## Nan Ya Printed Circuit Board Corporation Corporate Social Responsibility Report



## Nan Ya Printed Circuit Board Corporation (NYPCB)

Investor Relations Unit of the President's Office

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## **About the report**

This report is the third corporate social responsibility report that Nan Ya Printed Circuit Board Corporation has ever published. The report published in Dcember 2015, includes the company's profile, governance, environmental sustainable development, employees wellness programs, and charity work that took place at or involved its plants No.1, 2, 5, 6 and 7 (Address: No.388, Sec. 1, Nankan Rd., Luchu Township, Taoyuan County) and plants No.8 (Address: No.57, Weiwang St., Shulin Dist., New Taipei City 238, Taiwan) from January 1st 2014 to December 31st 2014. The financial figures cited in this report were from financial reports verified and signed by accountants.

All data and statistics divulged in this report have come from the statistical analysis and investigation of the Nan Ya Printed Circuit Board Corporation. Financial data were specifically countersigned by an accountant and transmitted in accordance with relevant laws. Some data have been taken from government websites and stated in a more colloquial way for description purposes. Exceptions are otherwise noted throughout the report.

We will publish CSR report regularly and the next report will be published in June 2016.

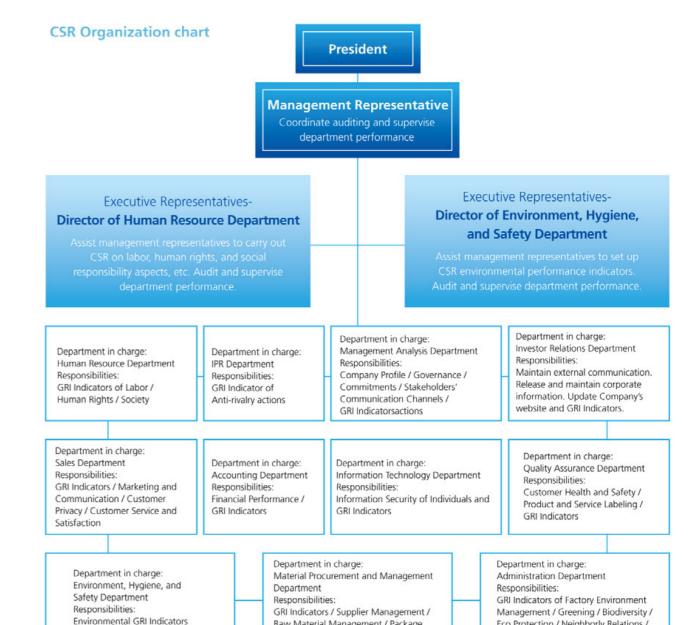
### **Report Guideline**

The report content structure adopts the fourth generate guiding principle G4 standard (GRI G4 core option) of Global Reporting Initiative (GRI) as the reference, compiled in accordance with the listed guiding principle and framework. In order to reinforce the performance comparability and report substantiality, all the information published in this Report are checked by the well-established British Standard Institution (BSI), and conform to GRI G4.0 grade. The BSI inspection report can be found as an attachment. The inspection report presented its findings with the International General Index, and any estimation will be mentioned in the respective chapters.

- · Global Reporting Initiative, GRI, ver. G4.0
- · AA 1000 Materiality, Inclusivity and Responsiveness of Accountability Principles (2008)

#### Methods

To integrate and promote corporate social responsibility, NYPCB has established a "corporate social responsibility team," led by President, Otto Chang, in 2012. Chang and Associated General Manager Lyu, Lian-ruei, who is the Company's Management Representative, have been responsible for the strategic planning, monitoring, and evaluation of the Company's performance in terms of corporate social responsibility.



Raw Material Management / Package

Recycling / Green Procurement

#### **Contact Information**

Please contact us through the following channels if you have any suggestion or question.

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Eco Protection / Neighborly Relations /

Communication

## **Message from the President**

The Corporate Social Responsibility (CSR) policy of Nan Ya Printed Circuit Board includes the areas of corporate governance, environmental protection, and social welfare. We have continuously strived to meet the responsibilities of our long-term commitment to our shareholders, customers, suppliers, employees, country, environment, resources, communities, and society. As a subsidiary of Formosa Plastics Group, NYPCB has followed the Group's CSR policies and focused on five directions, which are corporate governance, environmental protection, procurement policy, labor and ethics, and social welfare.

#### 1. Corporate Governance

- Abide by all laws and business ethics, and establish a comprehensive corporate system to maintain positive corporate governance.
- (2) Adopt international standards and practices, continuously improve and enhance competitiveness to benefit our shareholders.
- (3) Steadily supply high quality products at a low price and help our downstream customers to develop new products and increase their competitiveness.
- (4) Provide employees with a safe and healthy working environment, quality training programs and systems, and clear targets that they can follow so they can reach their full potential.

#### 2. Environmental Protection

- Continuously improve production processes to reduce energy consumption and carbon emissions.
- (2) Introduce lead-free technology and comply with the RoHS directive of the EU.
- (3) Financial impact and risk opportunity of climate change to organization.

The climate change would much more likely cause the extreme climate, including the average atmosphere temperature rising and drought time extension, to cause the risk of electricity and water supply shortage, therefore, the Company continuously promotes the energy saving improvement to reduce the resource and energy consumption, to improve the industrial competitiveness while enhancing the friendly environment, and achieve the multiple benefits.

#### 3. Procurement Policies

- Procure green materials and reduce resources consumption in order to increase rate of recycling and reusing of resources.
- (2) Enforce strict inspection on raw material supplies to prevent conflict minerals from entering production processes.

#### 4. Labor and Ethics

- (1) Provide employees with a safe and healthy working environment, and have high quality training programs and systems, and clear targets that they can follow so they can reach their full potential.
- (2) Abide by laws and business ethics, establish and improve the enterprise system to maintain a sound corporate governance system.
- (3) Strive to attain perfection and do good deeds. Make continuously improvements, enhance competitiveness and give back to the society.

#### 5. Social Welfare

- Address various social issues, and participate in appropriate community and social welfare activities to foster a kind and compassionate society.
- (2) Use our corporate spirit of striving for perfection to create efficiency and success in our social welfare endeavors.

To honor our commitments in corporate social responsibilities, Nan Ya Printed Circuit Board upholds a principle of giving back what we gain from society. The Company strongly believes that such responsibilities are part of our valuable assets, an everlasting brand, and a cultural beacon. The Company pledges to shoulder more social responsibilities, take part in more social welfare activities, help minority and disadvantaged groups, promote environmental protection and strive to achieve zero pollution, zero carbon emission, and zero accident target as well as establish a diverse and convenient communication with stakeholders to create the greatest benefit to the Company's investors, employees, society, and country.

## Nan Ya Printed Circuit Board Corporation (NYPCB)

President Jhang Jia-fang in 2015



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Nan Ya Printed Circuit
Board Corporation
(NYPCB) Overview

## 1.1 Company profile

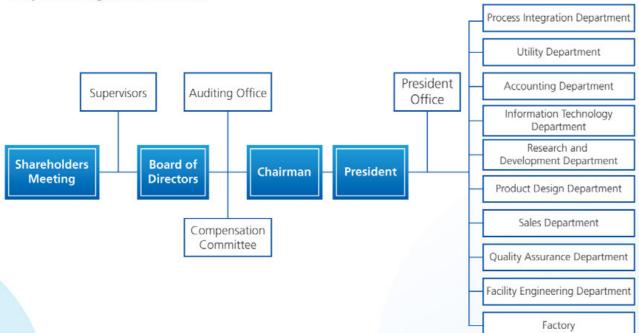
Nan Ya Printed Circuit Board Corporation began operation in 1985. It was a printed circuit board division of Nan Ya Plastics Corporation, belonging to the Formosa Plastics Group, before being separated from the Nan Ya Plastics Corporation. Nan Ya Printed Circuit Board Corporation became an independent company in 1997. The firm has specialized in researching, developing, manufacturing, and selling printed circuit boards and IC substrates (Wire Bond Substrates and Flip Chip Substrates).

In its business operation, NYPCB has focused on improving manufacturing processes and conducting research and development in order to meet customers' needs for high quality products. The Company has gone through a vertical integration in order to reduce production costs and enhance productivity. It also firmly believes that a company cannot meaningfully exist without generating reasonable profits and contributing to the society. Therefore, NYPCB has contributed to social welfare activities for minority and disadvantaged groups while continuously expanding its scale to enhance quality and profits, and upholding corporate responsibilities.

NYPCB has built factories in two locations in Taiwan. The Jing Hsin factory is located in the Luchu Township in Taoyuan County while the Shulin factory is in the Shulin District in New Taipei City. As of December 31st 2014, the company had a total of 6,957 employees, of which 345 were managers and executives, 1,071 were supervisors , 4,318 were general staff, 209 were service staff, and 1,018 were foreign workers. Employees that held management roles made up 20.3% of all employees, with 1,412 individuals having such positions.

Nan Ya Printed Circuit Board Corporation is a member of the Formosa Plastics Group. It has stringently upheld its founder's ideas and protected shareholders' interests. The Company believes a stringent and effective governance mechanism ensures that its operations are lawful, financially transparent, and efficient. To achieve this mechanism, NYPCB's organization has been designed as follows:

#### Corporate organization chart



Name	Nan Ya Printed Circuit Board Corporation
Establish	October 28,1997
Address	Headquarters: 3F., No.201-36, Dunhua N. Rd., Songshan Dist., Taipei City Tel:02-2712-2211  Jing Hsin factory: No.338, Sec. 1, Nankan Rd., Luchu Township, Taoyuan County Tel:03-322-3751
	Shulin factory: No.57, Weiwang St., Shulin Dist., New Taipei City Tel:02-2680-6311
Paid-in capital	NTD 6.462 billion
Number of common shares in the market	646,165,487 shares
Employees	6,957 employees (as of December 2014)
Products	Manufacture and sell conventional PCB, HDI board, Rigid-Flex board, Flip Chip Substrate and Wire Bond Substrate.
Production bases in Taiwan	Jin Hsin factory Shulin factory

#### 1.2 Market Position

Along with the smaller volume and better performance of electronic products, the printed circuit board develops toward the high layer, high density and fine circuit, and requires the thin product thickness, to meet the portable demand. However, the market access requirement is relatively low, and there are numerous manufacturers, thus the competitiveness intense, especially the four to ten layers of computer and communication used board; while in the IC package substrate market, since the semiconductor industry develops toward the multifunction, high-density and small-size chip trend, although there are competitors successively entering the IC package substrate market, these types of products have gradually been applied widely in the computer, game console, communication network and digital family related terminal products, and the market of application products of internet of things booms, therefore, the future IC package substrate demand is expected to grow stably.

NYPCB's products have been sold to assembly factories around the world and used by world-class companies that manufacture computers, communication and internet devices, consumer electronics, and automobile parts.

#### **Global Service Centers**



NYPCB continues the research and development in the three main products, and gains much in the market. The Company has successfully mass-produced the high-end HDI, high-layer board and high-end substrate, and successfully entered the supply chain of world-level customers. On account of the rising of big data analysis, internet of things, wearable device and automotive electronics, and the high demand to high-end HDI, Wi-Fi Module, SiP substrate and high CPU substrate, the Company shall continue the research and development aiming at this trend, in the expectation of bringing the stable turnover for the Company. Besides, NYPCB also actively breaks through in the flip chip substrate processing technology, to make the main products matching with the rapid growth of network and communication equipment and the continuous shrinking trend of IC processing, to the production of high-profit substrate, for the further improvement on the company profit.

## 1.3 Prospects, Opportunities and Challenges to the Industry

NYPCB business development plan is divided into the short term and long term. In the short-term business plan, since the demand rising in wearable device and network device application product, it shall emphasize on technical capacity development of high-density, thin circuit, IC substrate and development of potential customers; to match the market product acceptability, continue the adjustment of product mix, accelerate the capacity expansion of highly added value, and promote the output value and profit.

While according to the future market development trend, the long-term business development plan is still primarily the internet of things and automotive electronic application products. The Company adheres to the operation principle of improvement, innovation and sustainable operation, dedicates to the research and capacity expansion of environment-friendly products, and continues to develop the new customers, with the leading quality technology as the advantage, to be the principal axis of long-term business development.

#### (1) Supplies and demands and market growth

Looking back to 2014, although the American prosperity recovered gradually, and the terminal consumptive power strengthened, the Eurozone economy deteriorated and Mainland China mobile device market saturated, which caused the global mobile device sale grew slowly. However, the Company positively promotes the product diversification policy, to reduce the risk relying on single product. Looking into the next year, American economy shall warm back, the big data analysis, internet of things, wearable device and vehicle used electronic product demand shall rise, and the company operation is expected to grow.

#### (2) Competitive Advantages

As a member of the Formosa Plastics Group, NYPCB has undergone a vertical integration with the group, which has made the Company not only an upstream substrate supplier but also obtains the ability to supply other even higher-upstream PCB raw materials such as epoxy, copper foil, and glass fiber materials. They have become the foundation of support in NYPCB's growth in the printed circuit board industry. The Company has also completed its construction projects in Taiwan and China. They will not only provide flexible capacity and balanced product development, but also meet customers' needs for a wide range of printed circuit boards. With its profound experiences and advanced technologies, NYPCB has increased its competitiveness through product price and technology advancement.

#### (3) NYPCB's Competitive Edge of the Future

NYPCB's three long term competitive edges include:

## A.Outstanding technologies, quality, and the ability for mass production:

NYPCB is one of the first few companies to produce IC substrate and has accumulated significant experience in product development. Its capability in producing quality products and mass production has been recognized by major global manufacturers. As such, NYPCB has become one of few main global suppliers of comprehensive printed circuit boards.

#### B. NYPCB has built a large customer base:

The Company's quality products have earned the trust of many multinational electronics producers. Thus, many of them have cooperated with NYPCB in new product development in order to help themselves meet the productivity targets and expand market share.

## C. The stringent and sustainable management system from Formosa Plastics Group:

NYPCB is a member of the Group and has inherited its superior management system, style, and philosophy. The Company has maintained stringent management and control on production and costs, and has achieved stable supply of raw materials through resources integration and workforce collaboration in with the Group as well as the ability to negotiate procurements with external parties.

#### (4) Disadvantages and Obstacles

NYPCB has continued to offer high quality products and technologies to its customers. However, since the printed circuit board industry has matured, competition has intensified and the electronics market is changing rapidly. The Company has implemented the following policies to generate reasonable profits and secure sustainable development:

#### A. Excellent technical quality and production capacity

Enhance yield rate and technologies, help customers to produce various niche products, and carry out improvement projects to reduce costs and increase margin. The Company also has increased its efforts in research and development to streamline manufacturing processes and increase capacities to maintain NYPCB's competitive edge in technologies and costs.

#### B. Solid customer base

The future goals of the company should be continued investment in the development of advanced technologies, timely expansion of production capacity to compete for niche products, and an increase in new customers and opportunities in order to elevate capacity utilization.

## 1.4 Major products and Research & Development

NYPCB has conducted extensive research and development. The Company has achieved multiple patents but continue developing new products. The following are products successfully developed by NYPCB and their uses:

#### (1) Printed circuit boards

#### A. High Density Interconnect Substrate:

The Company has developed high-level blind holes and buried holes, Any layer Via-on-via and via filling electroplating technology and produced various materials used to produce substrates. These products are applicable on handheld devices such as tablets, smartphones, handheld game consoles, and high-end laptops.

#### B. Multilayer PCB:

Technologies to pair multiple layers of PCB and perform high aspect ratio electroplating and impedance matching have been developed. These technologies can be used to produce servers and workstations.

#### (2) IC packaging substrate

The Company has produced Wire Bond and Flip Chip Substrates through various packaging methods, which all aims to produce substrates with finer wires and thinner and higher number of layers.

#### A. Wire bonding:

The mass-produced wire bond substrates of the fine bonding finger pitch are actively leading the high-level stacked package substrates as FC + WBCSP (flip chip substrate + Wire Bond Chip Scale Package), FC + WBCSP + PoP (Flip Chip substrate +Wire Bond Chip Scale Package + Package on Package), SLP (Single-layer Package substrate), embedded products, and coreless substrates, and the ultrathin PoP (Package on Package) substrate has been developed for application in smart phones, tablet computers, television chips, and logistic operation chips.

#### B. Flip Chip:

This product has been developed with a light, thin, short, and small design, and the main product types include the FCCSP (Flip Chip Scale Package), FCBGA (Flip Chip Ball Grid Array), ETS (Embedded Trace Substrate), and EAD (Embedded Active Die substrate). This year, the emphasis is on the mass production of 2.5D and 3D high dense processing and high layer count communication substrates (substrate form factor will be > 60x60mm, >18L structure). In order to develop the precise counterpoint technology of the high-layer board and move toward the high-speed I/O number and 130 um pitch μ-ball technology, will move to 90um bump pitch soon. In addition to the establishment of short, medium and long-term key processing research projects to ensure being a continuous technology leader in the future, the Company shall also lead the market in new material development regarding high reliability performance substrates to meet future product demands.

#### (3) Major products and their usage:

#### A. Printed circuit boards

The board is a key component in electronic products and is the carrier of a wide range of electronic parts that serves as an interconnection to facilitate communication between parts. It is widely applicable on desktop computers, laptops, workstations, servers, smartphones, tablets, and game consoles.

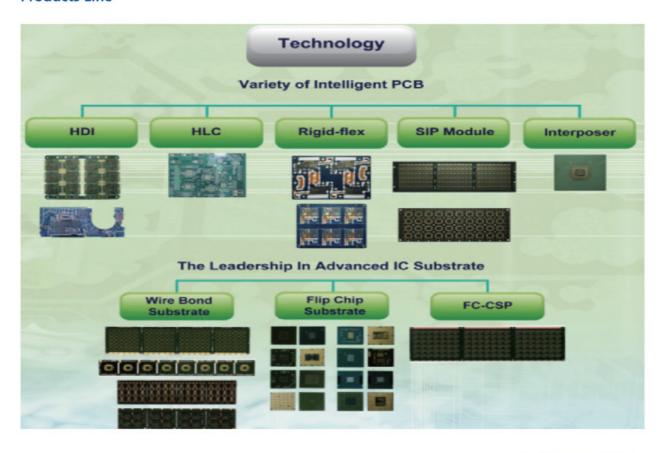
As the demand for portable devices increases, printed circuit boards (PCBs) are becoming more sophisticated with more layers, high density and finer lines. Therefore, the end products are also becoming sleeker, further increasing the demand for portability. However, the low criteria to enter the PCB market and the high number of manufacturers have made competition intense, especially with regards to 4-10 layered boards for computers and communication devices. Although HDI requires a high level of manufacturing technology, prices have gradually declined because of manufacturers' expansion of production capacity.

#### B. IC packaging substrate

The substrate is used to carry ICs. Its external and internal leads send signals in and out of the chips to facilitate communication between the IC and the system. The product can reduce heat generated by the IC, and has been used on a wide range of electronics including CPU, chipsets, 3G smart phones, RF modules, internet and communication chips, digital television, and the chipsets of set top boxes.

In the past several years, semi-conductor products have been becoming more multi-functional, smaller and with less power consumption. Although new competitors have entered the integrated circuit packaging market, these products are widely applied in such end products as computers, game consoles, communication networks and digital homes. Furthermore, as the smart mobile device market continues to expand, the future demand for integrated circuit packaging is expected to grow consistently; therefore, these emerging competitors are not considered a major issue.

#### **Products Line**



## 1.5 Awards and Recognitions

NYPCB has followed the Formosa Plastics Group's corporate spirit in conducting final analyses and improving continuously until accomplishing perfection. We face problems head on and resolves them using practical solutions, and believe in hardwork, sincerity and honesty, society contribution, and sustainable development. This is the reason that we have continuously made improvements in corporate governance, environmental protection, and public welfare, and upheld our commitments to make the society better. NYPCB's efforts have been recognized by the Taiwanese government as well as by non-governmental organizations. The following certifications and awards have encouraged the Company to keep streamlining its management and emphasizing environmental protection and reservation.

