Nan Ya Printed Circuit Board Corporation Corporate Social Responsibility Report







台塑関係企業 FORMOSA PLASTICS GROUP

Nan Ya Printed Circuit Board Corporation (NYPCB)

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台塑関係企業 FORMOSA PLASTICS GROUP



31 2.6 Supplier and Contractor Management



))



Appendix

87

89

100

102

103

- Appendix 1 Global Reporting Initiative (GRI) G4 Indicator Comparison List
- Appendix 2 ISO 26000 Comparison Table
- Appendix 3 United Nations Global Compact Principles Comparison Table
- Appendix 4 Assurance

Overview

This report is the fourth corporate social responsibility report that Nan Ya Printed Circuit Board Corporation (hereinafter referred to as the company or NYPCB) has ever published. The report is published in June 2016, which 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.338, Sec. 1, Nankan Rd., Luchu Township, Taoyuan County) and plants No. 8 (Address: No.57, Weiwang St., Shulin Dist., New Taipei City) from January 1st 2015 to December 31st 2015.

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 2017.

Report Guideline

The report content structure adopts the fourth-generation 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 sustainability, all the information published in this report are checked by the well-established British Standard Institution (BSI), and conform to AA1000 and GRI G4.0 grade. The "GRI G4 Check Independent Opinion Statement" of British Standard Institution (BSI) can be found as an attachment. The statement 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 (2013)

· AA 1000 Materiality, Inclusivity and Responsiveness of Accountability Principles (2008)



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Methods

To integrate and promote corporate social responsibility, NYPCB has established a "corporate social responsibility team," (hereinafter referred to as CSR 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. The organizational chart is presented as above.

Nan Ya Printed CircuitBoard Corporation (NYPCB) Corporate Social Responsibility Report





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Contact Information

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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

- (1) Continuously improve production processes to reduce energy consumption and carbon emissions.
- (2) Introduce lead-free technology and comply with the RoHS Derivative (Restriction of Hazardous Substances Derivative) of EU, pertaining electrical and electronic products.
- (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 2016



1 Nan Ya Printed Circuit Board Corporation (NYPCB) Overview

- 1.1 Corporate Profile
- 1.2 Market Position
- 1.3 Prospects, Opportuniti
 - Challenges to the Indu
- 1.4 Major Products and R8
- 1.5 Awards and Recognition
- 1.6 Participating Organizat
 - Standard
- 1.7 Stakeholder Dialogue
- 1.8 Identification of Major

	7
	9
ies and	10
ustry	
&D	11
ons	13
tion and	14
	15
	17

1.1 Corporate 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 of Taoyuan County while the Shulin factory is located in the Shulin District of New Taipei City. As of December 31st 2015, the company had a total of 6,338 employees, of which 342 were managers and executives, 983 were supervisors, 3,996 were general staff, 206 were service staff, and 811 were foreign workers. Employees that held management roles made up 20.9% of all employees, with 1,325 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:



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Shulin factory	Production bases in Taiwan	Jin Hsin factory
		Shulin factory





oard Corporation

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ulin Dist., New Taipei City Tel:02-2680-6311

December 31, 2015)

nventional PCB, HDI board, Rigid-Flex board, Flip Chip d Substrate

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 machine, 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.



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-end 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 can be divided into short term and long term plans. In the short-term business plan, due to the increasing demand for solid state disk, memory module, and network device application products, NYPCB must put more emphasis on developing technical capacity for high-density, thin circuit, IC substrate products as well as developing potential customers to meet market acceptance, adjust product combinations, expand production capacity of high value added products, and increase output values and business profits.

While according to the future market development trend, the long-term business development plan is still primarily the internet of things and vehicle used 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 (3) NYPCB's Competitive Edge of the Future

In retrospect of 2015, despite the U.S.'s gradual business recovery and end customers' increased purchase power, China's Central Bank has significantly inflated the currency to stimulate export in response to the unexpected economic declining rate in Mainland China, ultimately resulting in major stock disaster in Mainland China and great impact on global stock market. Aside from great losses in financial market and falling prices in raw material, global purchase power for mobile devices, personal computers and consumer electronics drastically declined in the second half of 2015. In response, our company has promoted product diversification to reduce the risk of overreliance on the sales of 3C products. In 2016, with gradual US economic recovery, big data analysis, internet of things, and raising demand for electronic products, we expect to exhibit better business performance in the near future.

(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.



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.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.**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.

Classification of Intelligent PCB





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			
Item	Date	項目	
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	2009	CNS15506 Certification	
9	2010	ISO-14064-1 Certification	
10	2010	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	2014	Awarded Authorizes Economic Oprrators (AEO) by Customers Administration, Ministry of Finance	
16	2015	EICC Certification (Grade: green)	

		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 growth
		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
26	2015	Through Taiwan Ratings Corporation's rating, enterprise long-term credit rating is A+, enterprise
		short-term credit rating is twA-1, and rating prospect is 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 (in which NYPCB took posts as Executive Director and Director ever since 1998) 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 assuring 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 provide 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

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

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



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 a friendly environment, NYPCB starts from the practice of stakeholder relationships, including the connections with external supply chains, shareholders / investors, and customers as well as internal company staff. We expect that external partners could cooperate with NYPCB to contribute to the entire environment and society, while internal staff could be treated with respect and dignity. To ensure that all production process and product pose no harm to the environment, NYPCB established a working group to promote corporate social responsibility, closely working with the internal and external stakeholders and exchanging the opinions and thoughts on a timely basis. The working group shall identify the stakeholder according to the work feature of each unit, incorporate issues of concern into the routine work and annual plan, and cooperate with relevant unit depending on the issue of concern.

