# **Communication on Progress**

# **Report to UN Global Compact Organization**

Jan. 10, 2013

# 1. Statement by Company's President and Company Profile

# 1.1 Statement by Company's President

This is the 5th 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 UNGC in December of 2006.

The company under leadership of Mr. President Gu Jiandang will stick at supporting 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, such as moral authority and convening power, to learn expertise and experiences from many 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**

GKOM2012(Global Kick off Meeting) of Phoenix Contact Group was held in Nanjing headquarters on Jan. 12, 2012, 180 subsidiary general managers from more than 40 countries participated in it. During the meeting, BOD of the Group formally mapped the CP2.0 (Corporate Profile), the new development stage 2020. Compared with product-centered development strategy CP1.0, CP2.0 is solution-centered. Prof. Li Musong, 72-year-old, the founder of Phoenix Contact China, retired officially from the company. Mr. Stuehrenberg, the Group Senior Deputy Executive President/ BOD Chairman of Phoenix Contact Holding (China) Co. spoke highly of Prof. Li's outstanding powerful leadership and excellent achievements, and wished him to enjoy his life from then on. At the same time, Mr.Klaus Eisert, the chairman of Phoenix Contact Group, appointed Prof.Li as the honorary Chairman of Phoenix Contact China for life, and expressed confidence that the young management team led by Mr.Gu is able to do even better in the future. Then, Mr.Gu Jiandang made speech on behalf of himself and employees, and committed himself to achieve one more successful Phoenix Contact China in the future. During the meeting, through in-depth analysis and multifaceted key figures, Phoenix Contact China has

demonstrated itself to the world as a company with the unique comprehensive competence, a trustworthy strong platform, with a professional and proactive local team. Besides, all participants were impressed with China's splendid history and culture during the meeting and visiting museums and sightseeing in Nanjing afterwards.

In 2012, Phoenix Contact China encountered the toughest macroeconomic environment, the turn over decreased by more than 10%. Of course, in this serious condition, we also achieved much: According to the CP2.0, and based on the philosophy of "change creates the future" and "innovation leads the future", we went through hardship of transformation of business mode, transited from product/technology-oriented to customer/market-oriented, all functions were restructured fundamentally. The project of SAP(Systems, Applications and Products in Data Processing) has been kicked off, which is not a pure IT project, but one that breaks the boundaries of the departments for them to be merged into the global process, reserving sufficient room for their respective further development in the future. More professional team and 3 supporting platforms have been shaped. Being a break through in E-automobile industry, a Main Controlling System has been used in wind power plant on large scale, Guangzhou technology support center opened, 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.

Phoenix Contact upholds the idea of repaying the society 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, transportation, infrastructure, etc fields. Automation will be the core of industrial solutions. The slogan "Automation Realizes Dreams" is indicative of company's march towards 2020.

When experiencing the economic winter in 2012, based on the development strategy CP2.0 of Phoenix Contact Group, we worked out Phoenix Contact China strategy3.0 (CS3.0), 2013 is the 1st year of implementation of CP2.0, and we will celebrate the 20 anniversary of Phoenix Contact China. And 2013 is also determined as the year of decisive

battle, which requires all Phoenix fellows to justify themselves with action and achievement, without any illusion, complaint, pleading, and nonfeasance, action is the key factor to proceed to success. Of course, only by working together can we achieve a prosperous future for the company as a whole, as well as for the team, employees and their families.

# 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, ever since its founding and attaching 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 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. We aim at creating all possible working opportunities with dignity and prospect for employees at all levels, 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 bearing all-round responsibility are expected to appear in 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 (omitted).

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 better fulfill our social responsibility, In 2011, Phoenix Contact China has set up "Musong Love Fund" and "Phoenix Fund to Return Favor to Society", and committed itself to invest 1 million Yuan each year, summing up to 10 million Yuan (US \$ 1.605million) from 2011 to 2020. In 2012, we drew up regulations for releasing these two funds. 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) Paying continuous attention to the subsequent development of 8 Phoenix Hope Primary Schools for a decade. In 2012, the Company donated 150 sets of desks and chairs and one basketball court to Phoenix Hope Primary School in Donghai County. Donated one set of computer with printer to Phoenix Hope Primary Schools in Inner Mongolia, Shandong province and Gansu province respectively.

(2) Same as in 2011, our company responded to Jiangsu provincial Hope Project "For the dream to come true", by helping 40 poor students for their dreams of entering the university to come true in 2012. Up to now, we have supported 131 poor students.