Recognitions			
Items	Date	Certification	
1	1993	ISO9001 Certification	
2	1996	ISO14001 Certification	
3	1998	UL-QS-9000 Certification	
4	2001	OHSAS-18001 Certification	
5	2002	TL-9000 Certification	
6	2003	Green Product/RoHS Certification	
7	2004	TS-16949 Certification	
8	2007	TOSHMS Certification	
9	2008	ISO-14064-1 Certification	
10	2008	EICC Certification (Grade: yellow)	
11	2011	A bronze medal from the Taiwan Training Quality System	
12	2012	EICC Certification (Grade: green)	
13	2013	ISO9001 Certification	
14	2013	TS-16949 Certification	
15	2013	Awarded Authorized Economic Operators (AEO) by Customs Administration, Ministry of Finance	

	Awards			
Items	Date	Awards		
1	1998	Won an award from Intel for obtaining Secc certifications		
2	1999	Honored by Xerox as one of its world-class certified suppliers		
3	1999	Won a Preferred Quality Suppliers award from Intel		
4	1999	Won the Supplier Continuous Quality award from Intel		
5	1999	Won an award from Intel for obtaining Secc certifications		
6	2000	Won the Strategic Supplier Award from Jabil		
7	2000	Won a Preferred Quality Suppliers award from Intel		
8	2005	Won AsusTek's Environmental-friendly Management System award		
9	2005	Won Outstanding Substrate Supplier Certification from Intel		
10	2003	Won as a Sony Green Partner		
11	2003	Won an award from Intel for contributing to the development of Calexico		
12	2004	Won an Outstanding Service and Support award from AMKOR		
13	2004	Won a Preferred Quality Suppliers award from Intel		
14	2005	Recognized as a Sony Green Partner		
15	2008	Received the Taiwan Ministry of Economic Affairs award for achieving the fastest export growth in		
		Malaysia, one of the key markets selected by the Ministry		
16	2008	Received the Taiwan Ministry of Economic Affairs award for achieving the second fastest export growt		
		to South Korea, one of the key markets selected by the Ministry		
17	2008	Received the Taiwan Ministry of Economic Affairs award for rapid export growth in key markets		
18	2010	Won a corporate social responsibilities award from Taiwan's Global Views magazine.		
19	2010	Won the Taiwan Executive Yuan's Entrepreneurship Award in Q1 2010.		
20	2011	Won the Taiwan Executive Yuan's Entrepreneurship Award in Q4 2010.		
21	2012	Ranked in the Top 100 Taiwanese Technologies in 2012 by BusinessNext Magazine.		
22	2012	Ranked among the Top 5000 for Taiwan's Large Enterprises in 2012 by China Credit Information		
		Service.		
23	2012	Named Trader of Excellence by Taiwan External Trade Development Council		
24	2014	Named an ASESH Continuous Improvement Supplier of Substrates in 2013		
25	2014	Named ASECL's Best Supplier of Substrate in 2013		
		Through Taiwan Ratings Corporation's rating, enterprise long-term credit rating: twA+, enterprise		
		short-term credit rating: twA-1, rating prospect: stable		

## 1.6 Participating organization and standard

To enhance its technologies and competitiveness, NYPCB has actively participated in various major industrial organizations in Taiwan such as the Taiwan Printed Circuit Association and the Taiwan Electrical and Electronic Manufacturers' Association (TEEMA). The Company has also attended major seminars held both domestically and overseas in order to keep it updated with the latest global trends and to seek opportunities for further exchange and cooperation. The Company promises to follow the Electronic Industry Code of Conduct (EICC), to provide the safe working environment for the staff, and ensure to provide the respect and dignity, as well as assuming the environmental responsibility and abiding by the moral rule in the enterprise operation process.

## 1.7 Stakeholder Dialogue

Since globalization has significantly changed the society, environment, business, and economy, and has profoundly affected the lives of people across different sectors and from all pace of life such as agriculture, transportation, economy, trade, finance, safety, hygiene, and gender equality, NYPCB believes that establishing a friendly and convenient environment for communication is the responsibility of an outstanding corporation.

To create such an environment and show the Company's determination, we provides a variety of simple channels of communication and sets Stakeholders Engagement sector on NYPBCB's website for its stackholders in order to better understand their thoughts, demands, and issues of concern. Their voice provides not only an additional reference for this report, but also important suggestions regarding strategy and goal planning for the company's future development of social responsibilities. Based on attributes, the proposal of feedback sent to Stackholder Engagement will be assessed by the functional teams of President's Office and determined whether the issue causes significant impacts to our stakeholders. After the assessment, the case will be classified by the level of impact and delivered to the board meeting. Later chapters will provide the detailed responses to the issues of concern. The table sets forth the issues of concern and the channels of communication between the company and its stakeholders.

#### **Stakeholder Communication Channels**

Communication Channels	Meeting Frequency	Issue of Concern
1. Internal announcements	Irregularly, at least once a year	
Regular meetings such as union core members     seminars/education seminars/safety conferences /     various training seminars / cafeteria quality review     conferences	Once a month	Harmonious labor relations / compensation and benefits / training and promotion / communication
4. Irregular meetings  5. The Administration Department has established communication channels such as suggestion boxes.  Medical professionals stationed at the factory provide emergency medical assistance.  6. Internal publications, online platforms and	Irregularly, at least once a year	channels / workplace safety management / healthcare for better employment security
	2. Representatives from the Human Resource Department 3. Regular meetings such as union core members seminars/education seminars/safety conferences / various training seminars / cafeteria quality review conferences  4. Irregular meetings  5. The Administration Department has established communication channels such as suggestion boxes. Medical professionals stationed at the factory provide emergency medical assistance.	2. Representatives from the Human Resource Department  3. Regular meetings such as union core members seminars/education seminars/safety conferences / Once a month various training seminars / cafeteria quality review conferences  4. Irregular meetings  5. The Administration Department has established communication channels such as suggestion boxes. Medical professionals stationed at the factory provide emergency medical assistance.  6. Internal publications, online platforms and questionnaires (e.g. questionnaires on training

Stakeholder	Communication Channels	Meeting Frequency	Issue of Concern
Shareholders	NYPCB has appointed a spokesperson and deputy		
and investors	spokesperson system, and a specialized unit for handling		
	investors' affairs. The Company has also communicated		
	with its shareholders and corporate shareholders by	-	
	setting up the following communication channels:		
	1. Shareholders		Operating conditions /
	(1)Annual shareholders' meetings		dividends / corporate
	(2)Published annual financial reports as requested and		governance /
	provided them to shareholders during the annual	Once a year	shareholder services / risk control and
	shareholders' meetings		management
	(3)Shareholders can make inquiries through phone calls		management
	and emails.	Irregularly	
	2. Corporate shareholders		
	(1) Investment seminars in Taiwan and overseas		
	(2) Investor forums held by securities companies (not	Irregularly	
	held regularly)		
Customers	1. Audited by customers		
(Corporate	2. Meeting with customers and dealers		Product quality / post-sale services / green products
clients)	3. Regular technological support	Irregularly, at least	
	4. Surveyed client satisfaction	once a year	
	5. Provided educational training for customers		
Suppliers	Established an information platform for suppliers		Supply chain management / safety and
	2. Held regular meetings and reviewed reports face to face		
	3. Conducted supplier surveys through questionnaires,	Irregularly, at least	
	and provided audits and consulting services	once a year	health management /
	4. Reviewed material supply stability and quality		partnerships
	Communicated and informed communities through		Social welfare
Communities	NYPCB's website		contributions /
	2. Established charity clubs and participated in community	Irregularly, at least	community involvement /
	volunteering activities	once a year	corporate volunteer
	3. Held donation campaigns and provided assistances in		services / environmental
	light of major natural disasters in Taiwan		impact of transportation
Government and authorities	1.Official documents	Irregularly, at least once a year	
	2. Meetings introducing and explaining new laws	Irregularly	Environmental
	3. NYPCB's financial statements	Once per quarter	accounting /
	4. Provided reports and information as requested by the		compliance with laws
	government, authorities, and regulations.	Irregularly, at least	and regulations /
	5. Communicated with government or authorities through	once a year	environmental
	industrial associations	17	protection

## 1.8 Identification of Major Issues

#### (1) Stackholder identification and communication

Along with the social environment change and climatic environment change, the world changes variously, and influence our lives of all aspects, such as the agriculture, transportation, economy, trade, finance, safety, sanitation, and gender equality. How to construct a friendly environment is the duty of an enterprise to keep in mind at any time.

In order to provide the friendly environment, NYPCB starts from the practice of Stackholder relationship, including the supply chain, shareholder investor, and customer to the external, as well as the most important asset staff to the internal. We expect the partners could make effort to the environment and society jointly with NYPCB to the external, while the staff shall be treated with respect and dignity to the internal, and dedicate to ensure to be responsible to the environment in the production process and product. Therefore, NYPCB established the core group to promote the corporate social responsibility related work, closely work with the Stackholder to the internal and external, and exchange the opinion and thoughts at any time. The core group shall identify the Stackholder according to the work dependency of each unit, include the cared topic into the routine work and annual plan, and cooperate with relevant unit depending on the topic.

#### A. Stackholder identification

NYPCB CSR core group shall consider the experience of each department and circuit board peers, and consider the standard of stackholder, to identify the 7 major categories of stackholder according to the responsibility, influence, intimacy, representativeness, and strategic intent, respectively the investor (shareholder), customer, staff, supplier, neighbor community, government entity, media and non-profit organization. Except for the routine fixed communication channel, aiming at the key topic of 2014, it shall arrange the priority of key topic, confirm and audit the procedure generation depending on the screened list. CSR representative group shall archive the preliminary care list, then issue the questionnaire, collect the voice of stackholder, and finally establish the care list after statistical screening.

The concerned topics of "Corporate Social Responsibility Report" are widely, and NYPCB makes use of the concerned topics of relevant stackholder through questionnaire, to be the reference of information disclosure of the report.

#### B. Major Topic Identification Procedure

- Consider according to company policies
- List related parties
- · GRI G4 consideration aspects
- NYPCB CSR related department's plan

Step 1
Select topics
and related
parties

Step 2 Make a prioritized list

- Essential analysis: addition-multiplication of impact degree and concern degree
- Impact degree investigation: NYPCB CSR each department evaluation
- Concern degree investigation: related parties evaluation

Evaluate the scopes, boundaries and time-histories of consideration aspect

> Step 3 Identify

> > Verify whether the report is complete and save it as the preparation reference for next

annual report

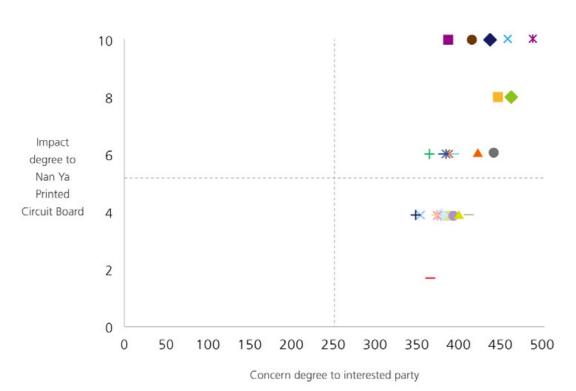
Step 4

Verify

#### C. Sustainable topic collection:

This questionnaire has 127 feedbacks, and the statistical response rate is about 80%. There are 11 priority processing topics generalized through the impact to the company assessed by each department of NYPCB, according to the highly concerned and impacted factor, which shall be responded in the relevant chapters in this Report. Please check each corresponding chapter in the index.

#### **Principal Topic Identification Results**





#### **Major Topic Identification Result**

Itoms	Concerned side	Outside			Inside	Disclosure of	
Items		Media / shareholder	Supplier	Local / government	Customer	Nan Ya Printed Circuit Board	Management Approach (DMa)
Corporate	Corporate governance	•	•			•	G4-1-2
governance	Operation condition	•	•			•	G4-8
	Risk control		•			•	G4-14
	Privacy right policy		•				G4-HR7
	Product quality / technology research and development	•	•			•	G4-4
	Customer server management		•				G4-PR5
	Supply chain		•				G4-EN1,32,33
	management		-				G4-LA14,15
	management						G4-HR5,10,11
							G4-SO9,10
Environmental	Environmental policy /		•	•	•		G4-EN29
protection	management system						GT LIVES
protection	Green product			•	•		G4-EN6
	Green produce						G4-PR3
	Energy management			•			G4-EN3,5
	Water resource use and			•			G4-EC2
	wastewater discharge			20.70			G4-EN3,5,8-10,21
	control						0.2.13/3/0.10/2.
	Traffic environmental			•			G4-EN30
	influence						
	Greenhouse gas emission			•			G4-EN15,16,18
	Air pollutant control						G4-EN19
	Waste management and recycle			•			G4-EN16-26
	Hazardous substance						G23-26
	management	•		•	•		
Human right and labor	Enterprise community participation and feedback						G4-SO1
	Employee right and	•				•	G4-EC5
	benefit						G4-LA2,3,13
	Labor-capital relationship	•				•	G4-LA8
	Professional safety and health					•	G4-LA5-8
	Training and promotion					•	G4-LA9-11
	Talent recruiting and					•	G4-LA1
	retention						
	Salary and welfare					•	G4-LA2,3,13
	Supplier social					•	G4-EN33
	performance						
	management						



#### 2.1 Governance overview

#### (1) Operation of board of directors

In order to establish the good corporate governance system and confirm the corporate social responsibility scope, referring to the relevant specifications of Taiwan Stock Exchange and Gre Tai Securities Market, it drafts the NYPCB "Corporate Social Responsibility Code", and reports the Board of Directors for implementation.

NYPCB Board of Directors shall fulfill the administrator duty, supervise the corporate to practice the social responsibility, and review the implementation effect and continuous improvement at any time, to ensure practice of corporate social responsibility policy. Aiming at the economic, environmental and social topics generated in the operation activity, Board of Directors shall authorize the high-level management echelon to dispose, and report the disposal result as well as the corporate social responsibility report compilation condition to the Board of Directors.

Nan Ya Printed Circuit Board Company's Board member selection process shall be in accord with the Company Law, the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Nan Ya Printed Circuit Board Company's Board Directors and Supervisors Selection Methods and other regulations, and current term board members are appointed by shareholders at the shareholders meeting on June 2014, which consists of nine members (one board chairman, five directors and three independent directors), whose appointment periods are from June 2014 to June 2017. The present board chairman is Mr. Ka-Chao Wu, general manager is Mr. Ka-Fang Chang, and the rest board members are all with diverse professional backgrounds and rich experience. Now the Company is without female directors, and board members' average age is seventy-year old, with their education and work experiences summary listed as the below table:

Title	Name	Education	Concurrent positions in NYPCB or other companies
Chairman	NYPCB representative Wu Chia-Chau	National Chengchi University, Department of Business Administration	Chairman of Nanya Technology Corporation General Manager of Nanya Plastics Corporation (Note)
Director	NYPCB representative Wang Wen-yuan	Industrial engineering, University of Huston	Chairman of Formosa Chemicals & Fibre Corporation, Formosa Taffeta and Formosa Advanced Technologies
Director	NPC representative Ming-Ren Tzou	Taipei Tech Chemical Engineering Department	Executive Vice-President NPC (Note)
Director	NYPCB representative Liou, Yuan-sha	Chemistry, National Taiwan University	Senior Vice President of Nan Ya Plastics Corporation
Director	Jhang, Jia-fang	Automatic control engineering, Feng Chia University	NYPCB's President Executive Assistant General Manager of Nanya Technology Corporation
Director	Tang, Andy	Electrical engineering, National Taiwan University of Science and Technology	Vice President of NYPCB
Independen director	Wang, Jheng-y	MA in Public Finance, National ChengChi University	None
Independent director	Hou, Bo-lie	Applied Economics, National Chung Hsing University	None
Independent director	Jhan, De-he	Master of Public Administration, University of Southern California	None

Note: Chairman Wu, Chia-Chau was no longer NPC General Manager after 2015/07/01 Director Tzou, Ming-Jen was promoted to NPC General Manager on 2015/07/01.

## (2) Shareholders/employees can provide suggestions for business operations to management teams through the following channels:

#### A. Shareholders

NYPCB has established a spokesperson system to facilitate communication between the Company and its shareholders. The system allows shareholders to communicate with the Company's legal representative face to face. Their suggestions and questions to the Company would receive a detailed response, and be handled by specialists who document and forward the issues to senior managers. The system makes the Company's operation and financial status more transparent to shareholders and increases communication between them and the Company.

#### B. Employees

NYPCB values harmonious employer-labor relations and respects the rights of employees to express their opinions. The Company has installed suggestions boxes in areas frequented by employees and set up online ones on the intranet. These boxes are managed by specialists who are responsible for facilitating a smooth communication channel. They would seek information to understand more about questions from employees before replying. Employees can submit their questions or suggestions on the Company's regulations or systems if they have any by filling out a Management System Suggestion Form. The form will be forwarded to their supervisors to the most senior management team, facilitating an effective communication channel between employees and the Company.



#### (3) Corporate Governance Structure

NYPCB's governance is designed in accordance with its organization chart and their responsibilities are outlined as follows:

#### **Organization chart**

Organization chart Departments		Responsibilities	
	Auditing Office	Review internal control systems and regulations to ensure the system has been effectively enforced.	
	Human Resource Unit	Establish a human resource system and carry out required planning. Handle employee transfers, performance evaluations, recruitment, and training. Ensure fair management. Communicate with employees. Analyze and respond to employee opinions and questions.	
	Management Analysis Unit	Organize board meetings and annual general meetings. Plan and implement tax exemptions. Review and compile data. Evaluate performance and analyze costs.	
	Management Unit	Oversee production, sales, and operation.	
	Investor Relations Unit	Collect industry information. Analyze the market competitiveness of NYPCB. Analyze IPC and investments. Engage with investors and organize institutional investor conferences.	
President's	Equipment Unit	Establish and implement maintenance systems.	
Office	Material Procurement and	Plan the usage of raw material. Purchase raw material and control inventory. Ensure the	
	Management Unit	usage of raw material is reasonable and cost-effective. Manage inventory and warehouses.	
	Mainland China Projects Unit	Oversee the construction and expansion of plants in China. Plan and arrange new production and install new equipment, conduct trials, and manage production.	
	Production and Sale Unit	Oversee the expansion of the flip chip project, mass production, trial production, and delivery. Estimate the consumption of jigs and raw materials.	
	Legal Affairs Unit	Manage the Intellectual Property Rights and legal affairs of NYPCB. Apply for patents.	
	EHS Unit	Implement and manage measures to prevent pollution. Organize required training or workplace safety, environmental protection, and hygiene.	
	Accounting Department	Establish, plan, supervise, and implement an auditing system. Review the legality and legitimacy of transactions. Handle daily accounting reports, file taxes, and analyze the profit and loss of products.	
	Information Technology Department	Oversee the Management Information system, establish an intranet, and manage Company websites. Evaluate and develop information systems, manage the intranet, and develop applications.	
	Research and Development Department	Establish and review production regulations, new materials, and technologies. Establish and review new product production processes. Evaluate and execute plans to satisfy custome requirements for processing technologies and tests. Conduct trial production for new products before entering mass production.	
	Product Design Department	Design, produce, and improve jigs. Integrate and review production technologies. Manage and execute trial production of films and screen plates. Compile new customer data.	
	Sales Department	Carry out marketing initiatives and analyze the market. Plan and implement sales plans Expand the customer base. Responsible for customer service. Analyze markets for new products.	
	Quality Assurance	Establish a quality control system, audit customers, obtain UL certification, conduct reliability	
	Department	tests, analyze quality, and make timely improvement. Make quality control plans and review results.	
	Construction Department	Plan and analyze engineering projects. Manage parts and materials for construction Supervise construction projects. Develop competitive products. Subcontract, examine, and verify expansion projects.	
	Process Integration	Process improvement, yield analysis and improvement measures for tracking.Faced with	
	Department	customers and the integration of the company's resources to raise yield relevant complete solution.	
	Utility Department	The utilities, wastewater treatment equipment fault management, statistical analysis, bette planning, power system operation execution, operation management.	

### (4) Board of Directors

The board of the directors, entrusted by shareholders, is the highest level of governance institution in the Company. It is responsible for executing the decisions made by annual general meetings in accordance with the Company Act, corporate regulations, and board procedures. It also follows the codes of conduct for chairpersons, supervisors, and managerial officers, and requires its staff to abide by the code in operations and avoid behaviors that may damage the Company and the interests of its shareholders.

The main task of the board is to ensure the Company maintains information transparency and is law-abiding, and follows the requirements of the management team. It is also responsible for allocation of profits and supervises the Company's operation. The directors of the board were elected by shareholders.