A. Stackholder Identification

Based on global trend, industrial feature, experiences generated from daily interactions with stakeholders, and degree of impacts stakeholders pose on corporate operation, NYPCB CSR working group has identified a total of 7 stakeholder categories (investor / stakeholder, customer, employee, supplier, nearby community, government sector, media, and non-profit organization) according to specific features such as responsibility, impact, intimacy, representativeness, and strategic intention.

NYPCB Stakeholders



B. Major Topic Identification Procedure

In addition to multiple daily communication channels, significant issues of 2015 were selected from the screened list based on the priority, confirmation, and review process of different significant issues. CSR working group is responsible for integrating the initial list of significant issues before distributing questionnaires to collect different voices from the stakeholders.



aspects · Nan Ya Pcb CSR related department's plan department evaluation





C. Sustainable Topic Collection:

To identify the critical issues that concern our stakeholders, we successfully issued questionnaires to a total of 134 employees (with a questionnaire return rate of approximately 95%). Through intensive discussions from internal meetings, we can determine the impacts that these issues have on our corporation. According to "Stakeholders' Level of Concern" and "Impact on the Company", each category is analyzed and classified according to its level of impact and arranged in sequential order. With a total of 15 items, the area on the upper right signifies topics with the greatest significance and on the lower left those with the least significance. We will discuss the significant issues and items that need improvement later in this report. By making such improvement, we seek to maintain effective communication channels and partnerships with all of our respective stakeholders.

Identified Material Aspects and Boundaries

Category	Issue / Aspects	Internal	External		Disclosure of	
		NYPCB	Community / Government	Customer	Management Approach(DMA)	Chapter
Corporate	Corporate Governance	•			G4-1~2	Message from the President
governance	Business Operation	•			G4-8	1.3 Prospect, Opportunities, and Challenges to the Industry
	Risk Management	٠			G4-14	Message from the President
					G4-EC2	2.1 Governance Overview
						3.2 Environmental Accounting
						3.3 Water and Energy Conservation and Greenhouse Gas Reduction
						3.4 Protecting the Environment around Plants
	Product Quality /	•		•	G4-4	1.2 Market Position
	lechnical Development					1.4 Major Products & R&D
	Customer Service Management	•			G4-PRS	2.5 Customers
invironmental protection	Environmental Policy / Management System (Legal Compliance)	•	•		G4-EN29	3.1 Commitments to Environmental Sustainability
	Water Consumption & Wastewater Control	•	•		G4-EN8~10.22	3.3 Water and Energy Conservation and Greenhouse Gas Reduction
						3.4 Protecting the Environment around Plants
	Air Pollution Control	•	•		G4-EN 15~16, 18~19, 21	3.3 Water and Energy Conservation and Greenhouse Gas Reduction
						3.4 Protecting the Environment around Plants
	Hazardous Substance	•	•		G4-EN 27~28	1.4 Major Products and R&D
	Control					3.4 Protecting the Environment around Plants
ociety	Community Engagement and Feedback	٠	٠		G4-SO1	5.1 Neighborhood Relations
	Employee Equity	•			G4-LA12	4.1 Employment
	Labor Relations	•			G4-LA4	4.6 Human Rights
	Occupation Safety & Health	•			G4-LA5-7	3.1 Commitments to Environmental Sustainability
						4.5 Employee Wellness Program
	Recruitment and Retention	٠			G4-LA9-11	4.3 Training System
-	Salary & Welfare	٠			G4-LA2, 3, 13	4.2 Salaries and Welfare



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						3.3 Water and Energy Conservation and Greenhouse Gas Reduction
						3.4 Protecting the Environmer around Plants
	Product Quality /	٠		•	G4-4	1.2 Market Position
	lechnical Development					1.4 Major Products & R&D
	Customer Service Management	•			G4-PRS	2.5 Customers
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	Water Consumption & Wastewater Control	•	•		G4-EN8~10.22	3.3 Water and Energy Conservation and Greenhouse Gas Reduction
						3.4 Protecting the Environmer around Plants
	Air Pollution Control	•	•		G4-EN 15~16, 18~19, 21	3.3 Water and Energy Conservation and Greenhouse Gas Reduction
						3.4 Protecting the Environmen around Plants
	Hazardous Substance	٠	٠		G4-EN 27~28	1.4 Major Products and R&D
	Control					3.4 Protecting the Environmer around Plants
Society	Community Engagement and Feedback	•	•		G4-SO1	5.1 Neighborhood Relations
	Employee Equity	•			G4-LA12	4.1 Employment
	Labor Relations	•			G4-LA4	4.6 Human Rights
	Occupation Safety & Health	•			G4-LA5-7	3.1 Commitments to Environmental Sustainability
						4.5 Employee Wellness Program
	Recruitment and Retention	•			G4-LA9-11	4.3 Training System
	Salary & Welfare	•			G4-LA2, 3, 13	4.2 Salaries and Welfare

Nan Ya Printed CircuitBoard Corporation (NYPCB) Corporate Social Responsibility Report





2 Governance

- 2.1 Governance Overview
- 2.2 Financial Performance
- 2.3 Internal Control
- 2.4 Shareholders
- 2.5 Customers
- 2.6 Supplier and Contractor Management

23	3
28	3
28	3
29)
29)
31	

22

(1) Operation of Board of Directors

2.1 Governance Overview

Under the corporate governance structure, the board of directors is the highest governance unit responsible for setting operational strategies. Entrusted by the shareholders, the board of directors is mainly responsible for ensuring legality and transparency in the business's operational information, designating business managers to integrate operational affairs, drafting profit distribution plans (so that shareholders can share in the business's operational results), and supervising and guiding daily business operations. The board of directors carries out its operations according to relevant regulations stipulated by the domestic "Company Act", "Articles of Association", and "Rules & Procedures of Board of Directors Meetings". The "Moral Standards for Members of the Board, Supervisors, and Managers" and "Business Integrity Guidelines" have also been stipulated to ensure that relevant personnel consider moral standards while performing their duties, which in turn prevents corporate and shareholders' benefits from being damaged.

