop reaches 98%, that of copper filings in metal processing shop reaches approx.90%, while that of leftover bits and pieces of copper—more than 83%.

9 Clean Production

The most important key links to realize clean production are performing control from the source and taking precautionary measures against pollution.

To this end the raw material providers are required to present their RoHS test reports for each batch of raw materials provided by them for our company. This is just the first check. After the materials enter our company, they must undergo RoHS test inside our factory, then are submitted to specialized institutions for check again. The raw materials are put under test again and again to ensure that they meet E-P requirements from the source. Some of the final test data are shown as below.

RoHS Test of Copper		
Test Item	Standard Value(ppm)	Real Value(ppm)
Hg	700	0
Pb	28000	11177.8

Cd	70	0
Cr	700	0

RoHS Test of Nylon Particles		
Test Item	Standard Value(ppm)	Real value(ppm)
Cr	700	0
Br	700	0
As	700	0
Cd	70	0
Hg	700	0
Pb	700	0

10 ISO14001Certification

In April of 2009, based on the previously acquired Quality Management System ISO9001:2008, and Environment Management System ISO14001:2004 and Occupational Health Safety Management System OHSAS: 2007, the company successfully passed the Three-in-one Integrated Management System of the newest version.