There totally held 6 Board of Directors meetings in 2014, and the assessment to the target and execution condition of Board of Directors function is as below:

- **A.** The operation of Board of Directors is according to the laws, and the provision of Articles of Association and resolution of shareholder meeting decide the executive authority, that all the directors shall create the maximum benefit for the shareholders in the principle of loyalty and good faith, except for the necessary professional knowledge to fulfill the duty.
- B. For the selected and appointed independent directors, and in order to construct the good governance system of Board of Directors for the Company, it has formulated the discussion specification for Board of Directors depending on the provision of security authority, including the major discussion content, operation procedure, items to be stated in the minute, announcement and others to be followed, which shall all be handled according to this code.
- C. Except the Company shall periodically handle the self-check for the operation of Board of Directors, to reinforce the function of Board of Directors, the internal auditing personnel shall make the audit report for the operation condition of Board of Directors, to meet the authority requirement.

#### (5) Follow Corporate Regulation

NYPCB has followed the Formosa Plastics Group principles and codes of conduct for board members, supervisors and management, and requires its management to abide by the code in operations and avoid unethical behaviors that may damage the Company and the interests of its shareholders. The Company has adopted an online platform for procurement, which increases efficiency as well as ensures a fair and reasonable procurement process that could avoid malpractice. The platform provides a win-win situation for both NYPCB and its suppliers. In addition, a comprehensive auditing system has been established to maintain financial transparency and legality. Audit reports are submitted to the board. The Formosa Plastics Group Headquarters, formed by the subsidiaries of Formosa Plastics Group, is an independent auditor and thus increases the profession and efficacy of the auditing system. The independent auditing facilitates the effectiveness of supervision.

NYPCB firmly believes in honesty, accountability, and abiding laws, and as such, its management, operations and strategies have been made in accordance with domestic and foreign laws, regulations, and policies. The Company has held irregular law-related trainings and seminars for employees and has established a regulation to obey anti-trust laws. A list of summaries and prohibited conducts for each regulation has

been produced, and Company requires employees to read and sign it which is the principle of all business activities. NYPCB strictly requests employees, management, and board members to obey all regulations.

Furthermore, NYPCB consults legal opinions from both Department of Legal Affairs of FPG Headquarters internally and Formosan Brothers Attorney-At-Law and Lee and Li Attorney-At-Law externally regarding to the Company's ethics and lawful behaviors along with organizational integrity.

The Company also strives to ensure all commercial activities and sales strategies in compliance with the laws, trade conventions, and social norms to against any illegal, unfair and injustice affairs. The Company has never sold the products that had been prohibited or arguable and been punished for violating any regulations. NYPCB never involves in any political activities and maintains neutral and objective political stand.

#### (6) Commission of Salaries

NYPCB established the commission in December 27, 2011 and appointed an independent director, Wang Jheng-yi, to be the convener and chairman of meetings, as well as appointing Hou, Bo-lie and Jhan, De-he as commissioners. The appointment is in compliance with the regulations of the Securities and Futures Bureau of the Financial Supervisory Commission. The Commission has made suggestions for the salaries of the Company's chairman, supervisors and managers, and board directors. This approach prevents the chairman and managers from exposing the Company to risks from salary disputes. Discussion bills from Compensation Committee, such as salary adjustment and annual bonus related topics shall be all put forward to Compensation Committee for a second discussion after a consensus has been reached by the personnel department and labor union.

For the director and supervisor term expiration and reelection of 2014, on June 24, 2014 Board of Directors appointed the independent director Wang Cheng-I (as the convener and meeting chairman), and Hou.Bei-Lien and Jan.De-Ho as NYPCB remuneration committee member, whose term is from June 24, 2014 to June 23, 2017, and there totally held twice remuneration committee meetings in 2014.

#### (7) Internal Audits

The Company has established an internal auditing unit, reporting exclusively to the board of directors, with the task of hiring professional internal auditors. Recruited staff members have to attend auditor training programs held by professional auditing institutions every year to continuously improve their auditing skills.

Internal audits are not the sole responsibility of the independent audit unit. Every department has to conduct audits for specific items and regularly audit their operations. The independent audit unit reviews their audits and conducts additional regular and irregular audits to ensure that the department has conducted the audit effectively.

2014 Annual Audit Plan items: 38. Completed: 38. Rate of Completion: 100%.

A. Normal item(s): 36 (94.7%).

B. Item(s) that required improvement: 2 (5.3%), improved.

#### (8) Employee Behaviors and Code of Ethical Conduct

NYPCB has defined employees' and employer's rights and obligations to maintain order in the workplace. Pursuant to the law, a code of conduct has been established and was published after having been reviewed by relevant authorities. The Code has acted as the guideline for employee management. It has specified clear regulations regarding employee transfers, working hours, salaries, regulations and punishments, dismissal, severance pay, retirement, training, performance appraisals, and compensation for occupational injury and disease, and social welfare.

In order to ensure staff members following the Code of conduct, NYPCB has required that engineers, managers, and the management team sign a statement that specifies the operational policies that NYPCB employees should follow. The policy summary is as follows:

#### A. Illegal competition is banned (Antitrust policy)

Employees must abide by all regulations of the Fair Trade law. They should always gain profit through honest means and ensure their conduct is in compliance under the law.

#### B. Conflict of interest policy

Employees should avoid damaging the interests of the Company during operation. They should never directly or indirectly request or accept gifts, entertainment, or any form of personal gain from the customers or competitors of the Company.

#### C. Data security policy

Employees handling the Company's data should not reveal confidential data or other information that has not been published without NYPCB's written permission. They should not use the information for personal gain or use it for any purpose that is not relevant to the Company's operation. Employees should hand over all technological information that they worked on leaving the Company.

#### D. Participation in political activities

Employees should not directly or indirectly donate money, provide services, or give valuable items to any candidates or political parties. They should not conduct any behavior forbidden by the law or give any ill-gotten gain to legislators, political figures, or government officials that may prevent them from performing their duties.

#### E. Integrity business code

The Company reached the solution to draft the "Corporate Good Faith Business Code" on the Board of Directors meeting on November 11, 2014, which modified a little according to the Company practice, but the stipulated code agrees with the spirit of "Listed Company Good Faith Business Code".

#### (9) Policies to Maintain Operational Integrity

NYPCB has always been a law-abiding and ethical corporation. It has abided by the Company Act, Securities and Exchange Act, and the Business Entity Accounting Act, and firmly believes in diligence and frugality. It has operated under the principles of honesty, fairness, transparency, and discipline, and implemented various ethics policies. The Company has also established comprehensive corporate governance and risk control mechanisms to ensure sustainable development. We pass the "Corporate Good Faith Business Code" of the Company on the Board of Directors meeting on November 11, 2014. It has forbidden its chairman. supervisors, managers, employees, and controllers to directly or indirectly provide, promise, request, or accept any ill-gotten gain or conduct any behavior that is dishonest, illegal, or breaks their obligations. NYPCB's policies to maintain operational integrity are as follows:

- A. A Code of ethical conduct has been established for directors of the board, supervisors, and managers to prevent unethical behaviors that may damage the Company and the interests of its shareholders.
- B. A strict code of ethical conduct and regulations has been established to prevent employees from making fraudulent personal gain, engaging in corruption, leaking confidential information, or making false reports. NYPCB has also forbidden its employees from accepting gifts, money, or entertainment from other companies. It has routinely switched the shifts of employees working in units such as sales, procurement, inventory control and warehouse, construction management, and budgeting in order to avoid corruption.

- C. A public and fair procurement and subcontract mechanism has been established. All of its procurements and subcontracts are conducted through a public bidding process via the Formosa Plastics Group's digital trading, procurement, and subcontract platform.
- D. A comprehensive and effective accounting and internal control system has been established. Its six main units, human resource, finance, sales, production, inventory control, and construction, are interconnected by computers so that they can perform audits for each other, thus limiting potential irregularities. NYPCB has also established an independent three-level internal auditing system; the first layer is the auditing office of the board of directors; the second layer is the routine and independent auditing performed by the General Managing Department of the Formosa Plastics Group; and the third layer is the internal auditing performed within departments. The Company also requires its entire departments to routinely self-audit their operation since internal auditing is a responsibility shared by the whole company, and is required in order to ensure internal control systems are effectively implemented.

#### (10)Anti-corruption

The company upholds the spirit of diligence and sincerity synonymous with the Formosa Plastics Corporation and has established rigorous ethical standards. Employees are expected to be responsible in both their speech and behavior not only in their work but also in their daily lives by observing all common behavioral and ethical standards. The company has always employed rigorous standards to prevent employees from leaking trade secrets, misstating facts, starting rumors, sabotaging work or violating gender equality principles in the workplace. Specific actions that have been taken in the past include establishing labor and ethical management policies and advocating the company philosophy "Create Values, Honest Business, Teamwork and Shared Prosperity". Furthermore, the company has advocated for anti-corruption practices. Such advocacy will continue to be held annually during holidays. The company has also arranged annual staff ethics cross assessment. A number of members of every department are chosen to be interviewed according to the size of the department. These interviews will emphasize on-site management, staff leave management, work hour management, etc. for staff rights and anti-corruption practices.

#### 2.2 Financial Performance

NYPCB belongs to the professional circuit board production company, whose revenue in 2014 was NTD 34,968 million, the operating cost was NTD 33,108 million, the operating expense was NTD 1,932 million, the retained earning was NTD 6,965 million, the dividend was NTD 1.3, the business income tax was NTD 383 million, the donation and community investment was NTD 2.49 million, and the rate of liability / total asset was 19%, that the financial situation was quite stable. NYPCB staff salary in 2014 shall refer to the content of Page 181 of 2014 annual report.

To maintain a stable operation, NYPCB has appointed supervisors to oversee its operations and conduct financial audits. Professional external auditors have been brought in to conduct financial auditing to ensure the financial status remains transparent. In addition, NYPCB's monthly revenue report is published by the 10th of each month on the Market Observation Post System as required by law. The information is also updated onto NYPCB's website at the same time. The Company holds an annual general meeting in Q2 every year to inform shareholders of its operational and financial status, and show the Company's commitment to safeguard the interests of its shareholders.

#### 2.3 Internal Control

#### (1) Prevent insider trading

NYPCB's board of directors, supervisors, managers, employees, and consultants, have upheld their obligations and ethics as prudent administrators. They have signed non-disclosure agreements to keep crucial internal information in confidence prior to official Company announcements. If any leak of information is discovered, the abovementioned personnel should immediately report it to internal auditing department. Upon receiving such reports or after personally discovering a leak, the audit department would prepare a response policy under legal advisement and help from the finance department. The incident would be documented for future reference.

In order to avoid leaked information affecting stock prices and to ensure all employees follow the regulations against insider trading, NYPCB has followed Article 8 of the Regulations Governing Establishment of Internal Control Systems by Public Companies to establish an anti-insider trading regulation, and has included it in its internal control system to ensure it is effectively enforced.

### 2.4 Shareholders

NYPCB has established a spokesperson and deputy spokesperson system, and a unit specializing in handling investor affairs. The following communication channels have also been established for shareholders and institutional shareholders.

#### (1) Shareholders

- A. Annual general meeting.
- B. Compile annual financial report and distribute it to shareholders during the annual general meeting.
- C. Shareholders can make inquiries through phone calls and emails.

#### (2) Corporate shareholders

- A. Participate in investment seminars in Taiwan and overseas.
- B. Participate in investor forums held by securities companies (not held regularly).

#### 2.5 Customers

#### (1) Customer satisfaction surveys

NYPCB regularly conducts customer satisfaction surveys investigating aspects such as technology, quality, response, delivery, and cost. Business units related to these aspects would seek more information and communicate with customers on items that receive poor scores, bring up improvement plans according to their analysis result, and update customers on the improvements made to raise customer satisfaction. Please refer to the questionnaire result of 2014, in which the average score of first half year and second half year reached 4 points, which means the customer satisfaction of the company conforms to the customer expectation.

We dedicate the improvements of internal production process and operations as well as customer satisfaction with PDCA ( Plan, Do, Check and Action) management model in all activities to ensure all departments have a common principle to follow.

#### **Customer Satisfaction Questionnaire**



Note: Grade-Excellent ( 5 points ), Good ( 4 points ), Fair ( 3 points ), Need improvement ( 2 points ), Poor ( 1 point ).

#### **Customer Satisfaction Ouestionnaire**



#### (2) Customer Service

NYPCB has always been a trustworthy business partner who has grown side by side with its business partners. To enhance customer service, we are not only providing products with quality that exceeds customer expectation, but also establishing an outstanding communication system to provide timely responses to customer requests, and to ensure on time delivery of shipments.

Furthermore, in the aspect of understanding customers' valuable evaluation, the sales visit customers regularly to communicate and exchange opinions to obtain information about the latest trends and products in the market. Such communications with customers are valuable information which will be taken into consideration of the Company's Operation.

NYPCB has strived to maintain good relations with its customers with the aim to increase its competitiveness along with the customers, raising customers' loyalty, developing potential customers, and achieving final goal- enlarge the company's profit.

## 2.6 Supplier and Contractor Management

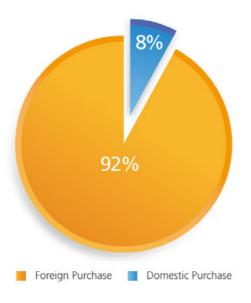
#### (1) Supplier Management

NYPCB executes procurements through "public bidding" via the Formosa Plastics Group's online platform, where suppliers can request quotes and make offers, place orders, and make deliveries.

The Company considers its suppliers as important partners, and therefore, it strives to facilitate long-term cooperation with them to establish a stable and sustainable supply chain. Except to ensure the supplied product quality, delivery time, and price, the Company shall also urge the environmental protection, safety and sanitation improvement, emphasis on human rights, to jointly perform the corporate social responsibility, and require the supplier signing the "Letter of Commitment of Supplier of Formosa Plastics Group for Corporate Social Responsibility", and make the risk management and business continuity plan.

NYPCB positively implements and practices the material purchasing localization, to reduce the unnecessary air transportation and ocean freight as well as transportation generated carbon footprint; the raw material local purchasing rate increased to 48.2% in 2013 from 38.7% in 2012, and to 50.8% in 2014 (Note: the raw material of main customer appointed high-level products are still imported from overseas).

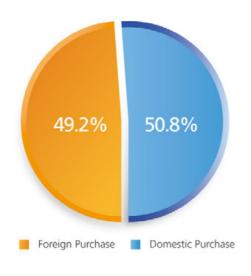
### 2014 Supplier Insourcing / Outsourcing Proportion



#### **Organization Supply Chain**



## 2014 Supplier Purchasing Amount Proportion



#### A. Quarterly Operation Evaluations

NYPCB evaluates its operations with the senior management of key suppliers every quarter, and discusses the supplier's performance in terms of technology (T), quality (Q), response (R), delivery (D), costs (C), environment (E), and finance (F). The Company evaluates suppliers through these qualities and requires them to make continuous improvements to meet NYPCB's requirements for suppliers. The supplier base is evaluated and published in quarterly evaluation reports every year, which leads to replacement of unsuitable suppliers and ensures maintaining long-term partnerships with outstanding suppliers. Suppliers are required to make improvements based on NYPCB's evaluation reports, and are regularly audited by the Company to ensure improvements have been made. The reports will be reviewed by the procurement department as future reference.

#### **B. Management System Certification**

NYPCB requires that its raw materials suppliers follow the TS 16949 standard. Suppliers are also required to achieve ISO 9001 and other international certifications.

#### C. Evaluation

NYPCB visits its major suppliers every year according to its annual plan and review supplier quality. As a result, suppliers are required to make improvements if non-compliances are found. The suppliers would be given a clear schedule and target to make improvements.

In accordance with According to the EICC audit standard, the audit rate of recent 2 years > 80%, and the Company listed 20 significant auditing manufacturers from September 2012 to August 2014 (nearly 2 years. All 17 of those companies were notified of their shortcomings and have taken improvement measures once enrolled in their respective improvement programs.

The company regularly audits and evaluates its suppliers and requests its suppliers to comply with EICC requirements and other relevant environmental regulations, as well as to carry out self-assessments and on-site audits. On-site audits emphasize quality systems, human rights and working conditions, environmental safety, green partnerships, etc. of actual operation status. Any of the aforementioned issues that do not meet the established criteria will be asked to create an improvement plan. The company will also provide suppliers with necessary assistance in order to promote corporate social responsibility.

#### D. Suppliers and labor rights (EICC)

The Electronic Industry Citizenship Coalition (EICC) has been promoting labor rights in the electronic industry and suppliers in recent years. NYPCB has adopted the EICC Code of Conduct and requires its suppliers to meet the code's requirements in environmental protection, health and safety, labor rights, and labor conditions.

#### E. Conflict minerals management

NYPCB requests its suppliers to promise not to use mineral and metals mined from conflict zones. Suppliers must disclose the information of its smelters to obtain a new material certificate prior to commencement of supply. Suppliers who do not provide complete information or work with illegal smelters to make improvements may be replaced. Smelters are encouraged to participate in the Conflict-Free Smelter Program as a way of achieving third party certification.

#### F. AEO (Authorized Economic Operator) Supply chain management

The company applied for AEO certification from the Customs Administration in order to ensure that the supply chain environment of the company can quickly and properly pass through customs during trading operations, thus providing clients with rapid delivery. The company became an official AEO member on December 20th, 2013.

#### (2) Contractor Management

NYPCB establishes the following systems for regarding the company's contractors to enforce safety management measures, monitor contractor quality and construction, and avoid occupational injury and illness.

The general management office bidding & contracting center is responsible for collecting information about contractors and audit their workshops, equipment and workplace safety measures, techniques and previous projects to rate their capabilities and performances according to three levels: A, B

The cost of safety and health management is also included as a compulsory item when the engineering budget department setting budgets. Contractors must make a list of equipment they used to ensure safety and maintain health. The list will be included in their contracts with NYPCB to ensure the costs will not be left out of the budget. NYPCB's computer system monitors and controls budget planning would automatically include the safety and health management costs into its budget. When the bidding & contracting center inquiry the price, they set the cost lower than NYPCB's budget are not accepted in order to prevent contractors from sacrificing safety and health for the sake of winning a bid.

#### (3) Contractor Safety

Contractor safety is an important part of corporate safety and health management. NYPCB values its contractors as if they were its own employees, and appreciates and admires their professional skills, their equipment, and their assistance in construction and maintenance projects. In order to ensure trouble-free construction, NYPCB has paid extra attention to quality, construction progress, and workplace safety, and has promoted and established a construction contract management system, an evaluation system on contractors' safety management, and held construction safety training. The Company also evaluates workers' mental and physical states before construction begins, and has held training programs to ensure workers follow workplace safety regulations to reduce the chance of disasters and accidents.

NYPCB has adopted the Formosa Plastics Group's methods and regulations for contractors, and requires its contractors to meet the same safety and health standards as its own employees. Computers are used to control and manage construction fron planning and designs, budgeting, contract, and operations. Excellent contractors are selected to take part in expansion projects or annual maintenance. Contractors are also required to take professional tests and training to enhance their skills and raise their work safety awareness to reduce occupational illness and injury. NYPCB also informs contractors of safety and health measures they must take during construction and at the workplace, and requires contractors to implement the measures effectively. Toolbox talks are held before construction begins every day to remind workers of the regulations and measures. Construction is not allowed to proceed if workplace safety cannot be ensured at any time. Temporary safety and health facilities used during construction, pollution prevention measures, and the disposal of wastes and waste construction soil should be dealt with following relevant laws and corporate regulations. Contractors are not allowed to proceed with construction and will be replaced if accidents occurr due to non-compliance of regulations by the contractors.