(3) Phoenix Contact China has set up scholarship program in ten universities, such as Tongji University, Shanghai, Nanjing University, Southeast University, Nanjing, Sichuan University, Chengdu, Shanghai Electric Power university, Qingdao University of Science and Technology, etc to provide support for and stimulated students to improve achievement in study. In past decade our company has been giving grant-in-aid to more than a thousand students commendable both in study and morality, coming from poverty-stricken areas of the country.

(4) In 2012 a Great Prix Competition for Automation named "Xplore" had been held to encourage university students and engineering technicians to develop their innovative thinking, and stress applications of automation technology. This is the 5th time successful Competition sponsored by Phoenix Contact, 6 Chinese teams were invited to Phoenix Contact Germany to participate in the final. This kind of competition not only helped the students and engineering technicians with automation technology applications proper effectively, but also widen their field of vision.

(5) To provide support for universities and cooperative partners to lead the development trend of automation technology, the 3rd Asian annual EduNet Conference had been held at the end of October of 2012 in Tianjin. 30 experts and scholars from more than 10 universities in China, Singapore, Vietnam and Germany attended the conference.

## 2.1.1.2 To help disadvantaged groups in the society

(1) In 2012, we found Jinling Jiuhua resthome, due to lack of sufficient financial support, the resthome fell in difficulties. After detailed inspection, the company donated an emergency generator, some quilted covers and clothes, Chinese date, agaric etc. We believe that there are elders in every family and every one will grow old, the way we care for the elders today is how we will be treated in the future.

(2) Since the company has found a welfare house (orphanage and house for abandoned children) in Gaochun county near Nanjing in 2008, from 2009 to 2011, 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 employees to contribute clothes and other articles for daily use to the house. A platform was built so that more employees are able to take part in the charity activities organized by the company. In 2012, before Children's Day on June 1st and at year end, we donated more than 200 quilted covers and some clothes, some employees specially went to the House with gifts to express sympathy and solicitude for children and personnel in the House. All were touched in the heart by children's conditions, and determined to work harder to be able to offer more help to the House and the children there.

(3) Phoenix Contact China responded to the project of "Thousands of enterprises help thousands of needy families" sponsored by Jiangning Development Zone, and finance 10 thousands Yuan for each of 5 needy families.

## 2.2 Labor

Phoenix Contact China attached great importance to employees' right, and we believe employees are the most valuable resource.

#### 2.2.1 To Care for the employees whom befell misfortune

Concerning the Corporate Social Responsibility, the company's managers think that the first important task is to care for the employees, especially those who got caught in various difficulties accidentally such as they or their parents fell in severe diseases or traffic accidents, and are deep in financial difficulties. In these cases, after an estimate is made by the committee of Musong Love Fund, sufferers will be given support with 3000-10000 Yuan. In 2012, we have helped 16 workers. From 2009 to this day, we have relieved 40 employee's families of their temporary difficulties.

## 2.2.2 To improve employees' life conditions

(1) In 2012, although being in the toughest macroeconomic environment, Phoenix Contact China has increased an average of employee salaries by 8% (especially for workers by more than 10%) and the traffic subsidies by 40%. Besides, the company supplied some other welfare, such as 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.

(2) In 2012, we invited the professional institute to make a survey of employees' satisfaction, which cover the chance and fairness of job, career development, and working conditions, salary and welfare etc, for us to make continuous improvement of the weaknesses in work and systems accordingly.

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

(4) In 2012, the company took out medical insurance for employees' children, to reduce the financial pressure for the employees.

### 2.2.3 To forge ahead with corporate culture construction

(1) To organize employees to study human life philosophy and ethics. Our employees are encouraged to attend a variety of Chinese traditional culture forums for them to hoster and enhance their moral consciousness on the one hand, and on the other to spread and flourish Chinese traditional culture in the society as part of our CSR.

(2) To set up 5 sports clubs, including basketball, soccer, badminton, table tennis and, taichichuan. The company provided sports appliance and financial support for venue rental for employees.

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

(4) To organize employees to take physical examination every year.

2.2.4 To strengthen security management and security culture construction

(1) In 2012, in order to protect employees' safety in the company, we set up a new parking

lot for cars and motorcycles to park separately, 3rd Gate is exclusively for cars and motorcycles to pass in and out, and all cars and motorcycles are forbidden to go through the company.

