

#1 2012

**INFOCUS:**

# Sustainability

- a life long part of the production



Like many things, PCB production leaves a footprint on our global environment as well as the local community. It is therefore crucial that the NCAB Group takes responsibility for sustainability both within its own organization and at its factories.

Anna Lothsson, Strategic Purchasing Manager, is also in charge of corporate social responsibility (CSR) and environmental matters at NCAB. She points out that the company has been actively working on environmental issues for some time and has held the ISO-14001 environmental standards certification for over nine years, adding that NCAB's factories are now also ISO 14001 certified.

"We took another step in June 2009 and introduced a code of conduct, which also applies to our factories and is incorporated in our contracts with them. It addresses environmental, human rights, ethical and corruption issues, as well as matters relating to employment and working conditions," says Anna.

**ON SITE AUDITS**

To ensure that the factories abide by the code of conduct, NCAB has allocated resources to check this on site. During 2011, we started to conduct audits to monitor the factories' adherence to the code of conduct.

"The experience gained in our quality follow-up audits has helped considerably," says Anna. "It is an effective and well tried method, which gives us first-hand insight at the factories and enables us to



"Nowadays environmental issues are just as important as quality issues," says Anna Lothsson.

pinpoint deviations and areas that need improvement. Together with the factory, we then set up a list of improvement measures that we can later follow up."

**DOCUMENTATION AND PRACTICE CHECK**

Jenny Zhang at NCAB Group in China recently conducted audits at two of NCAB's main factories and the results are now being evaluated. She will be conducting three further factory audits during 2012.

Jenny comments that NCAB's factories view the audits conducted by NCAB whether environmental, CSR or quality in a very positive way before going on to say "Demands such as these are becoming increasingly common and the factories are keen on receiving feedback if we detect any issues that they need to remedy,"

"When I do these audits I study all the relevant documentation, for example environmental policy, improvement plans and contracts of employment and check that there are clearly defined rules against child labour. Then I carry out on site inspections to see whether

the factory actually practices what its documents stipulate. This includes how they handle waste or store chemicals. I also talk with the workers, to find out, for example, whether they have received



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relevant health and safety training and that their working conditions follow regulations."

The process that NCAB establishes for auditing the code of conduct on site can then be integrated into the broader audit process, covering both new as well as established factories.

"This is just as important as quality issues," says Anna Lothsson firmly. "Environmental work and social responsibility should thus be an integrated part of our operations and imbedded into both our and our factories' processes. The entire company, from the top down is strongly committed to prioritizing these issues".

**SPECIFIC ENVIRONMENTAL OBJECTIVES**

NCAB has also set up specific environmental targets for its factories. During 2011, efforts were focused on reducing water pollution from NCAB's PCB plants in Guangdong province in China. The objectives required all the factories to comply with level 1 of the province's manufacturing standards legislation regarding water purification. "All the factories were compliant," says Anna. "We are also looking at their water and electricity consumption, where improvements would also be financially beneficial to them. Our audits also examine

**"Our carrying out environmental, CSR or quality audits isn't seen as anything remarkable by our factories."**

**JENNY ZHANG, SOURCING SPECIALIST, NCAB GROUP**



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what the factories have done to implement the environmental directives in their operations."

Transport is another activity that impacts the environment. NCAB's customers tend to opt for air transport – a choice driven by their operations' lead times. Although it is difficult for NCAB to influence this, other alternatives can be offered. We are now planning to monitor all transportation carbon emissions and review ways in which we can further reduce them, including the use of more direct flight routes. Also, NCAB's entire fleet of vehicles now runs on diesel.

#### QUALITY AND INTEGRATED PRODUCTION

Environmental work, in our opinion, is not an isolated activity but an integral part of our entire supply process. NCAB's quality focus contributes to a better environment. By reducing the number of faults, fewer PCBs need to be rejected and less waste reduces our environmental footprint.

"The same principle applies to NCAB's seamless concept," says Anna. "Our vision is to become more involved with customers at an early stage, helping to optimize the PCB's design. This results in fewer faults and claims and makes for more sustainable use of resources in the long term."

Transparency is key in NCAB's environmental and CSR work. Customers are offered full access to information and those who wish to, are welcome to pay personal visits to the factories.

"Another priority this year is to communicate how we work with these issues, directly and more proactively. We want our customers to have full confidence in us," concludes Anna

#### CODE OF CONDUCT

NCAB's code of conduct applies internally and at its factories and is inspired by the United Nations Global Compact Initiative. The document covers the following issues:

**HUMAN RIGHTS** shall be respected and all forms of discrimination rejected.

**LABOUR RIGHTS AND CONDITIONS** shall meet all local laws and regulations and the right of association for all NCAB's employees shall be respected.

**THE WORKING ENVIRONMENT** must be healthy and safe and secure.

**EMPLOYMENT OF CHILDREN** is not accepted and employees under the age of 18 must never perform hazardous tasks.

**ENVIRONMENTAL ASPECTS** shall be managed in a preventative manner and include environmental risk-assessments of NCAB's operations. We strive to keep production as clean as possible, by sharing effective resource-use technology, recycling and responsible disposal technology.

**ETHICS** require that we reject all forms of corruption, extortion, bribery and suchlike behavior. Neither do we tolerate any kind of inappropriate payments.

# Our responsibility as an integrated producer

HANS STÅHL,  
CEO NCAB GROUP



There is today widespread concern about the future of our planet. We all share a common responsibility to create a platform for sustainable development. Manufacturing companies, whatever their product range, therefore need to put greater emphasis on environmental matters and social responsibility. The issues are complex indeed, as is the process of deciding what measures to take. But the only way forward is to start implementing changes. It is those many small changes that will make the difference.

Within NCAB, we have for a long time been systematically working to reduce our environmental footprint. Our development from the role of trader to integrated PCB producer has brought with it increased responsibility. Today we are addressing the issue on a broader basis and making environmental and CSR demands on

factories. We want our clients to be secure in the knowledge that our products are manufactured with the utmost respect for the environment and society and have thus allocated resources to ensure that the factories live up to our demands in practice.

In the same way as product quality, we leave nothing to chance. We are present on the factory floor to make sure that promises are fulfilled, consideration is taken for the environment and the employees work under acceptable conditions. At the same time, the accelerating pace of China's progress has led to environmental and social responsibility matters becoming prioritized within China itself. Moreover, the dialogues we conduct with our factories at management level confirm they are aware of the importance of these matters.



**Would you like to learn more about PCB production and sustainability?**

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We are always looking for interesting subjects that we could take a more in depth look at. If there is something you would like to learn more about, or perhaps you would like to comment on anything we have written, do get in touch with us and tell us more.

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