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	Department of Business Administration, National Chengchi University	Chairman of Nanya Plastics Corporation and Nanya Technology Corporation
Director	NYPCB representative Wong Wen-Yuan	Industrial Engineering, University of Huston	Chairman of Formosa Chemicals & Fibre Corporation, Formosa Taffeta and Formosa Advanced Technologies
Director	NPC representative Tzou Ming-Ren	Taipei Tech Chemical Engineering Department	General Manager of Nanya Plastics Corporation
Director (Note)	NYPCB representative Liou Yuan-Shan	Chemistry, National Taiwan University	None
Director	Chang Chia-Fung	Automatic Control Engineering, Feng Chia University	NYPCB's President Executive Assistant General Manager of Nanya Technology Corporation
Director	Tang Ann-De	Electrical Engineering, National Taiwan University of Science and Technology	Vice President of NYPCB
Independent director	Wang Cheng-I	MA in Public Finance, National ChengChi University	None
Independent director	Hou Bei-Lieh	Applied Economics, National Chung Hsing University	None
Independent director	Jan De-Ho	Master of Public Administration, University of Southern California	None

Note: Yuan-Shan Liu has resigned from the position since January 8, 2016, and reassignment was temporally held. The case has been approved by the Ministry of Economic Affairs on January 14, 2016. (Reference No. Ching - Shou - Shang -Tzu-10501008000)

There totally held 6 Board of Directors meetings in 2015, and the assessment to the target and execution condition of Board of Directors function is as below:

- 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.

(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.



A. The operation of Board of Directors is according to the laws, and the provision of Articles of Association and resolution of



(3) Corporate Management Structure

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

Organizational Chart

Organization chart Departments		Responsibilities	
	Auditing Office	Review internal control systems and regulations to ensure the system has been effectively enforced.	
	Human Resource Unit	Organize human resources, establish articles of association, handle employee transfers, and perform employee evaluation, recruitment, education, and training. Ensure fair management, access employees' needs, respond to employee opinions, and compile the corporate social responsibility report.	
	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.	
President's	Investor Relations Unit	Collect industry information. Analyze the market competitiveness of NYPCB. Analyze IPO and investments. Engage with investors and organize institutional investor conferences.	
Office	Equipment Unit	Establish and implement maintenance systems.	
	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.	
	Projects Unit	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 on 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	Establish and review production regulations, new materials, and technologies. Establish and	
	Department	review new product production processes. Evaluate and execute plans to satisfy customer 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, better planning, power system operation execution, operation management.	

(4) Follow Corporate Regulation

NYPCB has stipulated the "Principles and Codes of Conduct for Board Members, Supervisors, and Management" and requires its management abide by the code in operations and avoid unethical behaviors that may damage both 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. NYPCB has established a "Stakeholder Engagement" on its official website to provide a communication channel for stakeholders to propose opinions, raise questions, or give suggestions online. Designated personnel handle and pass those comments according to their characteristics to a specific person, who is in charge, replies and takes all necessary actions.

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.

Nan Ya Printed CircuitBoard Corporation (NYPCB) Corporate Social Responsibility Report



(5) 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.

The Remuneration Committee of this term fully complies with the one reelected in 2014. For the director and supervisor terms that expired and were reelected in 2014, on June 24, 2014, the 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 members, whose term is from June 24, 2014 to June 23, 2017. Two remuneration committee meetings were held in 2015.

(6) 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.

2015 Annual Audit Plan items: 38. Completed: 38. Rate of Completion: 100%.

A. Normal item(s): 35 (92.1%).

B. Item(s) that required improvement: 3 (7.9%), improved.

(7) 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.

(8) Anti-corruption

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 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.

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".

NYPCB belongs to the professional circuit board production company, whose revenue in 2015 was NTD 29,903 million, the operating cost was NTD 28,734 million, the operating expense was NTD 1,825 million, the retained earning was NTD 6,859 million, the dividend was NTD 1.0 per share, the business income tax was NTD 216 million, the donation and community investment was NTD 550 thousand, and the rate of liability / total asset was 21%, that the financial situation was quite stable. NYPCB staff salary in 2015 shall refer to the content of Page 170 of 2015 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

2.2 Financial Performance

(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) Establish a Complete and Effective Accounting System and Internal Control Mechanisms

NYPCB's management can be categorized into the following six management mechanisms: human resources, finance, operations, production, materials, and engineering. After on-site personnel inputs basic data into their computers, the data is then delivered and repeatedly applied. Respective mechanisms mutually retrieve and connect to each other's data, with a checkpoint arranged between any two pieces of data. Through computer logic, data can be automatically articulated and debugged.

NYPCB has also established an internal auditing structure, which can be separated into three major aspects, with the first aspect executed by the Auditing Office under the Board of Directors, the second aspect routinely and professionally audited by FPG Headquarters, and the third aspect voluntarily and routinely audited by the Company's respective department



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) 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.