#### Outsource

- \* Place order
- \* Provide a construction safety checklist Establish workplace safety measures and identify potential risks

## Budget

- \* Include safety measures into construction plan and budget
- \* Provide the checklist to contractors and negotiate costs

#### Inform contractors NYPCB's safety requirements

Inform contractors NYPCB's requirements for safety after finalization

#### Apply entry permit

- \* Contractors who has digitized their systems can apply permit online
- \* Those who have not fill out application forms. Their information would be digitized in computers by construction management unit

#### Issue entry permit

- \* Provide contractors a construction safety notification form (contract number)
- \* Hold safety education training for contractors (Employee number)



## 3.1 Commitments to Environmental Sustainability

#### (1) Environmental protection policy

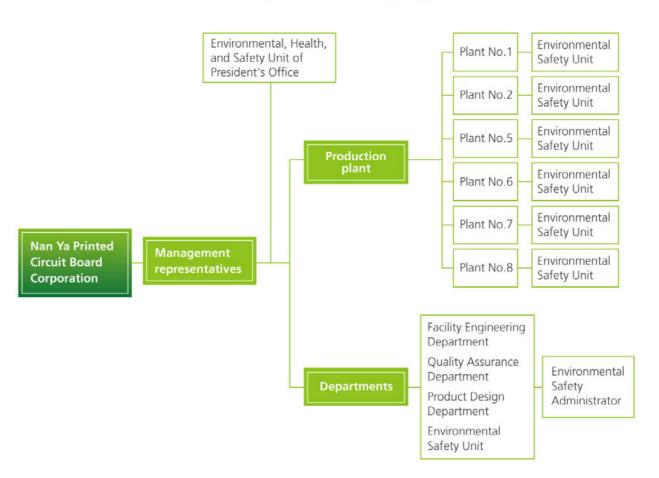
NYPCB is aware of the importance of the environment for human beings. It believes the environment is as important as the economy, and has actively participated in and promoted various environmental protection programs. Measures such as procurement of green raw materials, green product design, production process improvements, factory management, the process of packaging and shipments, and so on have been implemented. Through setting up performance evaluation indicators, annual targets, and a strict monitoring system on energy and resources consumption, NYPCB has continuously made improvements and upheld its founder's philosophy to strive for good deeds and perfection. To fulfill social responsibility, control risks, reduce energy consumption and emission, and protection of the environment, NYPCB has established the following environmental, safety and health policies:



#### A. Organization chart and Responsibility of the EHS Unit

To enforce safe, healthy and environmentally friendly management, and to secure sustainable development, NYPCB established a unit that reports directly to the President's Office. Each plant has established an environment and safety department that is responsible for the plant's internal safety, sanitation, and the promotion of environmental protection through the monthly "safety and sanitation management meeting", monthly "environmental protection and energy saving meeting", and quarterly "safety and sanitation committee meeting" (the rate of labor representatives shall be at least 1/3). The units hold monthly meetings such as Safety and Health Management Meetings, and Energy Management Meetings as well as a quarterly meeting of the Safety and Health Commission (participated by over one third of labor representatives as required by law) to discuss and review workplace safety and health, with the goal of eliminating the possibilities of accidents and hazards, and achieving zero pollution.

#### **Environmental, Health and Safety Organization**



#### B. Environmental, Health, and Safety Management System

NYPCB has strived to protect the environment and ensure the safety of employees, and promote their health. The Company has achieved the ISO 14001 certification of the environmental management system in November 1996, and passed the OHSAS 18001 assessment in 2001. Since then, NYPCB has established an EHS Management System to promote and manage the environment and occupational health and safety within the company. In 2007, the Company consulted the TOSHMS regulation and integrated it into its existing Environmental, Health, and Safety Management System. The TOSHMS certification has also been achieved, and continues to enhance its comprehensive care and management methods to its stakeholders.

NYPCB' Jinzing Plant received ELECTRONIC INDUSTRY CODE OF CONDUCT (EICC) certification in November 2010, and the Shulin Plant received certification in November 2012, as of 2014, the third audit has been completed, and the highest certification was obtained, which reflects the efforts that we made on environmental and social topics.

NYPCB formulated the Environment, Safety, and Health Management Manual pursuant to the content of ISO 14001, OHSAS 18001, TOSHMS, and EICC, and implemented it after training to ensure that all of its employees possess the proper knowledge and skills to carry out the environment, safety, and health policies of the Company.

#### C. Management review operation procedure

In order to reinforce the company constitution, promote its administrative and operation capacity, establish a reasonable environment, safety, and health management system, and effectively develop activities related to environment, safety, and health targets, NYPCB continues making improvements to ensure the applicability, applicableness, and effectiveness of environment, safety, and health management.

NYPCB annually holds the "environment, safety, and health management review meeting" to review and assess the environment, safety, and health management plan of the previous year (tracking measures), the performance of target and object implementation, and target achievement degree, as well as set the annual environment, safety, and health management targets, target values, and the environment, safety, and health management plan, and the ESH team shall supervise the relevant implementation departments. We shall manage the effects of industry on the environment with strict management methods to fulfill our social responsibility and create a win-win situation.





Chinese and English ISO 14001 Certifications





Chinese and English OHSAS 18001 and TOSHMS Certifications

#### (2) NYPCB environmental protection history

NYPCB has implemented various relevant environmental protection jobs in pollution prevention, operation management, monitoring management and reporting. No violation of any environmental protection regulation has been made, nor has any major leakage that damages the environment occurred in 2014. The Company has participated in the government's environmental improvement programs, promoted waste reduction, reuse of resources, and reduced green house gas emissions. Furthermore, the Company has been developing eco-friendly products and managing them to follow the growing eco-friendly trend.

#### (3) Environmental problem complaint mechanism

NYPCB has set up a feedback mailbox on NYPCB's global website and stipulated an external complaint and suggestion box in the public relations section, and then delivers complaints to the coresponding functional team for handling depending on the complaint type. The statistics show that no complaints have been made about external environment problems of the Company in 2014.

NYPCB has also set up a staff feedback mailbox on NYPCB's internal website. The statistics show that one complaint was made about the internal environment problem of the Company in 2014, which was improved after review and discussion.







Administration Building

## 3.2 Environmental Accounting

NYPCB has computerized its management and operations system. To computerize its environmental management, the Company has integrated Environmental Accounting to its systems and to control relevant expenses and evaluate costs, analyze the cost effectiveness of environment protection measures, and inform stakeholders of NYPCB's contributions to environmental protection accurately and clearly.

The accounting system identifies and quantifies the impact of corporate operations on the environment as well as the cost of measures undertaken by corporate operations to alleviate, reduce or prevent their environmental impact. NYPCB adopted the accounting system in 2008, and has divided its environmental expenses into six categories per the diagram below in accordance with environmental accounting.

The Company has also listed accounting items and coded them so that its units can categorize their budgets, costs, and expenses accordingly. The environmental protection expenses of NYPCB from 2011 to 2014 are summarized below, and the invested environmental expenses in 2014 were NTD 187,805,000. The environmental protection equipment investment amount decreased because no new processes were expanded in 2013, and the pollution prevention facilities invested in the past years are still operating stably.

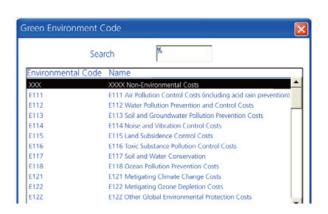
#### Statistics of Environmental Protection Expenses in Recent Years



## 3.3 Water and energy conservation and greenhouse gas reduction

#### (1) Environmental Data

NYPCB's 2014 total input (raw materials, energy and water resources) and total output (greenhouse gas, air pollutant, wastes and wastewater) are shown in the following diagram.



#### **Material Flow Analysis Chart**

Energy	Figture	Unit
LPG	12.60	Liter
Gasoline	3.37	Liter
Diesel Fuel	43.62	Liter
Bio-diesel	0.19	Liter
Electricity	369,126	Kilopasca
Steam	125,034	Ton
Water	Figture	Unit
Tap Water	1,442,432	Ton
Externally purchased water	2,175,349	Ton
Materials	Figture	Unit
Substrate	5,751	Ton
Sulfuric acid	3,861	Ton
Hydrochloric acid (HCl)	2,989	Ton
Nitric Acid	2,346	Ton
Copper Clad Laminate	1,025	Ton
Hydrogen peroxide (Hydrogen Peroxide)	855	Ton
Plastic sheet(Low plate)	725	Ton
Copper Balls	681	Ton
Sodium Persulfate (Micro-corrosion agent)	616	Ton
Sodium Carbonate (developer)	303	Ton



Greenhouse Gases	Figture	Unit
Directly Emissions	9,532	Ton
ndirectly Emissions	376,119	Ton
<i>N</i> astewater	Figture	Unit
reated Water	4,118,957	Ton
Effluent Water	2,882,053	Ton
Recovered Water	1,236,904	Ton
Waste	Figture	Unit
Total Waste	18,910	Ton
Outsourced Processing Waste	3,752	Ton
Recyclable Waste	14,508	Ton
xport Waste	651	Ton
Air Pollutants	Figture	Unit
/OCs	17.67	Ton
Sulfuric Acid Mist	1.55	Ton
Hydrogen Chloride	1.04	Ton
Nitric Acid	4.54	Ton

Note: 1. VOCs stands for Volatile Organic Compounds

> No exhaust emissions of nitrogen oxides, sulfur oxides and ozone-depleting substances.

## (2) Improve energy management and reduce energy consumption

#### A. Energy management

Greenhouse gas emissions have become one of the most important issues on Earth. Since energy use generates carbon dioxide and causes global warming and climate change, effective management of energy use has become NYPCB's priority. The Company's energy usage includes fossil fuels, and purchased steam and electricity, we also keep track of usage.

#### B. Direct energy consumption

Most of the fossil fuel consumed by NYPCB in 2014 was used for the emergency power system, forklift trucks, Company cars, ambulance, fire trucks, and the cafeteria (kitchen). Bio-diesel fuel, gasoline, liquefied natural gas, and diesel amounted to 0.3%, 5.6%, 21.1% and 73% of total fossil fuel consumption, respectively.

**Amount and Percentage of** 

**Direct Energy Consumption** 

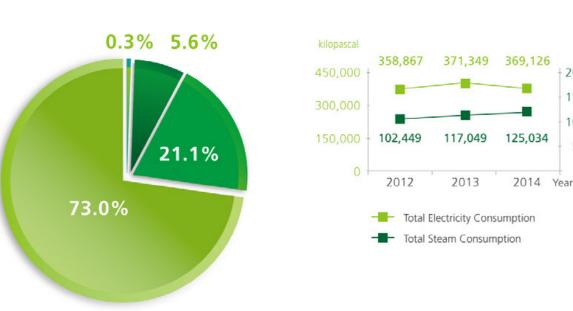
**Out-purchased Electric Power and Steam** 

**Usage Amount Statistics in Recent Years** 

MT

200,000 150,000 100,000

50,000



#### C. Indirect energy consumption

NYPCB's production is focused on printed circuit boards, which are mostly powered by purchased electricity and steam. The two energy sources are also the biggest source of the Company's greenhouse gas emissions (over 97% in 2014). They are purchased from Nan Ya Plastics Corporation's Jing Hsin and Shulin plants. The overall electricity consumption of 2014 reduced slightly compared to 2013, but the steam consumption slightly increased from 2013, mainly because the machine usage rate in 2014 increased, thus increasing steam consumption; the energy saving promotion effects have also reduced electricity consumption.

#### D. Reduce energy consumption

NYPCB has strived to reduce energy costs and increase energy efficiency. Annual environmental management targets and incentives have been established to encourage employees to review and improve the efficiency of their energy usage. In addition, an energy management unit has been established to manage and implement measures, as well as hold monthly energy management meetings to examine whether employees have reduced their energy usage or not. Since the Company does not participate in the IPCC (Intergovernmental Panel on Climate Change) greenhouse gas substitute project, a base year has not been set, and the target of energy saving amount is 2% less than the effective unit electricity consumption of the previous year. In 2014, the Company completed a total of 39 energy saving projects, with a daily reduction of 6,898 kilowatt hours, and an annual benefit of NTD 6,043,000, equivalent to reducing 2,405 tons of carbon dioxide emissions a year.

#### Environmental management targets between 2010 and 2014

Туре	Items	Targets	2014 Completion rate
Water conservation	Water consumption per unit of output (ton/NT\$ million)	2% annual reduction since 2010	109.7%
	Effluent recycle ratio	Increase 2% between 2010 and 2011 Since 2012 annually increasing 1% from the previous year	99.1% 109.7%
Energy conservation	Greenhouse gas emissions per unit of output (ton/ NT\$ million)	2% annual reduction since 2010	90.0%
Waste reduction	Waste produced per unit of output (kg/ NT\$ million)	1% annual reduction since 2010	

#### Power saving implementation completed in 2014

Plant	Improvement	Energy saving amount (KWH/day)	CO <sub>2</sub> restraint amount (ton/year)	Improved benefit (NTD 1,000/ year)
Jinxing Plant	Processing energy use reduction	2,379	853	2,092
	Energy management	3,083	1,100	2,706
	Public utility efficiency promotion	615	220	541
Shulin Plant	Processing energy use reduction	24	7	21
Energy	Energy management	797	225	683
	Total	6,898	2,405	6,043

Note: The improved benefit is determined after deducting the improvement equipment investment cost.

Unit: Litre

Diesel Fuel: 43.62

LPG: 12.60

Gasoline: 3.37

Biodiesel: 0.19

#### (3) Water resource management and water conservation

#### A. Water resource management

The Company's plant uses water categorized as processing water, whose main sources include tap water, recycled water, and other externally purchased water, but no underground water. Since NYPCB does not use groundwater, it has strived to reduce water consumption by reducing water used during production and recycle the water used in cleaning during production process. The Company has also invested heavily on an effluent recycling and treatment system, and has reduced wastewater in all of its plants. Recycled water that is neutral or alkaline is reused in pollution prevention. Purified recycled water is directly reused by plants and stored at pure water storage reservoirs to reduce water recharge. Water-saving devices have also been installed on the faucets in offices to reduce office water use and cultivate water-saving culture.

NYPCB has established policies to mitigate impact from potential short-term, mid-term, and long-term drought, and to respond to insufficient water supplies, water price hikes, and water conflicts with stakeholders. Water-saving measures have been implemented to reduce consumption and secure water supply. As a result, costs associated with purchased water have reduced in recent years.

Water conservation	Reduce water consumption during production
	Reduce office water use
Increase water sources	Recycle wastewater and purify water
	Recycle alkaline waste water and reuse it on acidic scrubbers
	Recycle waste water that is neutral and reuse it for toilet flushing

#### **Past Water consumption**



#### B. Water conservation policies yield positive results

Through the continuous promotion of relevant water saving improvement measures, the unit output value water consumption (ton/NTD 1 million) of the Company and discharged wastewater recovery rate have reached the Company's target for four consecutive years as of 2014. However, the total water consumption and unit output value water consumption in 2013 increased slightly due to the push filling washing tower cleaning and maintenance; therefore, the Company continued to promote water saving improvement measures in 2014 and completed a total of 10 water consumption deduction projects throughout the year, amounting to a daily reduction of 123 tons and an annual benefit of NTD 902,000. We has pledged to continue promoting and enforcing water conservation, and striving to reduce water consumption and recycle wastewater.

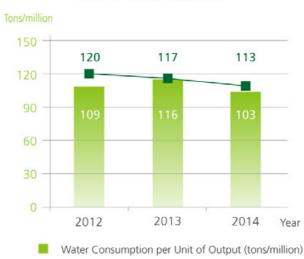
%

40

30.0

Note: discharged wastewater recovery rate = (recovery amount) / (discharged amount + recovery amount)

## Water Consumption per Unit of Output Trend



Target (2% year-on-year reduction since 2010)

# 30 35.2 31.0 30.0 20 10

**Discharge Wastewater** 

**Recycling Ratio** 

31.0

32.0

2012 2013 2014 Year

Discharge Wastewater Recycling Ratio

Target (increase of 1% between 2012 and 2013)

#### Completed water saving improvement activities in 2014

Plant	Improvement	Water consumption saved amount (ton/day)	Improved benefit (NTD 1,000/ year)
Jinxing Plant	Waste water recovery and reuse	28	119
	Processing water consumption deduction	95	783
Total		123	902

## 3.4 Protect the environment around plants

#### (1) Air pollution prevention

The main source of air pollutants generated in NYPCB's plant came from the use of neutral, acidic, alkaline chemicals and volatile organic compounds during production processes. These chemicals have been separated by collecting exhausts during the processes. Specific equipment such as scrubbers, bag filters, and activated carbon towers has been installed to handle each type of exhaust. To enhance air quality and eliminate odors around the plant, NYPCB purchased a UV-C reactor and VOC treatment system in 2011, pH monitoring alarm systems for packed towers in 2012 and a high notification frequency continuous pH monitor facility for packed towers to increase the efficiency of exhaust reduction. The Company also ensures the equipment are maintained regularly so that they can effectively prevent pollution per the following chart.

If new equipment is installed or if existing equipment is upgraded, NYPCB has Environmental Protection Administration-certified companies to test air pollutants in their stacks to make sure air pollution prevention is effective. Past test results show NYPCB's air pollutant emissions are far lower than national emission standards.





Air Pollution Control Equipment (Scrubber, Bag Filter, UVC Reaction Tower and Activated Carbon Adsorption Tower)

#### Exhaust Pollution Control Process Emissions Flowchart





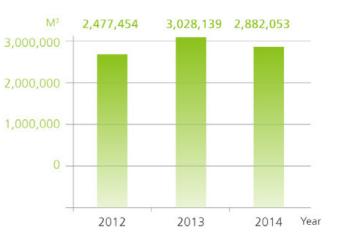


#### (2) Water pollution prevention

NYPCB has taken into account the characteristics of wastewater and the stability and accessibility of wastewater treatment when designing its wastewater treatment procedures and facilities. A comprehensive treatment process and facilities and wastewater piping system were designed for production lines to treat, recycle, and purify wastewater effectively. Wastewater is stringently and immediately categorized when it is produced by production equipment and machinery. The water is collected through distribution channels to specific water treatment facilities. The Company tests effluents daily to ensure that the quality of treated water is far lower than national standards. The company's factories are located in or near class B industrial land set aside for industrial purpose only and thus are not within any ecological protection zones. NYPCB pledges to persistently improve its production processes and equipment to reduce wastewater discharge and enhance wastewater treatment to reduce its impact on the environment.

Plant Item	Jinxing plant	Shulin plant
Factory location	Downstream sections of Nankang River	Downstream sections of Dahan River
Drinking Water source and water conservation area	×	Х
Dams and reservoirs	Х	×
National parks	X	×
Wildlife conservation areas	Х	Х
Nature reserve	Х	Х
Protected coastline zone	Х	Х

## Wastewater discharge amount in recent years



#### **2014 Wastewater Discharge Quality Test Results**

		Regulations	T	est Resu	lts	Whether the Sample Complies with Water
lest Items	Unit	and Standards	Minimum	Average	Maximun	Quality Standards?
рН	_	6-9	7.4	7.7	7.8	Yes
COD	mg/L	<120	39.1	52.4	59.1	Yes
Suspended Solids	mg/L	<50	5.3	7.5	10.2	Yes
Copper Ions	mg/L	<3	0.655	0.8	0.974	Yes
рН		6-9	7.9	8.3	8.7	Yes
COD	mg/L	<120	26.3	29.3	32.8	Yes
Suspended Solids	mg/L	<50	4.4	5.8	7.3	Yes
Copper lons	mg/L	<3	0.82	1.2	1.46	Yes
рН	_	6-9	7.6	7.9	8.0	Yes
COD	mg/L	<120	11.4	14.7	17.5	Yes
Suspended Solids	mg/L	<50	<2.5	2.7	3.2	Yes
Copper lons	mg/L	<3	ND	0.02	0.03	Yes
	COD Suspended Solids Copper lons pH COD Suspended Solids Copper lons pH COD Suspended Solids Copper lons pH COD Suspended Solids	pH — COD mg/L Suspended Solids mg/L Copper lons mg/L pH — COD mg/L Suspended Solids mg/L Copper lons mg/L Copper lons mg/L Copper lons mg/L Suspended Solids mg/L Suspended Solids mg/L	pH         —         6-9           COD         mg/L         <120	Test Items         Unit         Regulations and Standards         Minimum           pH         —         6-9         7.4           COD         mg/L         <120	Test Items         Unit         Regulations and Standards         Minimum         Average           pH         —         6-9         7.4         7.7           COD         mg/L         <120	PH         —         6-9         7.4         7.7         7.8           COD         mg/L         <120

#### **Wastewater Treatment Equipment**







**Biological Treatment Systems** 

Water Recycling System

Chemical Processing Systems

#### (3) Waste management

NYPCB has established multiple waste collection points within its plants to reduce wastes and make the best use of its resources and materials. The Company also continuously improves its production processes and operations for this purpose. For the first is reducing wastes from the beginning of the process . Second is considering reused. And the last, categorizing and renew them to recycle for the resource.

