



HUMANITY DRIVING TECHNOLOGY



“Humanity can guide, harness, and control the development of science and technology so that they fulfill their primary purpose which is to serve humanity.”

GERD LEONHARD

Growth engine for an inclusive future | **Page 15**

Empowering our innovations | **Page 19**

Beyond electronics | **Page 47**



ROAD TO **SUSTAINABILITY**

Safeguarding our natural
capital | **Page 62**

Fortifying our human
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SAFEGUARDING OUR NATURAL CAPITAL

OUR INITIATIVES

- Standardized Energy Efficiency Program (EEP) across regional sites/ Best practices and emergency efficiency programs from the Philippine site
- Reduction of kilowatt/ cubic feet minute compressors (CFM) for compressed dry air system to be retrofitting efficient element units
- Retrofit Variable Speed Drive (VSD) and air dropped temperature circulation for major AC support system equipment yielding 10,000 kw/h
- Converted and retrofitted the obsolete Environmental Controls to updated set-up to increase reliability
- Introduction to Site Facility Risk Assessment

We continue our resolve to find opportunities to measure our impact in the environment, recognizing that environmental responsibility is integral to producing world-class products.

All our manufacturing sites across continents adapt an international management systems standards on environmental management systems through ISO 14001.

In 2018, we started the data gathering of the sustainability metrics in all IMI sites. Along with the support of our stakeholders, we continue our first steps to sustainable growth and development as one of our priorities, aware that our path to sustainability is a long-term journey.

ENERGY

Use of LED lightings, reduction of operating hours on cooling tower, installation of duct links on air conditioning, optimization of operating hours of selected compressed dry air equipment

WATER

Optimization of de-ionized water system operations, re-use of treated water and recovery of excess water

WASTE

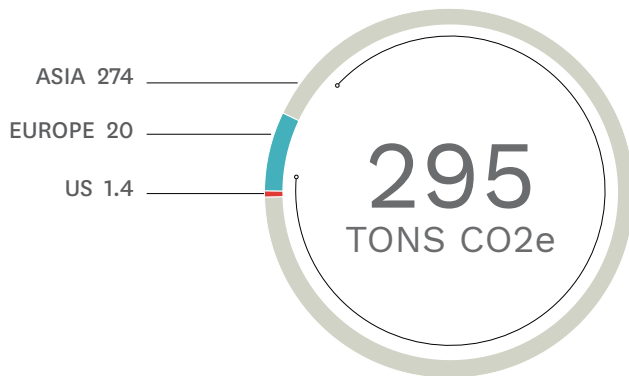
Reduce-reuse-recycle program in disposing of chemicals; assurance of proper disposal through accredited haulers, treaters, and recyclers

MONITORING

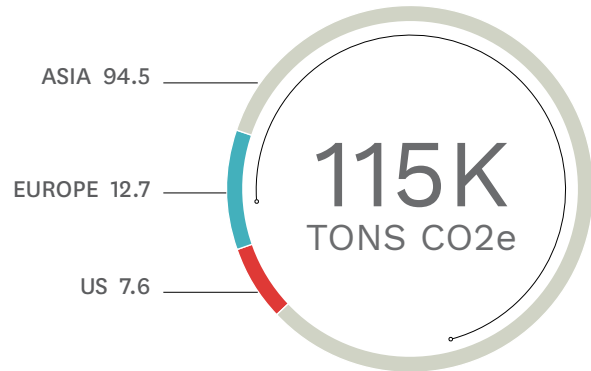
Regular emission testing and monitoring of air pollutants is conducted continuously

GREENHOUSE GAS EMISSION (GHG) IN TONNES CO₂e (EXCLUDING GERMANY)

Scope 1. GHG Direct emissions—fuel consumption of company-owned vehicles and generator sets