2.5 Customers

(1) Customer Satisfaction Suveys

NYPCB regularly conducts customer satisfaction surveys to investigate aspects such as technology, guality, response, delivery, and cost. Every dedicated department would communicate with customers regard to the items in poor scores, and bring up improvement plans to customers base on the analysis result to raise customer satisfaction. Please refer to the questionnaire result of 2015, in which the average score reached 4 points, which means the customer satisfaction of our company conforms to the customer's 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

Customer Satisfaction Questionnaire





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



Nan Ya Printed CircuitBoard Corporation (NYPCB) Corporate Social Responsibility Report



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 material purchasing localization in order to reduce unnecessary air transportation and ocean freight, as well as the related carbon footprint generated from transportation. The raw material local purchasing rate increased from 48.2% in 2013 to 53.8% in 2014 and 53.6% in 2015 (Note: the raw materials for our primary customers' appointed high-level products are still imported from overseas).

2015 Supplier Insourcing / **Outsourcing Proportion**



2015 Supplier Purchasing

Organization Supply Chain



A. Quarterly Operation Evaluations

Before introducing new materials and developing corresponding products, NYPCB evaluates its operations with the senior management of key suppliers every month and discusses the supplier's performance with regard to technology (T), quality (Q), response (R), delivery (D), costs (C), environment (E), and finance (F). Meanwhile, new suppliers are also required to receive ISO9000 or ISO14000 certificates. The company evaluates suppliers through these qualities and requires that they make continuous improvements to meet NYPCB's supplier requirements. The suppliers are evaluated and published in quarterly evaluation reports every year, which leads to the replacement of unsuitable suppliers and ensures maintenance of 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 that necessary improvements have been made. The reports are reviewed by the procurement department for 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 EICC audit standards, the audit rate of the past two years has been greater than 80%. The Company listed 21 significant auditing manufacturers from January 2014 to December 2015 (the past two years), in which the audits of 17 manufacturers were completed, with an audit rate of 81%. All 17 of those companies were notified of their shortcomings and have taken improvement measures after being 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 and C. 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

26

8≡

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

Construction Application and Approval

- * Apply for occupational safety.
- * Designate supervisor and safety supervisor.
- * Toolbox meetings are held to promote construction safety.

3 Environmental Sustainability

- 3.1 Commitments to Environmental Sustai
- 3.2 Environmental Accou
- 3.3 Water and Energy Co Greenhouse Gas Rec
- 3.4 Protecting the Enviro around Plants
- 3.5 Greening and Tree-p Activities around Plar

inability	37	
unting	41	
onservation and luction	42	
nment	47	
lanting	57	

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 ensure safe, healthy, and environmentally friendly management and sustainable development, the Company has established a SHE unit that reports directly to the President's Office. In 2009, the SHE unit was evaluated by the Council of Labor Affairs (Executive Yuan) as the first-tier Labor SHE Management Unit. On the other hand, the general manager is responsible for integrating and stipulating company policies and standard operating procedures, while providing relevant services to external parties. Each plant has established an environment and safety department responsible for the plant's internal safety, sanitation, and 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 the quarterly Safety and Health Commission meeting (attended by at least one-third labor representatives as required by law) to discuss and review workplace safety and health, with the goal of eliminating potential accidents and hazards and achieving zero pollution.









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.



ISO 14001 Certificate (Chinese / English)



OHSAS 18001 and TOSHMS Certificate (Chinese / English)

(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 2015. 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 its global website and stipulated an external complaint and suggestion box in the public relations section, thus allowing for complaints to be delivered to the corresponding functional team for handling depending on the complaint type. The statistics show that no complaints were made regarding external environment problems of the Company in 2015.

NYPCB has also set up a staff feedback mailbox on its internal website to conduct statistics analysis for complaints made regarding internal environment problems of the Company in 2015.





Nan Ya Printed CircuitBoard Corporation (NYPCB) Corporate Social Responsibility Report





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.

According to the statistics, the Company demonstrates having the following environmental protection expenses from 2013 to 2015. In 2015, a total of NTD 187,361,000 was invested in environmental protection, including the building of a sewage treatment plant to increase wastewater treatment capability, while a sludge dewatering equipment was also installed to achieve better solid waste reduction results.



Environmental Code	English Name
XXXX	XXXX Non-Environmental Costs
E111	Air Pollution Control Costs (including acid rain prevention)
E112	Water Pollution Prevention and Control Costs
E113	Soil and Groundwater Pollution Prevention Cost
E114	Noise and Vibration Control Costs
E115	Land Subsidence Control Costs

Statistics of Environmental Protection Expenses in Recent Years



Environmental Code	English Name
E116	Toxic Substance Pollution Control Costs
E117	Soil and Water Conservation
E118	Ocean Pollution Prevention Costs
E121	Metigating Climate Change Costs
E122	Metigating Ozone Depletion Costs
E12Z	Other Global Environmental Protection Costs

3.3 Water and Energy Conservation and Greenhouse Gas Reduction

(1) Environmental Data

NYPCB's total input (raw materials and energy and water resources) and total output (greenhouse gases, air pollution wastes, and wastewater) for 2015 are shown in the following diagram.