Certified Taiwanese recyclers have been commissioned to handle its wastes, which are mostly treated at certified waste treatment plants in Taiwan. Only a few of them have been treated abroad. Regarding domestic waste management contractors, the company follows up the hired contractor to ensure that they properly manage the waste. Those that have been transported to other countries have obtained legal permission from those countries and treated in accordance with local laws.

### Waste Treatment Methods and Quantity

#### Unit: tone

	Non-Hazardous industrial waste	Hazardous industrial waste	Total
Recycling	3,465.7	11,547.9	
	18.62%	62.05%	
Outsourcing	3,583.2	12.4	
Treatment	19.25%	0.07%	
Total	7,048.9	11,560.3	18609.2
	37.88%	62.12%	100%

## Output waste categories, amounts and proportions

Types of Waste Disposal	Quantity (tons)	Percentage of Total Waste
Printed Circuit Borrad Powder	71.2	0.38%
Copper Foil Scrap	8.4	0.04%
Printed Circuit Borrad Scrap	257.5	1.36%
Copper Plate Scrap	102.0	0.54%
Defective Printed Circuit Board Scrap	193.5	1.02%
Copper Clad Laminate Scrap	18.6	0.10%
Total	651.2	3.44%

Regarding resource recovery effect, through the continuous promotion of relevant waste reduction measures, the unrecovered waste occurrence amount of the unit output value of the Company (kg/ NTD 1 million) has reached the target for three consecutive years as of 2014. The index in 2014 is high, mainly because, although the average capacity utilization rate decreased, many processes and much public utility maintenance were executed, which generates much wastes, causing the index of unrecovered waste occurrence amount of the unit output value to be slightly elevated. Nevertheless, we shall continue to promote various waste reduction and resource reuse measures in order to reach our targets to reduce the waste occurrence amount.

## Non-recycled Waste Disposal per Unit of Production

kg / million NTD



 Non-recycled Waste Disposal per Unit of Production(kg / million NTD)

Target (Reduction by 1% annually)





Sort and Collect Waste

#### (4) Examination and reduction of greenhouse gas emission

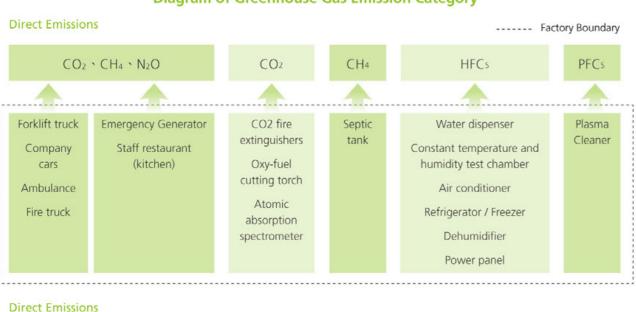
Global warming and climate change has become a key obstacle for sustainable development. Increase of greenhouse gases raises temperatures around the world and causes abnormal climate changes and unpredictable impact on the environment. NYPCB has recognized the importance of these issues and has conducted comprehensive examinations and evaluation of its greenhouse gas emissions since 2005 in accordance with the principles of ISO 14064-1 to reduce its greenhouse gas emissions and achieve sustainable development. As an electronic processing industry, over 97% of NYPCB's greenhouse gas emissions were generated by the indirect discharge of its purchased electricity. Reducing electricity consumption thereby is the most effective way to reduce greenhouse gas emissions. The Company also adopted the Plan-Do-Check-Act management model to improve its facilities and reduce its emissions continuously and increase competitiveness.

#### A.Evaluation

The main source of greenhouse gas emitted by NYPCB came from indirect discharge of electricity use at its plants. To reduce greenhouse gas emissions, alleviate global warming, and fulfill its responsibilities as a global citizen and abide by the Kyoto Protocol that became effective in 2005, the Company has planned and promoted the reduction of greenhouse gas emissions and controlled its greenhouse gas source. It has also set reduction targets based on the plan every year, implemented measures to reduce energy consumption, and reviewed the results on a monthly basis. NYPCB also inspects the amount and quality of its direct and indirect greenhouse gas emissions (Scope 1 and 2) in accordance with the ISO 14064-1 standard. Scope 3 is only examined for its quality since it involves employee transportation between home and work and for business. NYPCB has also established a ridesharing system for business trips, encouraging the use of video conferencing and production support to reduce the exhaust generated from the vehicles employees used for transporting goods or commuting.

Note: Scope 3 refers to the exhaust generated by employee commuting and business trips, outsourced waste treatment, and contractor vehicles.

#### Diagram of Greenhouse Gas Emission Category



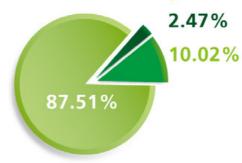
Purchased electricity/steam

CO2 CH4 N2O

#### **B.Emission analysis**

According to ISO 14064-1 standards, the total GHG emissions of the entire company in 2014 were 385,651.74 tons of CO2e, of which 9,532.39 tons of CO2e were scope 1, occupying 2.47% of total emissions, and 376,119.35 tons of CO2e were scpoe 2, occupying 97.53% of total emissions. Therefore, it is mainly indirect emissions caused by electricity utilization. The emission load statistic data have also been verified by a third party external verification institute. As shown in the table below, the out-purchased electric power and steam utilization is the main CO2 emission source, and the electric power and steam used in NYPCB are all purchased from NPC Jinxing Plant and Shulin Plant; therefore, in order to effectively restrict CO2 emissions, could the Company shall by saving electric power. Currently, the Company is still using the old refrigerant R11/R22, whose effusion amount is 1,128.76 tons of CO2e.

## 2014 Greenhouse Gas Emission Analysis



Unit: ton of CO₂e

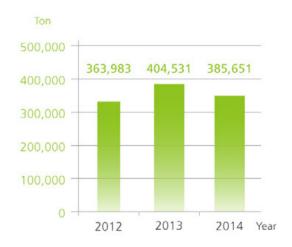
Scope1/Direct Emission: 9,532.39
Scope2 /Steam: 38,643.42

Scope2 /Electricity: 337,475.93

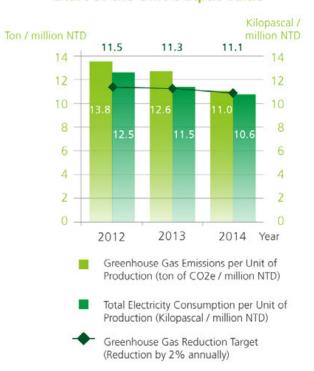
#### **Total Greenhouse Gas Emission Intensity**

Gas Type	Emission Quantity (ton of CO2e)	Percentage
CO <sub>2</sub>	374,343.35	97.07%
CH4	642,3087	0.17%
N <sub>2</sub> O	1,839.97	0.48%
HFCs	3,532.06	0.92%
PFCs	5,294.06	1.37%
SF6	0	0

#### Total Greenhouse Gas Emissions in Recent Years



#### Greenhouse Gas Emission Trend Chart of the Unit Output Value



The unit output value of greenhouse gas emissions of the Company (ton/ NTD 1 million) in 2014 has reached the Company's target value. NYPCB pledged to continue implementing various measures to reduce energy consumption and increase energy use efficiency to reduce greenhouse gas emission.

Nan Ya Plastics Corporation Utility Plant

#### (5) Green supply chain

Nanya PCB Corp. takes client health and safety very seriously at every one of its stages, from the procurement of raw materials to the sale of products. In order to meet the demands of both market trends and downstream customers, the company is moving towards manufacturing non-toxic green products that conform to EU RoHS regulations. Nanya PCB Corp. has also met the requirements of product statement and third party assessment report from the top 20 suppliers in order to ensure that new generation circuit boards are used in green appliances, thus further reducing the environmental burden.

#### A. Management of green products

NYPCB introduced a hazardous material management system in 2001, and has been promoting the concept and certification of Green Partners. The Company has since conducted internal audits for this purpose. To promote the concept of Green Partners, the Company established a Green Partner standard procedure and began implementing waste reduction plans and developing a hazardous materials management system in 2004, and regularly reviewed their enforcement.

2001- introduced the concept of Green Partners and defined hazardous materials.

2004- established Green Partner SOP and updated relevant information.

2005- achieved Green Partner certification. (2005-2007)

2006- the EU established Restricted of Hazardous Substances (RoHS) Directive.

2008- achieved Green Partner certification. (2008-2010)

2009- Developed and adapted a RoHS management system.

2010- achieved Green Partner certification. (2010-2012)

2011- installed x-ray fluorescence devices to detect hazardous materials in products.

2012- achieved Green Partner certification. (2012-2014)

2013-The company passed the EICC Audit Standards. (Product Content)

2014 received the customer's green partner certificate. (2014 - 2016)

NYPCB has been promoting green procurement and has required its raw material suppliers to provide written assurances to ensure their products do not contain hazardous materials. They are also required to provide annual test reports to prove their products meet the requirements of customers and are in compliance with relevant laws.

#### B. Restrict use of hazardous materials

NYPCB has produced documents and designed management principles for its green partners and effectively monitored the sources of its raw materials and other relevant materials to make sure they are in compliance with RoHS, REACH, international laws, customer requirements and the standards of green products, and to reduce their impact on the environment.

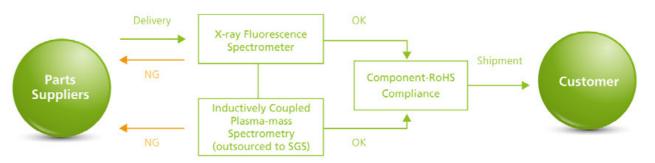
#### C.Hazardous Substance Free policies

NYPCB has established a Hazardous Substance Free system and required its green partners to comply and enforce it:

The Company has set up groups and specified their responsibilities to manage green partners effectively. Its environmental safety and quality assurance units are responsible for promoting green products and ensuring they comply with relevant laws and customer requirements. Other relevant departments were required to integrate the system into their operations in compliance with NYPCB's HSF management target.

#### D. XRF Analysis Process

#### **Hazardous Substamces Management Process**



#### E. XRF system can detect and measure hazard element accurately

#### **Hazardous Material Elemental Table**

Hazardous Materials	Analysis Type			
Hazardous Materials	Shipment Analysis	SGS Analysis		
Cadmium		led still Control Observer		
Lead	X-ray Fluorescence Spectrometer	Inductively Coupled Plasma-mass Spectrometry Analysis		
Mercury		spectrometry Analysis		
Hexavalent Chromium	X-ray Fluorescence Spectrometer	Use UV/VIS Spectroscopy to Measu		
	(analyzes chrome)	Absorbance of Liquid Samples		
Halogens – Chlorine Halogen - Bromine		Ion Chromatography Analysis		

The XRF system can accurately measure hazardous elements ch data in shipment reports, in order to be in compliance with EU RoHS regulations. such as Cd, Pb, Cr, Hg, Br, and Cl. The system helps NYPCB to meet customer requirements to include su

#### F. RoHS regulations and product packaging

#### (A)Raw materials produced in compliance with RoHS regulations

All raw materials used by Nanya PCB Corp in the manufacturing of all its products (ABFS, PCB, PPS) conform to RoHS regulations through the management of suppliers.NYPCB has monitored its suppliers to ensure the raw materials they supply are RoHS compliant. The elements that RoHS bans are cadmium, lead, mercury and mercury compounds, Chromium VI and Chromium compounds, and PBB and PBDE. Furthermore, RU published RoHS 2.0 instructions on December 17, 2014, adding four phthalates (DEHP, BBP, DBP, and DIBP) to the banned substance list, and the Company has listed them in its control scope.

#### (B) Packaging of green products

NYPCB uses a specific label on RoHS-compliant products to show customers they are green products. The trays that the Company use to carry shipments are made of recyclable materials. NYPCB has evaluated and tested a tray recycling management system and procedures to recycle the trays. NYPCB and customers have jointly assessed and tested the establishment of a chip tray recovery management process to fully reuse the chip tray, and the tray recovery rate reached 28.5% in 2014, up from just 2.09% in 2012; the improvement is effective and shall continue to be promoted.

#### The tray recovery rate(%)



Notes: Recycling rate(%)=Total used tray recycling volume/ Total tray volume



RoHS Labels

#### G. SGS product testing

All of NYPCB's products are in compliance with SGS standards and do not contain materials hazardous to the environment.



## **Test Report**

NAN YA PRINTED CIRCUIT BOARD CORP. 338, SEC. 1, NANKAN ROAD, TING HSIN VILLAGE, LUCHU HSIANG, TAOYUAN COUNTRY, TAIWAN.

화점 급명하다 사람들은 경기 경기		927 S226-2330	900000000	Result
Test Item (s):	Unit	Method	MDL	No.1
PCBs(Polychlorinated Biphenyls)(CAS NO:001336- 36-3)	ppm	With reference to USEPA 8082A. Analysis was performed by GC/MS or GC/ECD.	0.5	N.D.

	****	Method	MDL	Result
Test Item (s):	Unit			No.1
Polychlorinated Naphthalene	ppm	With reference to USEPA 8081B. Analysis was performed by GC/MS.	5	N.D.

	*****		MDL	Result
Test Item (s):	Unit	Method	MDL	No.1
PCTs(Polychlorinated Terphenyls)	ppm	With reference to USEPA 8082A. Analysis was performed by GC/MS or GC/ECD.	0.5	N.D.

Test Item (s):	Unit	Method	*****	Result
rest item (s):	Onie	Method	MDL	No.1
Chromium VI (Cr+6)	ppm	UV-VIS(US EPA 7196A) after reference to US EPA 3060A.	2	N.D.
Mercury (Hg)	ppm	ICP-AES after reference to US EPA 3052 or other acid digestion.	2	N.D.
Lead (Pb)	ppm	ICP-AES after reference to US EPA 3052 or other acid digestion	2	N.D.
Cadmium (Cd)	ppm	ICP-AES after reference to EN 1122, method B:2001 or other acid digestion.	2	N.D.

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SGS TAWAN LIMITED
No. 1.36-1, We large fload, Wash inoustral Zone, Taiper county, Tawan.

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Compliance Certifications

## 3.5 Greening and tree-planting activities around plants

NYPCB has designed a comprehensive greening plan for its limited land resources. The plants and flowers planted in the Company include tropical foliage such as Chinese Banyans, Royal palm, Formosan Nato Tree, Chinese rain tree, weeping fig, Buddhist Pine, Blackboard tree, Indian rubber bush, Madagascar Almond, Common Garcinia, Sea Fig and cotton tree, and shrubs such as Pink Ixora, Rhododendron, Golden Dewdrop, Chinese hibiscus, China rose, umbrella tree and Golden Banyan tree as well as seasonal plants such as Impatiens walleriana, scarlet sage, Wax Begonia, petunia, New Guinea Impatiens, Torenia, and Egyptian Starcluster.

The greening plan divided the Company into three zones, the administrative zone, production and plant zone, and the dormitory and living zone. The 30-year-old Chinese Banyan trees in the plants and the habitats of wild birds such as wild quail, Chinese Bulbul, and Japanese White-eye have been preserved and protected. The production and plant zone has been afforested. Chinese Banyan trees were planted alone Nanjing 1st Road and Nanjing 2nd Road. The gardens along lanes, according to their sizes and characteristics, were planted with Hoop Pine, Terminalia mantaly H. Perrier, weeping fig, Common Garcinia, and round banyan trees. Seasonal plants and flowering shrubs were planted in front of the plant gate, improving surrounding landscape. To make the three men and women's dormitories in the dormitory and living zone more hospitable and more homely, the plants around these buildings were specially selected. Large tropic foliage such as the blackboard tree and Formosan Nato Tree as well as seasonal flowers and shrubs such as Impatiens walleriana, Bougainvillea, viola and China Rose were planted around these buildings. During their blooming seasons, their flowers are not only pleasant to employees' eyes but also help them to relax.

NYPCB's greening plans at its plants and on its land are as follows:

#### (1) Greening

- A. The Chinese Banyan trees that have existed since 1983 when the plants were built will be preserved. The areas that have been left untouched will be planted with blackboard trees, Hoop Pine, and Indian rubber bush depending on the characteristics of the gardens there.
- B. Offer free tree seedlings through government departments such as the department of agriculture and forestry bureau.
- C. The gardens that became barren because of heavy shade will be planted with groundcovers such as the Singapore Daisy and boat lily to increase NYPCB's ratio of green cover.

#### (2) Gardening

- A. NYPCB has been growing its own seedlings since 1995 and has produced plants and flowers that are used in the gardens across its plants and buildings. The Company has made its plantation entirely self-sufficient, saving costs of purchasing flowers and plants every season.
- B. The lawns and gardens in the administrative zone were specially designed and are gardened carefully and planted with seasonal flowers and plants.
- C. The miss-planted rate of seasonal flowers and plants cultivated across the Company is kept below 10%. The percentage of flowers that blooms every season reach 80% and above.

Physical and metal strengths are much-needed in technology industry. The strengths work its best in a workplace that is beautiful, full of culture, leisure, and relaxation. NYPCB's greening management will continue to focus on creating a beautiful environment that values quality of life and nature of the future.



Chinese Banyans near the Offices



Viola Blossoms in front of the Cafeteria



Blooming Ixora around the Plants



## 4.1 Employment

Employees are the most important asset of a company. Every company should strive to ensure every employee can work safely and are willing to contribute his/her talent. To recruit talented employees, NYPCB offers stable and competitive salaries and benefits, comprehensive training, and promotion system.

NYPCB selects candidates for positions under the principle of fairness, justice, and equality. Every candidate has equal opportunity to apply for a job. The Company also ensures the personal qualities and ability of its newly-recruited employees fit the requirements of his/her position. Taiwan's Labor Standard Act specifies that employers are not permitted to hire workers aged below 15. Workers who have not reached the age of 16 are not permitted to do heavy and hazardous works. NYPCB has complied with the EICC code of conduct and pledged not to hire workers below the age of 16.

#### (1) 2014 Nanya PCB Corp. Human Resources Structure

In 2014, the company's human resources department was made up of 99.9% official staff and 0.1% temporary staff (all staff on contract, five in total), with no part-time employees. The department was made up of 85.4% domestic employees and 14.4% foreign employees (all from Vietnam). The ratio between male and female employees was 2:1, and the average age was 34.7 years old. The average years of service were 10.0 years.

Unit: person

Category	Group	Female		Mal	e		Percentage
		Number of people	Percentage	Number of people	Percentage	Total	(%)
Position	Managing director and above	-	0.0%	8	0.2%	8	0.1%
	Executives and managers	12	0.5%	350	7.5%	361	5.2%
	Supervisors and general staff	2,071	89.9%	4,296	92.3%	6,367	91.5%
	Service staff	220	9.6%	-	0.0%	220	3.2%
Location	Taoyuan	1,990	86.4%	4,103	88.2%	6,093	87.6%
	Shulin	313	13.6%	551	11.8%	864	12.4%
Age	<29	738	32.0%	1,054	22.6%	1,791	25.7%
	30-39	1,055	45.8%	2,365	50.8%	3,419	49.2%
	40-49	416	18.1%	1,013	21.8%	1,429	20.5%
	50-59	93	4.0%	213	4.6%	306	4.4%
	>60	1	0.0%	11	0.2%	12	0.2%
Years of service	<10	1,181	51.3%	2,644	56.8%	3,825	55.0%
	11-20	927	40.3%	1,701	36.5%	2,628	37.8%
	20-30	190	8.2%	282	6.1%	472	6.8%
	>30	4	0.2%	27	0.6%	32	0.5%
Academi	Doctorate		0.0%	4	0.1%	4	0.1%
c degree	Master's	53	2.3%	232	5.0%	285	4.1%
	Bachelor's	66	2.9%	423	9.1%	489	7.0%
	Other	2,183	94.8%	3,996	85.9%	6,179	88.8%
	Subtotal by gender	2,302	100.0%	4,655	100.0%	6,957	100.0%

#### (2) New employees by age and region

Unit: person / %

Male	
326	
12	
1	
2	
1	
64	
278	
342	
3,996	
7.3%	

Statistics based on employees who started work between 2014.1.1 and 2014.12.31

#### (3) Local supervisory proportion

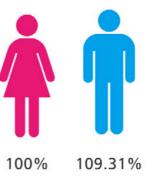
In order to develop stable working opportunities, local residents are given priority in the recruitment of new general employees. Furthermore, the company trains local residents to become competent leaders. In 2014, the percentage of local residents holding senior supervisory roles was approximately 8% (the percentage of senior supervisory is defined as the proportion of employees working as a supervisor or above, who have held the position for at least five years and have the same household registration as the factory).