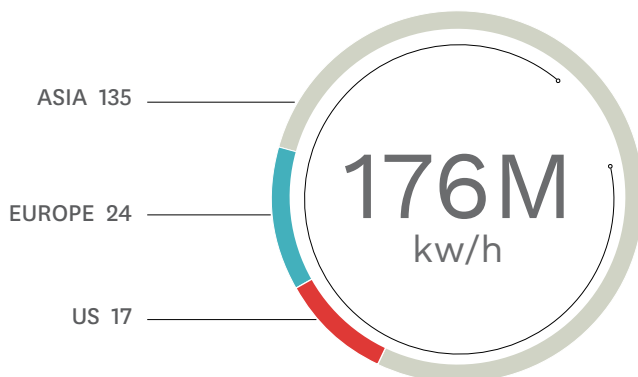


Scope 2. GHG Indirect emissions—calculated from electricity consumption

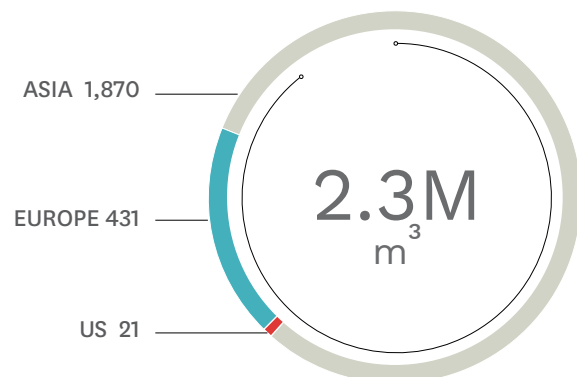


ENERGY CONSUMPTION

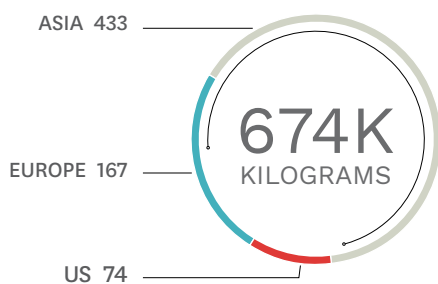
ELECTRICITY (million kw/h)
EXCLUDING GERMANY



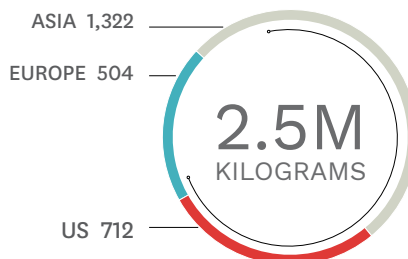
WATER (cubic meter)
EXCLUDING GERMANY



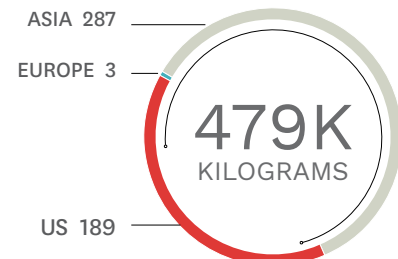
WASTE MANAGEMENT (IN KG) EXCLUDING GERMANY



HAZARDOUS



**NON-HAZARDOUS
RECYCLED**



**NON-HAZARDOUS
RESIDUAL**

FORTIFYING OUR HUMAN CAPITAL

We recognize that human capital will become increasingly important as the world transforms into knowledge-based economies that depend on information, knowledge, and multi-level skills.

We believe that our most important asset—all 17,000+ strong spanning a multi-cultural diverse and global community—will continue to provide the strength, resilience, innovation and creativity that will enable us to provide value to our customers and stakeholders.

We continue to invest in strengthening our corporate culture and employee engagement while adhering to global standards stipulated in the Responsible Business Alliance (RBA).

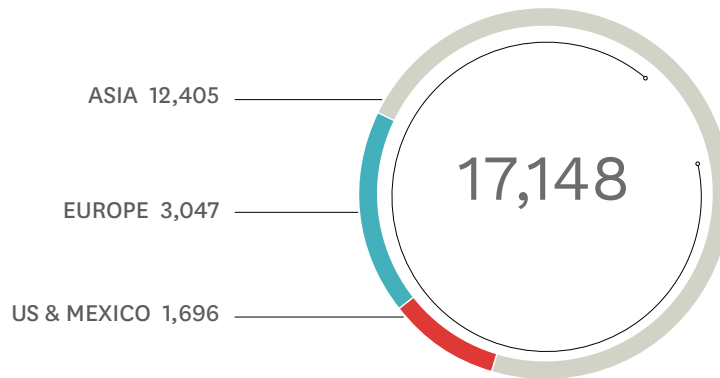
CORPORATE CULTURE AND EMPLOYEE ENGAGEMENTS

- Global Engagement Survey
- Leadership Assessment for Key Talents and Successors [360 degrees, Harrison Assessments Talents Solutions (HATS)]
- Global Talent Review with the COO, CEO, IMI BOD, and Ayala