Material Flow Analysis Chart

Energy	Figture	Unit	
LPG	18.32	Ton	
Gasoline	3.19	Liter	
Diesel Fuel	33.43	Liter	
Electricity	337,964	Kilopascal	
Steam	106,502	Ton	
Water	Figture	Unit	
Tap Water	1,866,534	Ton	
Externally purchased water	1,083,003	Ton	
Materials	Figture	Unit	
Substrate	4,450	Ton	7
Sulfuric acid	3,457	Ton	
Hydrochloric acid (HCl)	2,050	Ton	
Nitric Acid	1,822	Ton	
Plastic sheet (Low plate)	1,020	Ton	-
Copper Balls	785	Ton	-
Hydrogen peroxide (Hydrogen Peroxide)	748	Ton	-
Sodium Persulfate (Micro-corrosion agent)	534	Ton	-
Copper Clad Laminate	523	Ton	-
Sodium Carbonate (Developer)	267	Ton	



	Greenhouse Gases	Figture	Unit
	Directly Emissions	7,393	Ton
	Indirectly Emissions	359,043	Ton
	Air Pollutants	Figture	Unit
	VOCs	25.95	Ton
	Sulfuric Acid Mist	1.52	Ton
	Hydrogen Chloride	1.04	Ton
	Nitric Acid	3.18	Ton
	Wastewater	Figture	Unit
	Treated Water	3,543,915	Ton
	Effluent Water	2,237,111	Ton
7	Recovered Water	1,306,804	Ton
	Waste	Figture	Unit
	Total Waste	15,302	Ton
	Outsourced	3,148	Ton
	Processing Waste		
	Recyclable Waste	11,853	Ton
	Export Waste	301	Ton

Note: 1. VOCs stands for Volatile Organic Compounds

> 2. 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 Concumption

Most of the fossil fuel consumed by NYPCB in 2015 was used for the emergency power system, forklift trucks, company cars, ambulances, fire trucks, and the cafeteria (kitchen). Gasoline, liquefied natural gas, and diesel fuel accounted for 6%, 33%, and 61% of total fossil fuel consumption, respectively.

Direct Energy Usage Amount and Proportion



C. Indirect Energy Consumption

NYPCB's production focuses 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 98% in 2015) and are purchased from Nan Ya Plastics Corporation's Jing Hsin and Shulin plants. The overall electricity consumption of 2015 decreased slightly from 2014.

Out-purchased Electric Power and Steam Usage Amount Statistics in Recent Years



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.

In 2015, the Company completed a total of 78 energy saving projects, with a daily reduction of 12,065 kilowatt hours and an annual benefit of NTD10,689,000, which is equivalent to reducing 4,001.8 tons of carbon dioxide emissions a year.

Environmental Management Targets in 2015

Туре	ltems	Targets	2015 Completion rate
Water conservation	Water consumption per unit of output (ton / NT\$ million)	Decreased by 2% from last year.	88.6%
	Effluent recycle ratio	Increase by 1% from last year.	105.4%
Energy conservation	Greenhouse gas emissions per unit of output (ton / NT\$ million)	Decreased by 2% from last year.	94.2%
Waste reduction	Waste produced per unit of output (kg / NT\$ million)	Decreased by 1% from last year.	108.2%

Power Saving Implementation Completed in 2015

Plant	Improvement	Energy saving amount (KWH / day)	CO ₂ restraint amount (ton / year)	Improved benefit (NTD 1,000 / year)
Jinxing Plant	Processing energy use reduction	4,945	1,658	4,262
	Energy management	3,429	1,253	3,225
	Public utility efficiency promotion	1,450	487	1,258
Shulin Plant	Processing energy use reduction	605	162	525
	Energy management	1,636	442	1,419
	Total	12,065	4,001.8	10,689

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



(3) Water Resource Management and Water Consrvation

A. Water Recource 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	Recycle wastewater and purify water
water sources	Recycle alkaline waste water and reuse it on acidic scrubbers
	Recycle waste water that is neutral and reuse it for toilet flushing

B. Water Conservation Policies Yield Positive Results

By continuously promoting 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 five consecutive years as of 2015. In 2015, the Company continued to promote water saving improvement measures and completed a total of 32 water consumption deduction projects throughout the year, amounting to a daily reduction of 357.9 tons and an annual benefit of NTD 2,262,000. We have pledged to continue promoting and enforcing water conservation, as well as to strive to reduce water consumption and recycle wastewater.

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

Trend Chart of Water Consumption of Unit Output Value



Completed Water Saving Improvement Activities in 2015

Plant	Improvement	Water consumption saved amount (ton / day)	Improved benefit (NTD 1,000 / year)
Jinxing Plant	Waste water recovery and reuse	7.1	31
	Processing water consumption deduction	302.6	2,018
Shulin Plant	Waste water recovery and reuse	46.9	202
	Processing water consumption deduction	1.3	11
	Total	357.9	2,262

Water Consumption Statistics in Recent Years







Discharged Wastewater Recovery Rate Trend Chart

3.4 Protecting 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.





Activated Carbon Adsorption Tower



Scrubber



UVC Reaction Tower



Bag Filter



NYPCB considered the characteristics of wastewater and the stability and accessibility of wastewater treatment when designing its wastewater treatment procedures and facilities. A comprehensive treatment process, treatment facilities, and wastewater piping system were designed for production lines to effectively treat, recycle, and purify wastewater. Wastewater is stringently and immediately categorized when produced by production equipment and machinery. The water is collected through distribution channels and sent to specific water treatment facilities. The Company tests effluents daily to ensure that the quality of treated water is far lower than national standards. Due to the long-term drought that persisted in the first half of 2015, water restrictions were enacted in Taoyuan District from March to May. With the restricted water supply, the Company internally agreed to postpone the annual repair and maintenance of its wastewater purification and recycling system. Through system overloading operations, the wastewater recycling rate was increased while wastewater effluent was decreased in order to reduce the overall wastewater discharge.