#### 4.2 Salaries and welfare

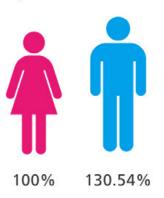
#### (1) Employee Salaries

NYPCB not only complies local labor laws but also joins local associations that survey salaries and welfare to ensure its salaries are competitive. In addition, it is ensured that employee salaries are not gender biased, therefore, the salaries of male and female workers are equal. The company advocates the idea of the "same pay for the same work". The base salary ratio between male and female employees with the same position and rank is 1 : 1. Once hired, employees will have their salaries adjusted annually and may be promoted based on their performance.

### Manager and above



#### Supervisor and below



#### (2) Employee welfare

The Company values its employees, respects their rights to work, and offers reasonable salaries. It also strives to alleviate employee concerns and burdens in their lives so that they can fully develop and utilize their talents and thereby enhance the Company's performance. In order to ensure that all employees feel secure in their work and utilization of their profession, the company advocates the idea of "treating employees as family" and has set up excellent facilities for food, accommodation and leisure. Furthermore, the company has taken into consideration the long-term benefits of its employees and has planned various comprehensive benefit systems. Furthermore, a variety of benefit measures have been provided for our employees:

- A. Year-end bonus and dividend
- B. Indemnity
- C. Wedding and funeral subsidies
- D. Medical cost discounts for employees and their family members seeking medical services at Chang Gung Memorial Hospital.
- E. Labor and health insurances
- F. Uniforms
- G. Accommodation for employees who are single or married with children
- H. Employee stock option
- I. Funds and subsidies for the employee year-end dinner party
- J. Relief payments for employees hospitalized due to illness, gold coins and recognitions for senior employees.



Basement Dinning Area



Movie Theater



Table Tennis Room



Billiard Room



Computer/ Internet Room



Studying Room



Library



Counseling Room



Health Center



Basketball Court

The company offers a variety of employee benefits and incentives based on Formosa Plastics Group and goes above and beyond many legal standards. Such benefits include:

#### A.Leave benefits

The company provides its employees with special leave, marriage leave, bereavement leave, official leave, work-related injury leave, paternity leave, maternity leave, sick leave, physiological leave, personal leave, family leave, transfer leave, quarantine leave, reunion leave for employees stationed overseas, etc., of which, the pay standards for sick leave, certain types of funeral leave and typhoon leave are higher than required by labor law standards.

#### B.Insurance benefits

In addition to helping employees with their labor insurance and national health insurance, the welfare committee member of each factory provides accident and medical insurance or provides employees with discounted group insurance (accident, medical, cancer) so that employees have more comprehensive insurance freedom.

#### **C.Retirement benefits**

The company will pay monthly labor pension and retirement reserve fund. When an employee meets retirement criteria, the company will pay his/her pension according to the law, in addition to a retirement gift.

#### D. Marriage and childbearing benefits

- D1. In the occasion of a marriage or funeral of the employee or a family member of the employee, the company will provide an incentive (funeral offerings) and subsidize managers at all levels for the incentive (funeral offerings).
- D2. The company offers nursing rooms for employees to use during work hours.
- D3. According to relevant laws, in order to provide parental leave, employees that meet the required criteria must adjust their work hours according to childcare needs.
- D4. To provide unpaid leave, employees must submit an application. In the past three years, 474 employees (female 370, male 104) applied for unpaid leave. The return rate was 75%, and the retention rate was 70%. Furthermore, in 2014 alone, 212 employees (female 166, male 46) applied for unpaid leave with a return rate of 79% and retention rate of 78%.

## Parental-leave application, return rate and retention rate for the past three years

Unit: person

	2012		2013		2014		Total					
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Actual number of employees that applied for parental leave	28	99	127	30	105	135	46	166	212	104	370	474
Number of employees that should have returned(A)	12	71	83	21	115	136	27	67	94	60	253	313
Number of employees that applied for return(B)	7	51	58	17	85	102	17	57	74	41	193	234
Return rate (B/A)	58%	72%	70%	81%	74%	75%	63%	85%	79%	68%	76%	75%
Number of post-parental leave employees who stayed for at least one year(D)	6	31	37	5	41	46	13	67	80	24	139	163
Retention rate (E=D/B)(%)	75%	97%	64%	71%	80%	79%	76%	79%	78%	59%	72%	70%

Note: "Retention Rate" is defined as the percentage of post-parental leave employees that stayed for at least one year.

#### (3) Staff evaluation

All NYPCB employees shall be periodically evaluated according to the "Evaluation Method", and the year-end performance grade shall be determined according to the periodic evaluation, attendance, reward and punishment, and case disposal time to serve as a reference for salary adjustment and year-end bonus, as well as for future development, promotion, and transfers. Employees with evaluation results of grade B or C shall be interviewed periodically by their supervisor to track the abnormality improvement plan and results.

#### Comparison of Resignation Rate between Nanya PCB Corp. and the Electronic Components Industry over the Past Five Years

Year	Nanya PCB Corp	Taiwanese Electronic Components Manufacturing Industry				
2010	1.5	2.4				
2011	1.2	2.2				
2012	1.0	2.1				
2013	1.0	2.0				
2014	1.1	2.2				

Source: Accounting and Statistics (time series data search- quit rate)

#### (4) Good Work Protection

In order to adapt to the rapidly changing business environment and constantly innovated technology, the company continues to rationalize management and keep its organization simple. However, even in the most difficult economic times, the company prioritizes the working rights of its employees. The company has established human resources integrative mechanisms to replace paid leaves with transfers. The resignation rate of the company has been around 1.1% for the past five years. Compared to the Taiwanese electronic components manufacturing industry, this company's resignation rate is considerably lower. This reflects the effectiveness of employee care and work protection provided by Nanya PCB Corp., and the strong trust in company management and the sense of identity of the employees.

### 2014 Resigned Staff by Age and Region

Unit: person

Category	ategory Group		Male	
By age	Under 29	219	279	
	30-39	77	184	
	40-49	12	18	
	50-59	5	18	
	Over 60	4	2	
By region	Taoyuan Factory	262	402	
	Shulin Factory	75	99	
Total dismis	sed employees	337	501	
Service	employees	2,302	3,996	
Percer	ntage (%)	14.6%	12.8%	

## 4.3 Training system

#### (1) Training

NYPCB has established a comprehensive training system with quality working and learning environment, aimed to inspire employees' proactive attitudes and innovative views. In addition, a comprehensive training plan for different stages of each employee's career has been created to facilitate gradual improvement, allowing him/her to excel and become outstanding and practical professional. NYPCB's training program includes the College Management Association Program, basic training, professional training, manager training, and middle and senior management training. This program is integrated with online courses, job rotations, external training, and irregular seminars with guest speakers. NYPCB provides its employees with a working environment full of opportunities for continuous learning and development.

The Company also organizes management classes for its employees as well as the College Management Association Program, basic training, professional training, manager training, English and Japanese language courses, and external training courses to foster a high-quality learning and working environment to develop active and innovative talents. NYPCB has created a comprehensive training plan for different stages of each employee's career to facilitate gradual improvement, allowing employees to excel and become outstanding professionals and managers.

#### (2) Employee training and advanced courses

In 2014, NYPCB's employee training course, excluding those held by individual units and the professional training and manager training organized by the President's Office, was conducted 274 times and participated by 672 employees. The total duration of the training was 37,020 hours and the cost of the training was NT\$940,674.

## Training hour by position for the past three years

Unit: h our

Year Rank	2012	2013	2014
Executive	37.6	18.0	19.6
Manager	53.5	35.0	39.6
Supervisor	59.3	30.6	41.3
General Staff	27.7	19.9	19.0
Average Hours	33.6	21.9	23.7







Employee training 2



Employee training 3

### 4.4 Employee relations

### Negotiations between employer and employees

- A. Establish a complaint system to improve employer and employee relations.
- B. Establish clear regulations and a human resource management system to specify employees and employer obligations and administrative matters so that employees can understand and protect their rights.
- C. Organize regular physical examinations in accordance with labor safety and health law, assign a labor safety and health coordinator, and set up relevant management systems and regulations to avoid accidents and protect employees.

#### (2) Care for employees

Organize campaigns to encourage employees and improve their welfare. Encourage employees to seek a balance between work, health, and life.

- A. Diverse employee welfare: Provide medical fee discounts for employees and their family members at Chang Gung Memorial Hospital, scholarships for employees' children, encouragement bonus for stock purchasing, birthday coupons, wedding and funeral subsidies, holiday gifts and coupons, and comprehensive living facilities. The Company offers paid sick leave and indemnity that exceeds what is required by law. It also organizes various leisure activities such as sports game, domestic travel, and a variety of clubs.
- B. Salary: Offer reasonable salaries and bonuses that are competitive. Set up a regular salary adjustment system. Provide bonuses during the Dragon Boast Festival, Lunar Festival, and at the end of a year depending on the Company's overall performance.
- C. Communication: Hold regular management meetings and publish an internal magazine every quarter. Set up recommendation boxes ,hotlines and sexual harassment prevention hotlines for employees. There are two complaints related to human rights were made through the official complaint channel in 2014, which have been properly handled.
- D. Encourage innovation: Offer incentives for good suggestions and encourage employees to report excursions at work and offer their improvement advises. Incentives are provided if the suggestions have made significant improvement. The Company has set up an online platform for its employees to discuss and exchange ideas, and rewards those who provide innovative ideas.
- E. Employee Assistance Program(EAPs): Resources can be sought through the county's health bureau mental health center to senior managers and employees if they have management, psychological, family, or relationship problems. The Company offers services to reduce the damage caused by man-made, natural factors, or inappropriate treatments.

## 4.5 Employee wellness program

#### (1) Improve the health and wellness of employees

Since parts of the NYPCB workplace uses various chemicals, including sulfuric acid, manganese, plumbum, nickel, potassium cyanide, and sodium cyanide, while some processes use non-ionizing radiation related devices or make considerable noise, in order to maintain employees' health, the Company shall stipulate a sampling plan depending on the current situation of each processing area and carry out environmental detection every six months. Furthermore, NYPCB cooperates with Chang Gung Hospital to periodically provide its staff with health examinations and yearly provide special operation personnel with special health examinations, with an emphasis on screening for common cancers depending on the personal demand. In addition to organizing health examination for employees, NYPCB's plants also offer breast-feeding rooms for female employees. Other workers can enjoy medical services and a smoking quitting assistance at the healthcare center in campus. Since NYPCB has partnered with the Chang Gung Medical Foundation, it is able to provide medical center-level services and health care. Employees and their family members can also enjoy discounts if they seek medical services, health examinations, or services not covered by health insurance at the Chang Gung Medical Foundation. The Company's welfare committee also organizes irregular leisure activities to help employees relax and promote health. Group insurance has also been purchased for employees to offer financial support if employees suffers from serious illness or injuries due to accidents.

















Health Education Activities

#### NYPCB Health Center 2014 Health Promotion Schedule

Theme	Season	Health promotion content	Type	Time	Lecturer
Health care	First season	Lecture: Influenza	Lecture	January	Health Center
		Lecture: Hypertension introduction	Lecture	February	Health Center
		Lecture: Fatty liver	Lecture	March	Health Center
Health promotion	Second season	Lecture: Noro virus	Lecture	April	Health Center
		Physical examination: Annual employee physical examination	Activity	May	Chang Gung Hospital
		Lecture: How to construct the healthy workplace	Lecture	June	Health Center
Work pressure	Third season	Lecture: Learn to love each other more, hold	Lecture	July	John Tung Foundation
relief		hands for a lifetime	Lecture		
		Lecture: Meridian and acupoint massage DIY	Lecture	August	John Tung Foundation
		Lecture: Happy in the turning	Lecture	September	John Tung Foundation
Prevention and	Fourth season	Lecture: AED initiated drill	Lecture	October	Health Center
healthcare		Activity: Blood donation	Activity	November	Hsinchu Blood Donation Center
		Lecture: Keep away from hyperlipidemia	Lecture	December	Health Center

#### (2) Contingency plan for infectious diseases

NYPCB has established comprehensive reporting and preventing systems for infectious diseases:

#### 1. Prevention of infectious diseases

Increase employee awareness to infectious diseases prevention and educate employees about the preventative measures against infections through air, droplets, and contact.

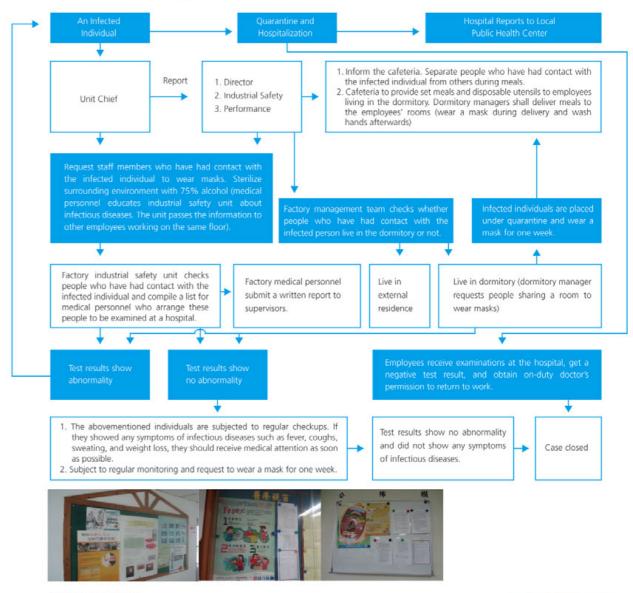
#### 2. Reporting of infectious diseases

Report occurrence of infectious disease to local health bureaus and persuade the infected employees to receive medical attentions or have them hospitalized if necessary.

#### 3. Preventative measures

Provide medical control and preventative leave, implement preventative measures on employees and visitors, and effectively separate infected patients from others.

#### **Infectious Disease Contingency Procedures**



Prevention advocacy

# (3) Health and safety education and contingency response training

Most accidents are caused by man-made mistakes and negligence. NYPCB thereby places priority on educating its employees to raise their safety awareness at workplace and to increase their contingency response skills.

A work safety training class was offered in 2014, whose details are summarized below:

- A. Supervisor's on-duty training for specified hazardous chemical substances job sites: two sessions were offered, with a total of 44 participants for 264 hours.
- B. Ionizing radiation personnel's on-duty training: one session was offered, with a total of 173 participants for 519 hours.
- C. First-aid personnel's on-duty training: three sessions were offered, with a total of 51 participants for 153 hours.
- D. Contractor's pre-factory training: 102 sessions were offered, with a total of 1,007 participants for 1,511 hours

NYPCB views contractors as one of its own employees; therefore, the Company organizes regular pre-work trainings for contractors. The Company holds daily toolbox meetings to promote pre-work employee protection ware inspection and physical and psychological health checks. Through the toolbox meeting, the Company will notify and remind workers about the specific dangerous of construction, process, and environment of the work on the day. Construction and maintenance departments need to coordinate and collaborate with each other to achieve the goal of zero incidents.

The Company has also established detailed contingency response policies and has held drills in preparation for various emergencies such as earthquakes, fires, chemical spills and leakages, and other natural disasters. The Company has trained its employees to be familiar with contingency response measures such as reporting, reaction, and containment of incident, and medical aid.













Training

#### Fire alarm safety interlock switch / air conditioned rooms / bonded area / drilling machine area Set intrinsic safety as Manage and control a basic principle in hazardous materials to equipment design enhance public safety standard / Enforce **Buy intrinsic** standard / safety Label / equipment **Enforce Zero Accidents** Qualify for Establish / inspection Educate / Enforce Inspection and examination of prevention Establish protocols of Class A hazardous and control operating high and low workplace voltage distributor panel



## (4) Statistic of occupational disasters and accidents and the effect of health and safety management

NYPCB Kum Hing and Shulin factories had one death case and two disabling injuries in 2014, with work injury frequency being 0.24, injury severity being 501.25, and comprehensive injury index being 0.35; however, to continuously manage and control the occurrence of relevant disabling injuries, the Company has promoted a series of administrative activities so that employees can identify, evaluate, and control hazards in their workplaces, thereby preventing laborers from working in a hazardous environment.

NYPCB also compiled a textbook based on past occupational injuries to educate employees and raise their awareness on workplace safety. It also encourages employees to uncover and to remove potential causes of disasters and accidents to help the firm reaching its zero-disaster and zero occupational-injury goals.

Unit: person

		Date	20	12	20	13	2	2014
Ite	ems		Jinxing plant	Shulin plant	Jinxing plant	Shulin plant	Jinxing plant	Shulin plant
	Serious Injury Frequency Rate (Incident / per 1,000,000 hours worked)		0.05	0	0	0	0.24	0
	Serious Injury Severity Rate (Working days lost / per 1,0	00,000 hours worked)	0.3	0	0	0	501.25	0
	Frequency-Severity Indicator	r	0.004	0	0	0	0.35	0
	Number of major	1. Death	0	0	0	0	1	0
	occupational disasters and accidents	Disaster and accidents that caused more than three people injured.	0	0	0	0	0	0
Unit		3. Spills and leaks of Ammonia, Chlorine, Hydrogen fluoride, Phosgene, Hydrogen sulfide and Sulfur dioxide that resulted in hospitalization of more than one person.	0	0	0	0	0	0
	Number of serious injury incomajor occupational disasters		1	0	0	0	2	0
	Working days lost		6	0	0	0	6174	0
	Absence rate		4	0	0	0	0.87	0
	Severe occupational hazard per 1000 persons	mortality rate	0	0	0	0	0.17	0

Notes: 1. Absence rate=Total absence days during reporting period / (total persons during reporting period\*255 work days)

- Disabling injuries frequency=Disabling injuries cases\*1,000,000 / Total experienced work hours
- Disabling injuries severity=Disabling injuries days not worked\*1,000,000 / Total experienced work hours
- Comprehensive injuries indicator=√disabling injuries frequency\*disabling injuries severity / 1,000
- Death rate per 1,000 people related to significant occupational disasters= Employee death toll / Total employees\*1,000

## 4.6 Human rights

NYPCB believes employee should be respected and treated equally. The Company provides equal job opportunity to every jobseeker and employee and protects individual's basic human rights. The Company does not discriminate employees due to their race, skin color, age, gender, sexuality, disability, pregnancy, religious beliefs, political stance, club members, or marital status at work in terms of compensation, promotion, training or hiring. Employees are not forced to accept discriminatory medical examinations. In addition, recruitment is always conducted in a public way both internally and externally, and the firm does not restrain its employees or recruit forced labor through coercion, debt, fees, or contract. NYPCB also provides sexual harassment training to its managers and employees to prevent sexual harassment.

The Company has met all local government's laws and regulations regarding to employers and employees. The firm's employee handbook has also been reviewed and certified by the Taipei City Government before being distributed to all NYPCB employees. The Company has over 6,900 employees and has strived to do its best to peacefully resolve any labor disputes through fair, just, reasonable, and humane measures and to maintain a harmonious employer and employee relationship.

The company's labor employees have the option to freely participate in a union and run for representative without the fear of harassment, threats or retaliation. The company's labor employees can openly discuss issues regarding work with management.

The total people participating in the collective bargaining agreement of the Company in 2014 were 60.7% of total employees. The Company's labor union also holds regular director and supervisor meetings, and, to avoid colleagues' doubts, the Company does not intervene in the union's practical operations and member lists. Furthermore, it will give full play to the labor union under legal and reasonable scope in order to make wide discussions on labor issues and shall implement policies after reaching an agreement and making an agenda, which considerably helps to improve employee-employer relations and the planning of labor welfare.

NYPCB closely adheres to the line of national labor specifications and international Declaration of the Rights of Man and of the Citizen, and seeks fair treatment to and respect of all employees, including:

- Providing work conditions in accordance with the government's labor related laws and regulations.
- (2) Offering equal work opportunities for all job seekers according to the Employment Services Act.
- (3) Setting up complaint channels for employees when their legal rights are damaged or inappropriately handled.
- (4) Setting up an "Employee Rewards and Punishment Review Committee" for reviewing employees to received significant rewards or punishments.
- (5) Providing "Sexual Harassment Prevention, Complaint, and Punishment Measures in the Workplace" to prevent employees and job seekers from a sexual harassment work environment and to respond to any related issues.