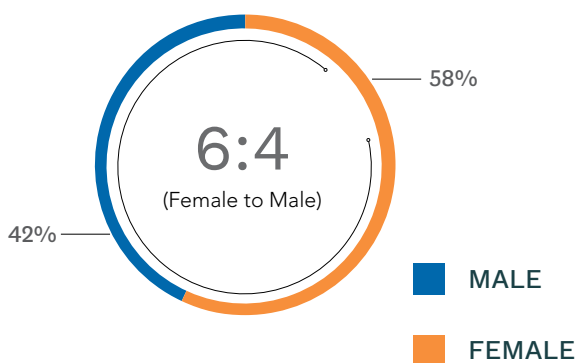
ETHICS & COMPLIANCE

- Freedom of Association
- Freely Chosen Employment
- Humane Treatment
- Rest Period Not Less Than 24 Hours
- Non-Discrimination
- No Child Labor Policy including our Suppliers
- Non-Disclosure of Information
- Business Integrity
- Intellectual Property
- No Improper Advantage
- Fair Wages and Benefits
- Protection of Whistleblowers
- Fair Business, Advertising and Competition
- Responsible Sourcing of Minerals
- Respect For Environment
- Safe Working Environment

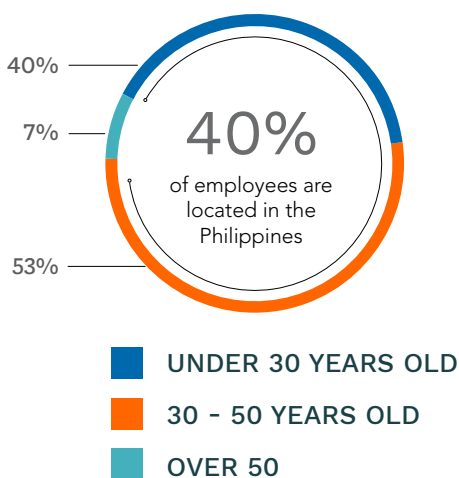
GLOBAL WORKFORCE BY REGION



BY GENDER



BY AGE



TRAINING AND DEVELOPMENT

IMI UNIVERSITY TRAINING PROGRAMS

TECHNICAL TRAININGS

- Statistical Boot Camp
- Problem Solving Methodology Trainings
- Lean Manufacturing Trainings
- Systems and Standards Trainings
- Technical Forums

LEADERSHIP & BEHAVIORAL TRAININGS

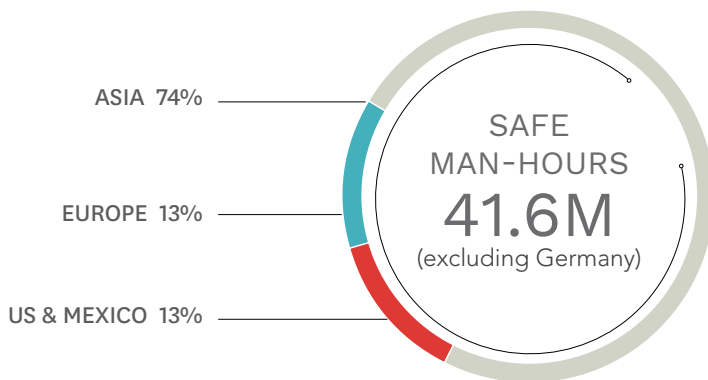
- Coaching for Success
- Values Integration Program, IMI Customer Service Plus, and Becoming an Effective Supervisor Training
- Communication Trainings
- Compliance Trainings
- Environment, Health and Safety Trainings
- Operative Line Training

936K

Training hours conducted globally

100%

Evaluation of performance



At IMI, we are committed to excellence and leadership in safeguarding the health and safety of our employees, suppliers, service providers as well as the good of our environment. We strive to minimize the adverse impact of our operations through the implementation of an integrated Environment Health and Safety program and continuous improvement over time.

We commit to comply with all applicable laws and regulations and promote cooperation among the different sectors of society to achieve sustainable development and ensure better quality of life for our stakeholders.

In 2018, safety audits were conducted to improve our performance and to ensure compliance to safety standards. The company also successfully underwent and passed ISO 14001:2015 to further ensure a healthy and safe working environment for everyone.



OUR HEALTH AND SAFETY TRAINING PROGRAMS

- Electro-mechanical safety
- Basic chemical safety
- Emergency preparedness response
- Forklift safety
- Material handling and lifting
- Radiation safety
- Personal protective equipment training
- Basic occupational safety and health
- Legal compliance

QUALIFYING KEY SUPPLIERS

Our Materials Management group ensures that suppliers adhere to global sustainability standards such as the Responsible Business Alliance (RBA) code of conduct (formerly the Electronic Industry Citizenship Coalition).