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	3
Drinking Water source and water conservation area	Х	Х	2
Dams and reservoirs	Х	Х	1
National parks	Х	Х	
Wildlife conservation areas	X	Х	
Nature reserve	Х	Х	
Protected coastline zone	Х	Х	







2015 Wastewater Discharge Quality Test Results

	T		Regulations Test Results		Does the Sample Comply with Water		
	lest items	Unit	and Standards	Minimum	Average	Maximun	Quality Standards?
Jing Hsin No. 1	рН	_	6-9	7.3	7.5	7.8	Yes
Wastewater Treatment Plant	COD	Mg/L	<120	49.6	63.2	86	Yes
	Suspended Solids	Mg/L	<50	6.2	10.3	20.4	Yes
	Copper lons	Mg/L	<3	0.22	0.4	0.62	Yes
Jing Hsin No. 2 Wastewater	рН	-	6-9	6.2	7.5	8.1	Yes
Treatment Plant	COD	Mg/L	<120	16.8	23.3	26.7	Yes
	Suspended Solids	Mg/L	<50	2.7	4.6	7.0	Yes
	Copper lons	Mg/L	<3	0.4	0.7	0.82	Yes
Shulin	рН	-	6-9	6.9	7.4	7.8	Yes
Wastewater Treatment Plant	COD	Mg/L	<120	12.3	17.8	23.6	Yes
	Suspended Solids	Mg/L	<50	3.3	5.1	9.9	Yes
	Copper lons	Mg/L	<3	ND	0.03	0.03	Yes

Wastewater Treatment Equipment



Biological Treatment Systems

Water Recycling System



Chemical Processing Systems



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

Treatment Methods	General Busi	iness Waste	Hazardous Business Waste		Total	
Recycling	2,966.73	19.74%	9,091.48	60.50%	12,058.21	80.25%
Physical Treatment	143.89	0.96%	0.43	0.00%	144.32	0.96%
Incineration	1,973.52	12.47%	13.18	0.09%	1,886.70	12.56%
Heat Treatment	854.31	5.69%	-	-	854.31	5.69%
Landfill	82.49	0.55%	-	-	82.49	0.55%
Minor Sum	5,920.94	39.40%	9,105.08	60.60%	15,026.02	100.00%

Output Waste Categories, Amounts and Proportions

Type of Waste Disposal	Quantity	Percentage of Total Waste
Printed Circuit Board Powder	54.79	0.36%
Copper Foil Scrap	2.25	0.01%
Printed Circuit Board Scrap	113.34	0.74%
Copper Plate Scrap	20.326	0.13%
Defective Printed Circuit Board Scrap	131.777	0.86%
Copper Clad Laminate Scrape	12.35	0.08%
Total	334.833	2.19%

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 2015. 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.



Wastes categorizing and collection

Nan Ya Printed CircuitBoard Corporation (NYPCB) Corporate Social Responsibility Report



Unit: Tone

Unit: Tone





(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

B. Emission Analysis

According to ISO 14064-1 standards, the total GHG emissions of the entire company in 2015 were 366.436.891 tons of CO₂e, of which 7,393.752 tons of CO₂e were Scope 1, occupying 2.02% of total emissions, and 359,043.139 tons of CO₂e were Scope 2, occupying 97.98% of total emissions. Therefore, is the Company's GHG emissions are 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 following table, out-purchased electric power and steam utilization is the main 2 emission source, and the electric power and steam used in NYPCB are both purchased from NPC Jingxing Plant and Shulin Plant. Therefore, in order to effectively restrict CO₂, the Company should start by saving electric power. Currently, the Company is still using the old refrigerant R11/R22, whose effusion amount is 1143.75 tons of CO₂e.

The unit output value of greenhouse gas emissions of the Company (ton / NTD 1 million) in 2015 reached the Company's target value. NYPCB pledges to continue implementing various measures to reduce energy consumption and increase energy use efficiency in order to reduce its greenhouse gas emissions

2015 Greenhouse Gas Emission Analysis



2015 Total Greenhouse Gas **Emission Intensity**

Gas Type	Emission Quantity (ton of CO2e)	Percentage
CO ₂	357,363.469	97.52%
CH4	588.630	0.16%
N2O	1,756.367	0.48%
HFCs	3,533.675	0.96%
PFCs	3,194.750	0.87%
SF6	0	0%
Total	366,436.891	100%





Greenhouse Gas Emission Trend Chart of the Unit Output Value



Greenhouse Gas Reduction Target (Reduction by 2% annually)

The unit output value of greenhouse gas emissions of the Company (ton / NTD 1 million) in 2015 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.

(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).

2015-The company passed the EICC Audit Standards (2015-2017).

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

	Analysis Type					
Hazardous Materials	Shipment Analysis	SGS Analysis				
Cadmium		Inductively Counted Plasma mass				
Lead	X-ray Fluorescence Spectrometer	Spectrometry Analysis Use UV/VIS Spectroscopy to Measure				
Mercury						
Hexavalent Chromium	X-ray Fluorescence Spectrometer					
	(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 such data in shipment reports, in order to be in compliance with EU RoHS regulations.







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, the tray recovery rate increased from 2.09% to 49.12% since 2012, and Nanya will continuously improve in green product, the improvement is effective and shall continue to be promoted.



recycling volume / Total tray volume

(P)H.H. P/N: 820-1792-A
(Q)QTY(PC): 90 (30 PNL)
(M)Mfr P/N: CHT8V6A
RoHS
(К)Р.О.: РУА-641405
(S)BOX ID: VNY05106000001
DATE CODE: 236T
CHT8V6A Supplier: NANYA
#3 2006/08/01

RoHS Labels



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.