(2) In 2012, in order to enhance employees' safety consciousness and acquire escape skill in the case of emergency, Security department and IMS (Integrated Management System) department co-organized the training and drill of evacuation, more than 800 employees of manufacturing and quality center participated in it.

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

2.2.5 To improve the employee s' skill

Phoenix Contact China attaches much importance to strengthen the employees' skill, besides the normal training, we have held a skills competition in 2012, which involved more than 550 workers and engineers. Through the competition, all participants made much efforts, which is not only for ranking, but also for sharing, intercommunication, learning and improvement.

# 2.3 Environment

The company keeps paying close attention to the E-P (Protection of Environment), at all times spares no efforts to do it best in utilization of natural resources and other consumables. The idea is fulfilled in product manufacturing processes as well as in the other operation processes.

2.3.1 Environment Policy and Environment Criteria

## 2.3.1.1 Environment Policy and Concept

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.

Phoenix Contact China's environment concept is: We endeavor to save resource and energy, prevent pollution, improve quality of environment through the whole processes management, sustainable improvement. To realizing this goal, we abide by "5R" principle:

- A. Recycle
- B. Reuse
- C. Reduce
- D. Repair
- E. Refuse
- 2.3.1.2 Environment Criteria (omitted)
- 2.3.2 New Measures Taken to Protect Environment

# 2.3.2.1 Implement "5S" management

The company Implement "5S" management in the workshop, which involve all engineers and workers, all of them act from little things for better environment.

2.3.2.2 Ensure all environmental indexes to conform with the safety standards in new building(PhaseIII)

In the beginning of 2012, the company put one new building(PhaseIII) into use, but before it, we have made a comprehensive environmental detection to ensure the security for all staff in it, the result indicated all environmental index are in conformity with the standards.

#### 2.3.3 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 connecters, 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.

For emission reduction, Chinese government encourage the construction of charging station for electric automobile, in the tide of this trend, Phoenix Contact China cooperated with Xuji Electronic co,. and Nanjing Automation Research Institute to develop the charging pole, now, the world's biggest charging station has been set up in Qingdao, and put into commercial operation.

In China wind-electricity market for electrical components it is expected for Phoenix Contact to have more than 40 % shares. In Zhangbei wind plant of Inner Mongolia Autonomous Region, 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 2012, several big forums on building intelligent electric power grids, electric automobile, surge-voltage protecting, were held in and sponsored by our company, which were 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, 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 a 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 management echelons to ordinary members, but also inculcate clear conscience in them, boost their morality consciousness and humanistic culture level in general. Apart from routine technology and skills training, 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 both from within and from outside, most commendably, the President of the company learned and practiced personally. More than 50% employees have been trained. The core principles of ethics of Chinese traditional culture are filial piety, fraternity, loyalty, honesty, propriety, righteousness, integrity and the sense of shame. Such training courses are being continued.

In addition, in the past 2 years, the top management echelon initiated a "proposal of honesty and self-discipline", and then some other teams responded to it successively.

# 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 basis, 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 contract signed between the company and individual employee 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 equal basis 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 solve 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 have 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.

Prepartal examination in working time should be accounted for labor time, and relevant labor quota 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 %.

Item monitored	Index term	Requirement	Value	Value
			Measured in	Measured in
			2011	2012
Noise (db)	Noise in	<60	55.7	53.4
	Factory			
	Territory			
Waste	PH	6-9	7.65	7.33
Water(mg/L)	SS	< 400	44	23
	COD	< 500	486	85
	Amino nitrogen		16.2	3.04
	Animal or Plant	< 100	2.32	5.06
	Oil			

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

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	License No. for
Name of Waste	Category No.	Qualmed mstitution	LICENSE NO. 101
		for Processing	Processing Waste
Waste Emulsion	HW09	Nanjing Huifeng	JS0115001136-9
		Waste Processing	
		Co.	
Waste Cleaning	HW42	Nanjing Huifeng	JS0115001136-9
Liquid		Waste Processing	
		Co.	
Waste Machine Oil	HW08	Nanjing Xiaowu	3201170006
		Industrial-Trade Co.	

# 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.

Phoenix Contact China regularly and accurately applies to E-P Bureau for registration

to acquire pollution discharge license (see it bellow).



# 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 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.



# 6 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 President. 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: RoHS 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.

# 7 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%.

# 8 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		

# 9 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 OHSAS18001: 2007, the company successfully passed the Three-in-one Integrated Management System of the newest version.