Furthermore, no significant investment agreements or contracts relating to human rights were made in the company in 2014.

## 4.7 Security control dynamics

#### (1) Personnel safety

- 1. To ensure personnel safety in campus, NYPCB has requested it employees to wear uniforms and carry ID cards to enter and exit its campus in accordance with its factory entry and exit regulations. In addition, workplace safety training is provided to contractors to help them become familiar with NYPCB's security control system. Visitors are escorted within the campus by staff members of the unit they intended to visit.
- 2. All security personnel shall be strictly selected through safety investigations and pursuant to stringent conditions and shall pass the administrative methods related to personnel, vehicle and article factory entering, human right policies (such as: labor ethical policies), and other training.
- To prevent burglars and criminals from entering the Company's premises and endangering

employee safety, emergency response drills are regularly held in the campus. Security monitoring system has also been installed around the plant gates, perimeter, and key areas. The system can monitor employees and detect abnormalities in a timely fashion and respond appropriately.

### (2) Personnel safety

As a key parts supplier, NYPCB has ensured all raw materials used in production processes such as gold, tantalum, wolfram, tin and cobalt are in compliance with the Policy for Conflict-free Materials. The Company has required its suppliers to investigate the place of origin of materials supplied to ensure they are not obtained by non-government warlords or criminal rings, or excavated from conflict zones in the Democratic Republic of Congo or through illegal methods or smuggling. Metals exported from the Democratic Republic of Congo, Rwanda, Uganda, Burundi, Tanzania and Kenya are considered to be conflict minerals by the Policy of Conflict-free Materials. NYPCB has completed its examinations on its raw material supplies and plans to enhance raw material control within the Company to prevent conflict minerals from entering its production processes in the long run. The Company will continue protecting customer rights, abiding by the EICC code of conduct and striving to fulfill its corporate social responsibilities.

Under the backdrop of globalization, major natural disasters or accidents occurring anywhere in the world could affect NYPCB. The Company thereby pays extra attention to potential risks of its supply chain and offers timely and proactive assistance to its suppliers. NYPCB has taken the following factors into account:

#### A. Business continuity management plan

NYPCB has requested its main suppliers to set up contingency policies and standard reaction procedures for potential natural disasters or man-made threats that may damage their operations in order to reduce the impact from such major incidents to NYPCB.

#### B. Risks exposed to natural disasters

NYPCB has identified the geographical connections between its suppliers around the world with past major disasters and accidents. The Company has reviewed and designed risk reduction plans with its suppliers and has requested them to increase the numbers of their plants. Suppliers have also been required to prepare contingency reaction policies such as making production in other countries and increasing inventory to reduce the impact of disasters and accidents.

#### C. Risks from the suppliers' suppliers

NYPCB requires its suppliers to manage the risks of their own supply chain and suppliers and helps them to establish a business continuity management policy to secure the stability of NYPCB's supply chain.

#### D. Manage IT disruption risks

NYPCB requires its suppliers to set up a remote backup system and ensure standard protection measures have been implemented on their data centers in order to reduce the impact of disasters and accidents.

In order to meet the international requirements of ISO 28000 in security management systems for supply chains and achieve the Taiwan Customs Authorized Economic Operator Certification, NYPCB has set up guidance and principles to ensure supply chain security and has provided written directives to its departments to follow. The requirements are implemented to ensure supply chain safety from receiving orders, raw material procurement, producing, processing, packaging and shipping as well as customer-related transportation, information, and logistic safety. The Company has also established a comprehensive and effective supply chain safety management system.

## (3)Information security

No instance of personal information leakage, violation of privacy or leakage of client information occurred in the company in 2014. NYPCB views protecting the communication and information exchanges with its customers and partners as its most important task and has implemented a management system for confidential information for a long time. Depending on the levels of confidentiality of the information, the Company's management system preserves, views, authorizes, distributes, retrieves, and destroys its confidential information regarding R&D, production, sales, technological cooperation, business, outsourcing, and operation and management in order to protect customers and partners.

The Company has also continued enhancing and upgrading it information security technologies and has ensured the security of information, computer systems, and websites depending on their confidentiality, completeness and values. NYPCB also raises employee awareness in the importance of confidential information and relevant regulations through audits, consulting and educational training to ensure confidential information protection measures have been integrated into daily operation.



The creation of company culture occurs over the long term and is developed by operation principles, and, in summary, Formosa Plastics Group's operating concept is to pursue the rationalization of everything with a "diligent and simple" attitude and with "strive for perfection" as the ultimate goal. Since the objective environment is changing and nothing can ever actually reach "perfection", but through the endless pursuit of all, these principles have become the original drive force for the Company to constantly improve business performance and competitive conditions, thus achieving the purpose of "sustainable operation" and "contribution to society" based on the aim of "Take from society, and give back to society". The Formosa Plastics Group founder said "one can only hold so many things in his/her hands but if one opens the hands, he/she can hold the world." The remark stressed the importance of contributing to society which appears to be a one-way action; but in fact, people who can give more to the society will get more in return. The more they can contribute to the society, the more they can achieve. Therefore, the founder has helped many people in need with the same passion and zealousness he had while leading the Company. NYPCB has been contributing to society and engaging positively with neighboring communities. NYPCB believes that people are depending on each other, and that the one who is strong should help the weak, and the rich should help the poor. If people contribute their strengths, society and the world would be a better place to live in day by day.

## 5.1 Neighborhood relations

## (1) Engage with communities

The Jing Hsin campus has established a neighborhood public relations team to keep its environment clean, facilitate communication, and provide assistance to nearby residents. The team has organized volunteers to participate in local community activities such as temple fairs, activities at senior centers, neighborhood watch, weddings, and funerals. The team has also invited residents to take part in its activities to maintain a harmonious relationship with local communities.

# (2 ) Organize an environmental protection day and adopt a garden and River program

The Jing Hsin campus has organized an environmental protection day since 2007. It gathers volunteers in a morning of one of the last ten days in a month to clean up the roads around the campus. Approximately 20 NYPCB employees wearing vests cleaned the streets around the campus including the front end of Nankan Road, and other roads around nearby communities. Some local residents have also taken a part in the cleaning activity. The activity has been well-received by nearby communities and has helped promote the Company's corporate citizen image. NYPCB has also adopted a triangular park by the Changrong Road near the campus since 2003 and adopted Nankan River Clean Air Zone Wetlands which has become a place for recreational activities for local residents since 2014. The Company regularly cleans, maintains, and performs other gardening activities in the park so that local residents can enjoy a clean and beautiful environment; thus, creating a harmonious atmosphere among the communities.



Volunteer to Clean up the Environment



Volunteer to Clean up the Environment

#### (3) Hiking and mountain cleaning activities

Hiking is a great opportunity for NYPCB employees to enjoy beautiful scenery and to release stress as well as enhance relationships with coworkers and their families. Such activities have helped raising people's awareness to environmental protection and strengthening neighborhood relations.

#### (4) Labor Day and Mother's Day fairs

The employee welfare committee of NYPCB organizes a Mother's Day fair every year. The activities include a flea market, charity groups, and art exhibitions of street artists. Employees can have an enjoyable time at the fair with their families.

#### (5) Benevolent service

The Company's operations have always been based on contributing to society, and in order to further create a volunteer service culture within the Company and build employees' atmosphere of volunteer service, the Company has continued to invest in social benefits, such as caring for low and middle-income households, respecting the elderly and making donations for them, opening educational institutions, fostering volunteers and other services since its establishment. The social welfare institutions adjacent to the factory that were recommended by the Ministry of Interior or County/City Social Affairs Bureau were selected to initiatively understand the needs, donate materials, and provide services, thus maximizing resource allocation and utilizing efficiency. The northern plant of the enterprise held a total of 31 cares events in 2014, in which 1,758 people participated.

### (6) Healthcare promotion

In addition to continuous considerations for maintaining good relations with neighbors, our employees' health is also a great consideration of ours. For example, San Chang's health-care center combined with Chang Gung Memorial Hospital and Chang Gung University of Science and Technology to promote occupational health "to promote the prevention of metabolic syndrome" activity, as well as free of charge "metabolic syndrome" prevention and blood tests. Early detection and early treatment can prevent the three most common cardiovascular diseases.



"Promoting the prevention of metabolic syndrome" employee involvement



Health care activities

## 5. Charity

## 5.2 Charity plans

### (1) Charity club

NYPCB's charity club regularly visits education and nursing institutions such as Xindeng, Ark, and Cherngshin. Around 20-30 employees joined these visits.

Nan Ya Printed Circuit Board Company Love Club regularly carries out care services in Xindeng ,Ark , Cherngshin. Furthermore, colleagues take the initiative to recommend some new disadvantaged groups and help the Love Club to carry out their volunteer services. About 20 to 30 colleagues participate in each service. The club has also donated laundry detergent, tissue, books, and mineral water to these institutions. The heads of these institutions have expressed their gratitude and awarded NYPCB appreciation certificates. They have also introduced their services and successes. NYPCB employees have taken a part in various activities such as dumpling making, a charity haircut service, nail art, and the cleaning of the environment, fans, windows and cars.



















Photos of Charity Events

### (2)Care for disadvantaged groups

Since November 2007, NYPCB's union has encouraged its members to donate money to help pay for the lunches of elementary school students from disadvantaged families in Taoyuan County. About 560 students and 20 elementary schools (such as Jin-xing Elementary School, Tong An Elementary School, Nan-Mei Elementary School, Wen Shan Elementary School, and Gong-Pu Elementary School) have benefited from the donations, which reach NT\$100,000 in average monthly. The charity has increased the number of donors and become a perfect example to draw more people to participate in charity activities.

### (3) Public benefit donations

In addition to caring for the demands of the local community and implementing the concept of "Take from society, and give back to society" from our two founders, we actively cooperate with governmental and nongovernmental groups to sincerely comprehend social demands and care for and assist disadvantaged groups, with funds invested in social benefits related to education, medical care, and social welfare over the years amounting to NT\$ 50.42 billion. Moreover, the Company continuously lends a helping hand to people in need throughout society, among which, the Company has assisted disadvantaged groups in applying to the Formosa Plastics Group "Corporate Body Social Welfare Charity Foundation" emergency aid subsidies with a total of NT\$ 181,591 of assistance in 2014. For example, some of that money helped low-incomes household adjacent to Lin Kou, Shu Lin, Gong San, Jin Xing, and other areas apply for medical expenses and funeral fee that they were unable to pay.

#### Formosa Plastics Group's Public Benefit Donation Summary

Time	Category	Public benefit content	Donation amount
1960	Education	Establish and continuously donate to Ming Chi University of Technology.	278.1
to		<ol><li>Establish and continuously donate to Chang Gung University.</li></ol>	
1980		Establish and continuously donate to Chang Gung University of Technology.	
1990	Medical care	Establish Chang Gung Memorial Hospital.	28.4
		<ol><li>Assist patients who catch a cold to see a doctor*.</li></ol>	
From	Disadvantaged	Assist aboriginal students with their studies, employment, and other relevant support.	26.3
2000	group care	2. Donate cochlear implants*	
to		<ol><li>Improve somatopsychic disturbance benefit institutes and other social welfare units' service quality.</li></ol>	
now		4. Children and women's welfare	
		5. Donate for AIDS criminals in Yun Lin Second Prison, Taipei, and Kaohsiung Prison to	
		deal with the rainbow project and drug rehabilitation.	
	Environmental care	Compost leftovers from the kitchen	12.2
		2. Grow organic vegetables	
		3. Forest planting	
	Elder care	Establish Chang Gung Health and Culture Village*.	4.2
		Donate streptococcus pneumonia vaccine to seniors.	
	Post-disaster	** Donate to 921 Earthquake, Morakot disaster areas and other old dangerous school	46.5
	reconstruction	buildings in county/city that needed reconstruction (68).	
	Cultural promotion	Donate to drama troupe with Taiwanese characteristics.	0.5
	Sport promotion	Promote physical sports and cultivate excellent athletic talents.	1.1
	Health promotion	Participate in health promotion research and academic research.	1.4
	Local feedback	Feedback items in each of the Company's factory surrounding areas.	99.6
	Other	Chang Gung's social welfare funds and other donation items.	5.9
		In total	504.2

Comments: 1. 「\*」 Belongs to Chang Gung Memorial Hospital's extension donations from its business revenue, which is not included in the total donation amount.

- \(\Gamma\*\*\) Reconstruction of old dangerous school buildings includes the amounts under construction.
- 3. This table only includes donations for Taiwan areas.

Nan Ya Printed CircuitBoard Corporation (NYPCB)

Corporate Social Responsibility Report



## Appendix 1 Global Reporting Initiative (GRI) G4 Indicator Comparison List

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● Complete disclosure O Partial disclosure

	Aspec	t	Content description	Disclosure status	Reference chapter	Page	Comments
	Strategy and analysis	G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	•	Message from the President	03	
		G4-2	Provide a description of key impacts, risks, and opportunities.	•	1.3 Prospect, opportunities, and challenges to the industry	10	
	Organization introduction	G4-3	Report the name of the organization.	•	1.1 Corporate profile	07	
General standards disclosure		G4-4	Report the primary brands, products, and services.	•	1.2 Market position 1.4 Major products and R&D 1.1 Corporate profile 2.1 Governance overview (3) Corporate Governance Structure	09 11 25	
indards		G4-5	Report the location of the organization's headquarters.	•	1.1 Corporate profile	07	
disclosu		G4-6	Report the number of countries where the organization operates.	•	1.1 Corporate profile	07	
re		G4-7	Report the nature of ownership and legal form.	•	1.1 Company introduction	07	
		G4-8	Report the markets served	•	1.2 Market position	09	
		G4-9	Report the scale of the organization	•	1.1 Corporate profile 1.2 Market position 2.2 Financial performance	07 09 29	
		G4-10	The total number of employees	•	4.1 Employment	61	
		G4-11	Report the percentage of total employees covered by collective bargaining agreements.	•	4.6 Respect for human rights	74	
		G4-12	Describe the organization's supply chain.	•	2.6 Supplier and contractor management	31	
		G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	•	About the Report	01	The Company has no significant changes in 2014
		G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	•	2.1 Governance overview (5) Follow Corporate Regulation (7) Internal Audits (8) Employee Behaviors and Code of Ethical Conduct	01	

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	Aspec	:t	Content description	Disclosure status	Reference chapter	Page	Comments
	Organization introduction	G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	•	1.6 Participating organization and standard	14	
		G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations.	•	1.6 Participating organization and standard	14	
	Identify major consideration	G4-17	Related organizations in the consolidates annual report.	•	1.1 Corporate profile	07	
Gene	aspects and boundaries	G4-18	a. Explain the process for defining the report content and the Aspect Boundaries.     b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	•	1.8 Identification of Major Issues	17	
General standards disclosure		G4-19	List all the material Aspects identified in the process for defining report content.	•	1.8 Identification of Major Issues	17	
ards disc		G4-20	For each material Aspect, report the Aspect Boundary within the organization.	•	1.8 Identification of Major Issues	17	
closure		G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	•	1.8 Identification of Major Issues	17	
		G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	•	About the Report	01	The Company does not have this influence in 2014
		G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	•	About the Report	01	
	Stakeholders participation	G4-24	Provide a list of stakeholder groups engaged by the organization.	•	1.7 Stakeholder dialogue	15	
		G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	•	1.7 Stakeholder dialogue 1.8 Identification of Major Issues	15 17	
		G4-26	Report the organization's approach to stakeholder engagement	•	1.7 Stakeholder dialogue	15	
		G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns.	•	Stakeholder dialogue     Is Identification of Major     Issues	15 17	

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	Aspect		Content description	Disclosure status	Reference chapter	Page	Comments
	port erview	G4-28	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns	•	About the Report	01	
		G4-29	Date of most recent previous report (if any).	•	About the Report	01	
		G4-30	Reporting cycle (such as annual, biennial).	•	About the Report	01	
		G4-31	Provide the contact point for questions regarding the report or its contents.	•	About the Report	01	
General standards disclosure		G4-32	a. Report the 'in accordance' option the organization has chosen.     b. Report the GRI Content Index for the chosen option (see tables below).     c. Report the reference to the External Assurance Report, if the report has been externally assured.	•	Appendix 1 Global Reporting Initiative (GRI) G4 Indicator Comparison List	85	
ds disclosu		G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report.	•	About the Report	01	
Jre Ma	anagement	G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	•	Governance overview     (1) Operation of     board of directors	23	
		G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	•	About the Report	01	
		G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	•	1.7 Stakeholder dialogue	15	
		G4-38	Report the composition of the highest governance body and its committees by.	•	2.1 Governance overview (1) Operation of board of directors	23	

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Aspec	t	Content description	Disclosure status	Reference chapter	Page	Comments
Management	G4-39	Report whether the Chair of the highest governance body is also an executive officer	•	2.1 Governance overview (1) Operation of board of directors (4) Board of Directors	23 26	
	G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	•	2.1 Governance overview (1) Operation of board of directors (4) Board of Directors	23 26	
Gener	G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders.	•	2.1 Governance overview (5) Follow Corporate Regulation (8) Employee Behaviors and Code of Ethical Conduct (9) Policies to Maintain Operational Integrity	26 27 28	
General standards disclosure	G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report.	•	2.1 Governance overview	23	
disclosure	G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	•	4.2 Salaries and welfare	62	
	G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration.	•	4.2 Salaries and welfare	62	
Commercial ethics and honesty	G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	•	Message from the President	03	
	G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	•	2.1 Governance overview	23	
	G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	•	2.1 Governance overview	23	

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	Aspect	t	Content description	Disclosure status	Reference chapter	Page	Comments
	Economic performance	G4-EC1	Direct economic value generated and distributed (EVG&D) on an accruals basis including the basic components for the organization's global operations	•	2.2 Financial performance 4.2 Salaries and welfare 5.2 Charity plans	29 62 81	
		G4-EC2	Report risks and opportunities posed by climate change that have the potential to generate substantive changes in	٠	Message from the President 3.2 Environmental	03 41	
Sp			operations, revenue or expenditure		accounting 3.3 Water and energy conservation and Greenhouse gas reduction 3.4 Protecting the environment around factories (4) Examination and reduction of greenhouse gas emission	42 51	
ecific st		G4-EC3	Coverage of the organization's defined benefit plan obligations	•	4.2 Salaries and welfare	62	
Specific standards disclosures		G4-EC4	Financial assistance received by the organization from governments.	•	The Company has complete financial status and received no financial support from the government in 2014	P	
res	Market presence	G4-EC5	Report the ratio of the entry level wage by gender at significant locations of operation to the minimum wage.	•	4.2 Salary and welfare	62	
		G4-EC6	Report the percentage of senior management at significant locations of operation that are hired from the local community.	•	4.1 Employment (3) Local supervisory proportion	62	
	Indirect economic impacts	G4-EC7	Development and impact of significant infrastructure investments and services supported.	•	5.1 Neighborhood relations	79	
	Procurement practices	G4-EC9	Proportion of spending on local at significant locations of operation.	•	2.6 Supplier and contractor managemen (1) Supplier Management	31	
	Materials	G4-EN1	The weight or volume of materials that are used	•	2.6 Supplier and contractor management	31	
		G4-EN2	Percentage of materials using recycled raw materials.				The Company did not use any secondary materials in 2014.