	1423341	0.000 C 2000 C	9254460	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.	
Test Ham (a)	Hait	Nethod	MDI	Result	
Test item (s):	onic	Method	MDL	No.1	
Polychlorinated Naphthalene	ppm	With reference to USEPA 8081B. Analysis was performed by GC/MS.	5	N.D.	
			-	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.	
				Result	
Test Item (s):	Unit	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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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.



Administrative refined landscaping



Factory production area of seasonal flowers







Chinese banyans near the offices



Violet decorated living guarters





4 Employee Welfare

- 4.1 Employment
- 4.2 Salaries and Welfare
- 4.3 Training System
- 4.4 Employee Relations
- 4.5 Employee Wellness Program
- 4.6 Human Rights
- 4.7 Crisis Management

61	
62	
67	
68	
69	
74	
75	

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) 2015 Nanya PCB Corp. Human Resources Structure

In 2015, the company's human resources department was made up of 99.9% official staff and 0.1% temporary staff (all staff on contract, nine in all), with no part-time employees. The department was made up of 87.3% domestic employees and 12.7% foreign employees (all from Vietnam). The ratio between male and female employees was 2:1, and the average age was 36.2 years old. The average years of service were 11.4 years.

		Female		M	ale		Percentage
Category	Group	Number of people	Percentage	Number of people	Percentage	Total	(%)
Position	Managing Directors and Above	-	0.0%	8	0.2%	8	0.1%
	Executives and Managers	11	0.5%	317	7.5%	328	5.2%
	Supervisors and General Staff	1,868	89.6%	3,929	92.4%	5,797	91.5%
	Service Staff	205	9.9%	-	0.0%	205	3.2%
Location	Taoyuan	1,855	89.0%	3,847	90.4%	5,702	90.0%
	Shulin	229	11.0%	407	9.6%	636	10.0%
Age	<29	603	28.9%	814	19.1%	1,417	22.4%
	30-39	935	44.9%	2,097	49.3%	3,032	47.8%
	40-49	436	20.9%	1,103	25.9%	1,539	24.3%
	50-59	108	5.2%	226	5.3%	334	5.3%
	>60	2	0.1%	14	0.3%	16	0.3%
Years of	<10	1,002	48.1%	2,324	54.6%	3,327	52.5%
Service	11-20	844	40.5%	1,555	36.5%	2,398	37.8%
	20-30	233	11.2%	341	8.0%	574	9.1%
	>30	5	0.2%	34	0.8%	39	0.6%
Academic	Doctorate	-	0.0%	6	0.1%	6	0.1%
Degree	Master's	50	2.4%	225	5.3%	275	4.3%
	Bachelor's	59	2.8%	396	9.3%	455	7.2%
	Other	1,975	94.8%	3,627	85.3%	5,602	88.4%
	Subtotal by Gender	2,084	100.0%	4,254	100.0%	6,338	100.0%

(2) New Employees by Age and Region

Unit: person / % Category Group Female Male <29 70 64 By age 7 30-39 11 2 40-49 1 3 0 50-59 2 >60 0 43 58 By region Domestic Foreign (Vietnam) 45 14 Total new employees 88 72 4,254 Service employees 2,084 Percentage (%) 4.2% 1.7%

* Statistics based on employees who started work between 2015.1.1 and 2015.12.31

4.2 Salaries and Welfare

(1) Employee Salaries

Unit: person

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



Nan Ya Printed CircuitBoard Corporation (NYPCB) Corporate Social Responsibility Report



(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 2015, the percentage of local residents holding senior supervisory roles was approximately 8.5% (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).



(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.

Parental-leave Application, Return Rate and Retention Rate for the Past Three Years

		2013			2014		2015			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Actual number of employees that applied for parental leave	30	105	135	46	166	212	48	127	175	124	398	522
Number of employees that should have returned (A)	21	115	136	27	67	94	19	89	108	67	271	338
Number of employees that applied for return (B)	17	85	102	17	57	74	16	48	64	50	190	240
Return Rate (B/A)	81%	74%	75%	63%	85%	79%	84%	54%	59%	75%	70%	71%
Number of post-parental leave employees who stayed for at least one year (D)	5	41	46	13	67	80	12	46	58	30	154	184
Retention Rate (E=D / B) (%)	71%	80%	79%	76%	79%	78%	71%	81%	78%	60%	81%	77%

Note: "Retention Rate" is defined as the percentage of post-parental

leave employees that returned and stayed for at least one year.

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, 525 employees (female 398, male 124) applied for unpaid leave. The return rate was 71%, and the retention rate was 70%. Furthermore, in 2015 alone, 175 employees (female 127, male 48) applied for unpaid leave with a return rate of 59% and retention rate of 78%.

Unit: person

(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 NYPCB and the Electronic Components Industry over the Past Five Years Unit: %

Year	Nanya PCB Corp	Taiwanese Electronic Components Manufacturing Industry
2011	1.2	2.2
2012	1.0	2.1
2013	1.0	2.0
2014	1.1	2.2
2015	1.1	2.0

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.

Category	Group	Female	Male
By Age	Under 29	210	253
	30-39	124	171
	40-49	7	31
	50-59	2	14
	Over 60	3	4
By Region	Taoyuan Factory	259	368
	Shulin Factory	87	107
Total dismiss	sed employees	346	475
Service e	employees	2,084	4,254
Percen	tage (%)	16.6%	11.2%

2015 Resigned Staff by Age and Region

Unit: person

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 2015, NYPCB's employee training courses, including those held by individual units and professional and manager training courses organized by the President's Office, were conducted 2,758 times and attended by 6,320 employees. The total duration of the training was 161,352 hours (an average of 25.5 hours for each individual), and the cost of the training was NT\$ 730,148.