In 2018, three of the major customers of IMI passed an audit with acceptable results as the company has stepped up its supplier assessments which already includes determining the levels of hazardous substances in their contents.

IMI's sustainability audit team is composed of representatives from Supplier Quality Engineering (SQE), Human Resources (HR), and Environmental Health and Safety (EHS). The team conducted a sustainability assessment among key suppliers in the Philippines and China in 2018 based on the RBA code of conduct which covers labor, ethics, environmental, health and safety, and overall management system.

Apart from the audits, IMI also conducted risk management seminars to suppliers for

them to adapt a risk mindset towards their own business and the whole supply chain. The sessions will enable them to be more aware of the risks in their business and their potential effect to IMI and its customers. The Supplier Development team held a risk management learning session based on ISO31000 done initially with five selected suppliers in 2018.

For 2019, IMI will audit at least nine major suppliers and release supplier code of conduct to all suppliers and organize risk management trainings.

OUR POLICY ON CONFLICT MINERALS

IMI continuously supports the sourcing of minerals / metals from compliant smelters (those who do not supporting the rebel groups of DRC (Democratic Republic of the Congo) and adjoining countries.

The company also requires the Conflict Minerals Reporting Template (CMRT) from suppliers annually and uses the same format in disclosing smelter information to customers through our Customer Focus Team. All suppliers are expected to practice the same measures for alignment in the whole supply chain, and we continuously work with them to ensure compliance beyond regulation.

OUTREACH BEYOND BORDERS

Evident through the regular outreach activities being organized is the company's commitment to live up to the core value of Concern for Others.

IMI Philippines'

Brigadang Ayala 2018 was an outreach project extended to public schools in Sta. Rosa City, Laguna. A total of 90 volunteers participated.



- Another community outreach was held with free medical, dental, optical, and fasting blood sugar assistance along with haircut, breakfast for kids, pharmacy, feeding program, and learning sessions. About 135 volunteers composed of IMI employees and external partners participated in the activity.

Tree planting projects in Cavite and Laguna, Philippines took place with 78 volunteers.



- **IMI CHENGDU** in China sponsored a basketball competition with a partner school to strengthen relationships. Also in Chengdu, donations were given to the needy in impoverished communities in the Tibetan area in Sichuan province.
- **IMI KUICHONG** in China organized a marathon and also a company-wide donation to help the bereaved family of an employee.
- **IMI JIAXING** in China volunteered to maintain and protect environmental sanitation and participated in environmental hygiene activities organized by the local community.
- **IMI PINGSHAN** in China mobilized volunteers for traffic coordination and clean-up of a neighboring public park and streets.
- **IMI BULGARIA** donated a refrigerator with freezer and a steam ironing module for public kindergarten students.
- **VTS SHIGA** in Japan supported the aluminum recycling program in the city with the help of volunteers and government employees.
- **IMI SINGAPORE** donated pre-loved clothes to the victims of the earthquake in Indonesia and provided financial aid to the Rotary Club of Kuala Lumpur in Malaysia through a film showing for the benefit of orphans and underprivileged children.



A CULTURE OF COMMUNITY

Living IMI's corporate core value, Concern for Others, has been one of the company's strengths. The company takes pride in giving back to its people and its surrounding communities where IMI sites are located.

In 2018, IMI made notable efforts to create a closely knit community of people sharing the same core values that continue to help bring IMI to where it is now.



EMPLOYEE PROGRAMS

- IMI Philippines conducted four livelihood programs in 2018 with 112 participants.
- IMI China and Singapore sites held learning opportunities on the following topics:
 - Electricity safety
 - First-aid training conducted by Red Cross
 - Various student plant tours (electronics manufacturing familiarization)
 - Clean environment
 - Fire safety

HEALTH INITIATIVES

- Ensuring a healthy and safe working environment for our people and sharing this mindset has become second nature to all IMI employees. Employees willingly share their time and resources in service to nearby communities
- IMI Family Health Day was held in the Philippines for employees and their families with 1,009 beneficiaries.
- Blood donation drives took place in various sites: IMI PH, the four sites of IMI China, IMI Czech Republic, and IMI Japan
- IMI Bulgaria donated a hemodialysis machine to a local public hospital
- IMI Jiaxing in China donated 72 draw bar boxes to the community firemen