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	Aspec	t	Content description	Disclosure status	Reference chapter	Page	Comments
	Energy	G4-EN3	Energy consumption within the organization.	•	3.3 Water and energy conservation and Greenhouse gas reduction (1) Environmental Data (2) Improve energy management and reduce energy consumption	42 43	
10		G4-EN5	Energy intensity within the organization.	•	3.3 Water and energy conservation and Greenhouse gas reduction (2) Improve energy management and reduce energy consumption	43	
pecific stand		G4-EN6	Reductions in energy consumption.	•	3.4 Protecting the environment around factories (5) Green supply chain	53	
Specific standards disclosure	Water resources	G4-EN8	Total water withdrawn by resource	•	3.3 Water and energy conservation and Greenhouse gas reduction (3) Water resource management and water conservation	45	
		G4-EN9	Water source significantly affected by withdrawal of water.	•	3.3 Water and energy conservation and Greenhouse gas reduction (3) Water resource management and water conservation	45	
		G4-EN10	Percentage and total volume of water recycled and reused .	•	3.3 Water and energy conservation and Greenhouse gas reduction (3) Water resource management and water conservation	45	

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	Aspec	t	Content description	Disclosure status	Reference chapter	Page	Comments
	Biodiversity	G4-EN11	operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	•	3.5 Greening and tree-planting activities around factories (the Company's factories are not located in ecological preservation areas)	57	
		G4-EN12	Description of significant inpacts of activities, product, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	•	3.5 Greening and tree-planting activities around factories (the Company's factories are not located in ecological preservation areas)	57	
Specific sta		G4-EN13	Protected or restored habits.	•	3.5 Greening and tree-planting activities around factories (the Company's factories are not located in ecological preservation areas)	57	
Specific standards disclosure		G4-EN14	Report the total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk.	•	3.5 Greening and tree-planting activities around factories (the Company's factories are not located in ecological preservation areas)	57	
	Emissions substances, polluted water, and wastes	G4-EN15	Direct greenhouse gas(GHG) emission .	•	3.4 Protecting the environment around factories (4) Examination and reduction of greenhouse gas emission	51	
		G4-EN16	Indirect greenhouse gas(GHG) emission of energy.	•	3.4 Protecting the environment around factories (4) Examination and reduction of greenhouse gas emission	51	
		G4-EN18	The intensity of greenhouse gas emissions.	•	3.4 Protecting the environment around factories (4) Examination and reduction of greenhouse gas emission	51	
		G4-EN19	Tha reduction of greenhouse gas (GHG) emissions.	•	3.4 Protecting the environment around factories (4) Examination and reduction of greenhouse gas emission	51	

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	Aspec	t	Content description	Disclosure status	Reference chapter	Page	Comments
	Emission substances, polluted water, and wastes	G4-EN20	Emissions of ozone-depleting substances (ODS).	•	3.4 Protecting the environment around factories (4) Examination and reduction of greenhouse gas emission B.Emission analysis	51 52	
Specific standards disclosure		G4-EN21	Nox,SOx and other significant air emissions	•	3.3 Water and energy conservation and Greenhouse gas reduction (1) Environmental information	42	
	Effluents and waste	G4-EN22	Total water discharges by quality and Destination	•	3.4 Protecting the environment around factories (2) Water pollution prevention	48	
		G4-EN23	TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD Total weight of waste classified accordind to type and diposal method.	٠	3.4 Protecting the environment around factories (3) Waste management	50	
		G4-EN24	Total number and volume of significant spills.	•	3.1 Commitments to environmental sustainability (2) NYPCB environmental protection history	40	
		G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the basel convention2 annex i, ii, iii, and viii, and percentage of transported waste shipped internationally	•	3.4 Protecting the environment around factories (3) Waste management	50	
		G4-EN26	Dentity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	•	3.4 Protecting the environment around factories (2) Water pollution control	48	
	Products and services	G4-EN27	Extent of impact mitigation of environmental impacts of products and services	•	1.4 Major product and R&D 3.4 Protecting the environment around factories (5) Green supply chain	11	

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• Complete disclosure O Partial disclosure

	Aspect		Content description	Disclosure status	Reference chapter	Page	Comments
	Products and services	G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	•	3.4 Factory environment protection (4) Examination and reduction of greenhouse gas emission F. RoHS specification: and product packaging	48	
Spe	Compliance	G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	•	3.1 Commitments to Environmental Sustainability (2) NYPCB environmental protection history	40	
Specific standards disclosure	Transport	G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	•	3.4 Factory environment protection (4) Examination and reduction of greenhouse gas emission	51	
closure	Overall	G4-EN31	Total environmental protection expenditures and investments by type	٠	3.2 Environmental accountability	41	
	Supplier environment	G4-EN32	Percentage of new suppliers that were screened using environmental criteria		2.6 Supplier and contractor management	31	
	(impact) assessment	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	•	2.6 Supplier and contractor management	31	
	Environmental grievance mechanisms	G4-EN34	Environmental influence complaint number that were submitted, handled, and solved by the formal complaint mechanisms.	٠	3.2 Environmental accountability	41	
	Employment	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	•	4.1 Employment New employees by age and region	62	
		G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	•	4.2 Salaries and welfare	62	
		G4-LA3	Return to work and retention rates after parental leave, by gender.	•	4.2 Salary and welfare	62	

## Appendix 1 Global Reporting Initiative (GRI) G4 Indicator Comparison List

The following standards refer to the Global Reporting Initiative (GRI) Version G4.0, and this criteria's corresponding contents in the Report are described below:

Aspect		Content description	Disclosure status	Reference chapter	Page	Comments
Occupational health and safety	G4-LA5	Percentage of total workforce represented in formal joint management—worker health and safety committees that help monitor and advise on occupational health and safety programs.	٠	3.1 Commitments to Environmental Sustainability (2) NYPCB environmental protection history	38	
	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	•	4.5 Employee care (4) Occupational accident statistics and safety and health management performance	73	
	G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	•	4.5 Employeewellness program (1) Improve the health and wellness of employees (2) Contingency plan for infectious diseases	69 70	
	G4-LA8	Health and safety topics covered in formal agreements with trade unions	•	4.5 Employee wellness program Health and safety education and contingency response training	71	
Training and education	G4-LA9	Average hours of training per year per employee by gender, and by employee category	0	4.3 Training system (2) Employee training and advanced courses	67	
	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	•	4.3 Training system	67	
	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	•	4.3 Training system	67	

## Appendix 1 Global Reporting Initiative (GRI) G4 Indicator Comparison List

The following standards refer to the Global Reporting Initiative (GRI) Version G4.0, and this criteria's corresponding contents in the Report are described below:

• Complete disclosure O Partial disclosure

Aspec	t	Content description	Disclosure status	Reference chapter	Page	Comments
Diversity and equal opportunity	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	•	4.1 Employment (1) 2014 Nanya PCB Corp. Human Resources Structure	61	
Equal remunerati on for women and men	G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	•	4.2 Salaries and welfare (1) Employee Salaries	62	
Supplier assessment for labor	G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	•	2.6 Supplier and contractor management	31	
practices	G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	•	2.6 Supplier and contractor management	31	
Labor Practices Grievance Mechanisms	G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	•		31	The Company has no formal complaint mechanism for human rights and had no complaint case related to them in 2014
Investment	G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	•		31	The Company has no provision for human rights contained in the Company's major investment agreements and contracts in 2014
	G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	•	4.6 Human rights	74	
Non-discrim ination	G4-HR3	Total number of incidents of discrimination and corrective actions taken	•	4.6 Human rights	74	The Company had no discrimination events in 2014
Freedom of association	G4-HR4	Operations and suppliers identified in which the right to exercise freedom of	•	2.6 Supplier and contractor management	31	
and collective bargaining		association and collective bargaining may be violated or at significant risk, and measures taken to support these rights		4.6 Human rights	74	
	Diversity and equal opportunity  Equal remunerati on for women and men  Supplier assessment for labor practices  Labor Practices Grievance Mechanisms  Investment  Non-discrim ination  Freedom of association and collective	and equal opportunity  Equal G4-LA13 remunerati on for women and men  Supplier G4-LA14 assessment for labor practices G4-LA15  Labor G4-LA15  Labor G4-LA16  Practices Grievance Mechanisms  Investment G4-HR1  Non-discrim G4-HR3 ination  Freedom of association and collective	Diversity and equal opportunity  G4-LA12 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity  Equal remuneration for women and men  Supplier assessment for labor practices  G4-LA15 G4-LA15 G4-LA15 G4-LA15 Significant actual and potential negative impacts for labor practices in the supply chain and actions taken  Labor Practices Grievance Mechanisms  G4-HR1 Investment  G4-HR1 Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening  G4-HR2 Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained  Non-discrim ination  G4-HR3 Total number of incidents of discrimination and corrective actions taken  Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and	Diversity and equal opportunity	Diversity and equal opportunity	Diversity and equal opportunity    G4-LA12   Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity   G4-LA13   Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation   G4-LA13   Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation   G4-LA14   Percentage of new suppliers that were screened using labor practices criteria for labor practices   G4-LA15   Significant actual and potential negative impacts for labor practices in the supply chain and actions taken   Labor   G4-LA16   Number of grievances about labor practices   G4-LA16   Significant actual and potential negative impacts for labor practices in the supply chain and actions taken   Labor   G4-LA16   Number of grievances about labor practices   G6-LA16   Significant investment agreements and contractor practices filed, addressed, and resolved through formal grievance mechanisms   G4-HR1   Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening   G4-LA16   Human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained   G4-HR3   Total number of incidents of discrimination and corrective actions taken   G4-HR3   Total number of incidents of discrimination and corrective actions taken   G4-HR4   Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and   G4-Human rights   G4

## Appendix 1 Global Reporting Initiative (GRI) G4 Indicator Comparison List

The following standards refer to the Global Reporting Initiative (GRI) Version G4.0, and this criteria's corresponding contents in the Report are described below:

	Aspect		Content description	Disclosure status	Reference chapter	Page	Comments
	Child labor	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	•	2.6 Supplier and contractor management 4.6 Human rights	31 74	
Specific standards disclosure	Forced or compulsory labor	G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	٠	4.6 Human rights	74	
	Security Practices	G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	٠	4.7 Crisis management	75	
	Indigenous rights	G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	•	4.6 Human rights	74	
	Supplier human rights assessment	G4-HR10	Percentage of new suppliers that were screened using human rights criteria	•	2.6 Supplier and contractor management (1) Supplier management	31	
		G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	•	2.6 Supplier and contractor management	31	
	Human rights grievance mechanisms	G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	•			The Company has no formal complaint mechanism for human rights and also no complaint case related to them in 2014

## Appendix 1 Global Reporting Initiative (GRI) G4 Indicator Comparison List

The following standards refer to the Global Reporting Initiative (GRI) Version G4.0, and this criteria's corresponding contents in the Report are described below:

• Complete disclosure O Partial disclosure

	Aspect	t	Content description	Disclosure status	Reference chapter	Page	Comments
	Local communities	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	•	5.1 Neighborhood relations (1) Engage with communities	79	
Specif		G4-SO2	Operations with significant actual and potential negative impacts on local communities	•		-	The Company had no significant or potentially negative influence on the local community in 2014
	Anti- corruption	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	•	2.1 Governance overview (5) Follow Corporate Regulation (8) Employee Behaviors and Code of Ethical	26 27	
		G4-SO4	Communication and training on anti-corruption policies and procedures	•	Conduct (9) Policies to Maintain	28	
c standa		G4-SO5	Confirmed incidents of corruption and actions taken	•	Operational Integrity (10) Anti-corruption	28	
Specific standards disclosure	Public policy	G4-S06	Total value of political contributions by country and recipient/beneficiary	•	2.1 Governance overview (5) Follow Corporate Regulation (8) Employee Behaviors and Code of Ethical Conduct (9) Policies to Maintain Operational Integrity	26 27 28	* The Company is free of political contribution donations in 2014.
	Anti-com- petitive behavior	G4-507	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	•	Governance overview     (8) Employee Behaviors     and Code of Ethical     Conduct	27	*The Company did not have any lawsuit related to anti-competitive behavior, antitrust, and monopoly behavior in 2014

## Appendix 1 Global Reporting Initiative (GRI) G4 Indicator Comparison List

The following standards refer to the Global Reporting Initiative (GRI) Version G4.0, and this criteria's corresponding contents in the Report are described below:

	Aspec	t	Content description	Disclosure status	Reference chapter	Page	Comments
	Compliance	G4-S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	•	2.3 Internal control	29	*The Company did not have any sanctions due to violation of laws or regulations in 2014.
Specific standards disclosure	Supplier assessment for impacts	G4-S09	Percentage of new suppliers that were screened using criteria for impacts on society	•	2.6 Supplier and contractor management	29 *The Company not have any sanctions due to violation of law regulations in 2014.	
	on society	G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	•	2.6 Supplier and contractor management	31	
	Grievance mechanisms for impacts on society	G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	0		-	
	Customer health and safety	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	•	3.4 Protecting the environment around factories (5) Green supply chain	53	
		G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	•			

## Appendix 1 Global Reporting Initiative (GRI) G4 Indicator Comparison List

The following standards refer to the Global Reporting Initiative (GRI) Version G4.0, and this criteria's corresponding contents in the Report are described below:

• Complete disclosure O Partial disclosure

	Aspec	t	Content description	Disclosure status	Reference chapter	Page	Comments
Specific standards disclosure	Product and service labeling	G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	•	2.5 Customers 3.4 Protecting the environment around factories (5) Green supply chain	30 53	
		G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	•		-	The Company had no violation in 2014
		G4-PR5	Results of surveys measuring customer satisfaction	•	2.5 Customers	30	
	Marketing communi- cations	G4-PR6	Sale of banned or disputed products	•	2.1 Governance overview (5) Follow Corporate Regulation	26	
		G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	•		-	The Company had no violation in 2014
	Customer privacy	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	•		-	The Company had no violation in 2014
	Compliance	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	•		-	The Company had no violation in 2014

## Appendix 2: Comparison Table for ISO 26000 Articles

	Major issue	Corresponding section in 2014 report	Page	Comments
Organization governance	Decision-making and implementation system for target delivery	2. Governance	21	
Human rights	Conventional check	2. Governance	21	
	Risky position of human rights	4.6 Human rights	74	
	Prevent accomplices	2. Governance	21	
	Solve complaints	4.6 Human rights	74	
	Discrimination and disadvantaged group	4.6 Human rights	74	
	Citizen and political rights	4.6 Human rights	74	
	Economic society and cultural rights	4.5 Employee wellness program	69	
	Basic work rights	4.5 Employee wellness program	69	
Labor	Employment and employment relations	4.1 Employment	61	
practices	Work conditions and social protection	4.5 Employee wellness program	69	
	Social dialogue	Stakeholder dialogue     I.8 Identification of Major     Issues	15 17	
	Work health and safety	4.5 Employee wellness program	69	
	Labor development and training	4.3 Training system	67	
The	Pollution prevention	3. Environmental sustainability	Environmental sustainability 35	
environment	Sustainable resource utilization	Message from the President	03	
	Climate change relief and adaptation	Message from the President	03	
	Natural environment protection and restoration	3.4 Protecting the environment around factories	47	

Appendix 2: Comparison Table for ISO 26000 Articles

	Major issue	Corresponding section in 2014 report	Page	Comments
Fair operating practice	Anti-corruption	2.1 Governance overview (5) Follow Corporate Regulation	26	
	Responsible political participation  Fair competition	2.1 Governance overview	-	Not involved in any political
	rail competition	(5) Follow Corporate Regulation	26	activity
	Promote influence circle's social	2.5 Customers	30	
	responsibility	2.6 Supplier and contractor management	31	
		5. Charity	77	
	Respect intellectual property rights		_	The Company respects intellectual property rights
Consumer	Fair marketing, information, and	2.1 Governance overview		
issues	contract practice	(5) Follow Corporate Regulation	26	
	Protect consumer's health and safety		-	
	Sustainable protection		-	
	Consumer service, support and complaint settlement	2.5 Customers	30	
	Consumer data protection and privacy	1-0	-	
	Provide necessary service	1.4 Product and R&D	11	
	Education and new knowledge	1.4 Product and R&D	11	
Community	Community participation	5.Charity	77	
participation and develop-	Education and civilization	5.Charity	77	
ment	Employment creation	Message from the President	03	
	Science and technology development	5.Charity	77	
	Create wealth and revenue	5.Charity	77	
	Health	4.5 Employee wellness program	69	
	Responsible investment	5.Charity	77	

Appendix 3: Comparison Table for United Nations Global Compact

Category	Ten principles	Corresponding section in 2014 report	Page	Comments
Human rights	Business circles shall support and respect internationally recognized human rights	4.6 Human rights	74	
	Guarantee and does not associate with violators of human rights	4.6 Human rights	74	
Labor standards	Business circles shall support freedom of association and actually recognize the right of collective bargaining	4.6 Human rights	74	
	Eliminate all forms of forced labor	4.6 Human rights	74	
	Actually abolish child labor	4.6 Human rights	74	
	Eliminate employment and occupational discrimination	4.6 Human rights	74	
Environment	Business circles shall support the adoption of preventive methods to protect the environment	3. Environmental sustainability	35	
	Act on their own initiative in promoting the most responsible things to do for the environment	3. Environmental sustainability	35	
	Encourage the development of and promote environmentally friendly technology	3.4 Protecting the environment around factories     (5) Green supply chain	53	
Anti-corruption	Business circles shall try their best to fight again all forms of corruption, including extortion and bribery	2.1 Governance overview (10) Anti-corruption	28	

### Appendix 4 Assurance

#### **GRI G4 CHECK INDEPENDENT OPIONION STATEMENT**

Nan Ya Printed Circuit Board Corporation 2014 Corporate Social Responsibility Report

The British Standards Institution is independent to Nan Ya Printed Circuit Board Corporation (hereafter referred to as NYPCB in this statement) and has no financial interest in the operation of NYPCB other than for the GRI Check of this report.

This statement has been prepared for NYPCB only for the purposes of GRI G4 Check relating to its corporate social responsibility (CSR), more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent opinion statement may be read.

This statement is prepared on the basis of review by the British Standards Institution of information presented to it by NYPCB. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete.

Any queries that may arise by virtue of this independent opinion statement or matters relating to it should be addressed to Nan Ya Printed Circuit Board Corporation only.

#### Scope

The scope of engagement agreed upon with NYPCB includes the evaluation of the nature and extent of NYPCB 2014 CSR report's adherence to GRI G4 Sustainability Reporting Guidelines (2013): Core option is conducted in accordance with GRI G4 (2013), however, the data disclosed in the report is not verified through the GRI Check process.

#### Opinion Statement

We conclude that the Nan Ya Printed Circuit Board Corporation 2014 Corporate Social Responsibility Report Review provides a fair view of the NYPCB CSR programmes and performances during 2014 calendar year.

Our work was carried out by a team of CSR report assurors in accordance with the GRI G4 sustainability Reporting guidelines (2013). We planned and performed this part of our work to obtain the necessary information and explanations. We conclude that NYPCB provided sufficient evidence to satisfy the description of their approach and their self-declaration of 'in accordance' with the G4 sustainability reporting guidelines: the Core option were fairly stated.

#### Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- review of issues raised by external parties that could be relevant to NYPCB policies to provide a check on the appropriateness of statements made in the report.
- interview with 10 staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of supporting evidence for claims made in the reports
- an assessment of the company's reporting and management processes concerning this reporting against the principles described in the GRI G4 (2013)

#### Conclusions

A check against the GRI G4 Sustainability Reporting Guidelines (2013) Core Option is set out below:

#### GRI-reporting

NYPCB provided us with their self declaration of 'in accordance' with the G4 sustainability reporting guidelines: the Core option (at least one Indicator related to each identified material Aspect). Based on our review, we confirm that social responsibility and sustainable development performance indicators with reference to the GRI Index are reported, partially reported or omitted. In our professional opinion the self declaration covers the NYPCB's social and sustainability issues.

#### Materiality

The NYPCB publishes information completely with materiality analysis that enables its stakeholders to make informed judgments about the company's management and performance. In our professional opinion the report covers the NYPCB's material issues.

#### Stakeholder Inclusivity

In this report, it reflects that NYPCB has made a commitment to its stakeholders, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for economic, social and environmental information in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the NYPCB's inclusivity.

#### Sustainability context

This report presents the organization's performance in the wider context of sustainability.

#### Completeness

Coverage of the material topics and Indicators and definition of the report boundary should be sufficient to reflect significant economic, environmental, and social impacts and enable stakeholders to assess the reporting organization's performance in the reporting period, in our professional opinion the report covers the NYPCB's Completeness.

#### Responsibility

This CSR report is the responsibility of the NYPCB's Principle. Our responsibility is to provide an independent opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

#### Competency and Independence

BSI is a leading global standards and assessment body founded in 1901. The GRI Check team was composed of Lead Auditors experienced in Engineering sector, and trained in a range of sustainability, environmental and social standards including AA1000AS(2008), GRI G4 (2013), ISO14001, OHSAS18001, ISO14064 and ISO 9001. The GRI Check is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:

Octh

Managing Director BSI Taiwan 27 November, 2015

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