Unit: person





N/		Exec	utive	Man	ager	Super	rvisor	Genera	al Staff	
rear	Gender	Number of people	Hours	Number of people	Hours	Number of people	Hours	Number of people	Hours	Average Hours
	Male	89	19.4	270	35.7	847	35.9	3,512	29.2	
2013	Female	1	91	12	31.2	206	35.6	2,156	23.9	22.2
	Average	20).2	35	5.5	32	2.3	19	.7	
	Male	86	20.2	252	42.4	819	54.2	3,453	26.0	
2014	Female	1	0.0	11	9.9	205	36.2	2,150	19.3	23.7
	Average	20	0.0	41	.1	41	.1	19	.8	
	Male	81	13.6	245	27.5	769	48.6	3,145	29.3	
2015	Female	1	46.0	10	34.5	178	44.5	1,897	26.3	25.5
	Average	14	I.O	27	.8	38	3.4	23	.2	

4.4 Employee Relations

(1) 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 guarter. Set up recommendation boxes, hotlines, and sexual harassment prevention hotlines for employees. In 2015, four complaints related to human rights infringement were made through the official complaint channel, two of which have been properly handled while the other two are still being processed.
- 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 guitting 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 2015 Health Promotion Schedule

Theme	Season	Health promotion content	Туре	Time	Lecturer
Life Care	First Quarter	Gout and Hyperuricemia	Lecture	January	Health Center
		Eye Care	Lecture	February	Health Center
		Adhesive Capsulitis	Lecture	March	Health Center
Health Promotion	Second Quarter	Body Cleansing Diet	Lecture	April	Department of Public
					Health, Taoyuan
		Annual Physical Examination	Activity	May	Chang Gung
					Memorial Hospital
		Hypertension	Lecture	June	Health Center
Workplace relieve	Third Quarter	Pressure Relief Techniques	Lecture	July	John Tong Foundation
pressure		Heat Stroke Prevention	Lecture	August	Health Center
		Fragrance Therapy & Disease of Affluence	Lecture	September	John Tong Foundation
Preventive health	Fourth Quarter	Blood Drive	Lecture	October	Hsinchu Blood Center,
care					TBSF
		Colorectal Cancer	Activity	November	Health Center
		Hyperglycemia, Hyperlipidemia, and	Lecture	December	Health Center
		Hypertension			

(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 2015, whose details are summarized below:

- A. Supervisor's on-duty training for organic solvent job sites: 2 sessions were offered, with a total of 25 participants for 150 hours.
- B. lonizing radiation personnel's on-duty training: 3 sessions were offered, with a total of 184 participants for 555 hours.
- C. First-aid personnel's on-duty training: 4 sessions were offered, with a total of 124 participants for 372 hours.
- D. Supervisor's on-duty training for specified hazardous chemical substances job sites: 2 sessions were offered, with a total of 30 participants for 108 hours.
- E. Forklift (>1 ton) operators' on-duty training: 2 sessions were offered, with a total of 36 participants for 108 hours.
- F. Firefighting equipment and emergency response drill: 4 sessions were offered, with a total of 60 participants for 240 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.





Conduct industrial safety tests at areas of responsibility Hold safety promotional activities to encourage employees who follow safety measures and reprimand those who Monitor (potential and unsafe actions) Establish health and

workplace

do not

Nan Ya Printed CircuitBoard Corporation (NYPCB) Corporate Social Responsibility Report



safety principles

(4) Statistic of Occupational Disasters and Accidents and the Effect of Health and Safety Management

In 2015, no significant disabling incidents occurred in Jinxing Industrial Complex or Shulin Industrial Complex, with a disabling frequency rate of 0 (for both females and males), a disabling severity rate of 0 (for both females and males), and a frequency-severity indicator of 0 (for both females and males). However, to prevent similar disabling incidents from happening again in the future, our corporation has carried out a series of management activities that enable our workers to identify, evaluate, and control potential hazards in their respective work environments. Furthermore, cases involving occupational hazards have been integrated into the teaching materials to raise occupational safety awareness among our employees. Our employees are also provided with SHE suggestion channels, instant responses, and appropriate countermeasures to achieve the ultimate safety management goal of "zero disasters and zero industrial injuries".

Unit: norcon

							0	nn. person
		Date	20	13	20	14	20	15
lte	ems		Jinxing plant	Shulin plant	Jinxing plant	Shulin plant	Jinxing plant	Shulin plant
	Serious Injury Frequency hours worked)	Rate (Incident / per 1,000,000	0	0	0.16	0	0	0
	Serious Injury Severity Ra 1,000,000 hours worked	ate (Working days lost / per)	0	0	13.92	0	0	0
	Frequency-Severity Indic	ator	0	0	0.047	0	0	0
	Number of major	1. Death	0	0	0	0	0	0
	occupational disasters and accidents	2. 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 major occupational disa	y incidents (excluding sters and accidents)	0	0	2	0	0	0
	Working days lost		0	0	174	0	0	0
	Absence rate		0	0	0.54	0	0.73	0
	Severe occupational haz 1000 persons	ard mortality rate per	0	0	0	0	0	0
Notes:	 Absence rate=Total ab total persons during r Disabling injuries freq cases*1,000,000 / Tot 	osence days during reporting pe eporting period*255 work days uency=Disabling injuries tal experienced work hours	eriod / (;)					

- 3. Disabling injuries severity=Disabling injuries days not worked*1,000,000 / Total experienced work hours
- 4. Comprehensive injuries indicator=\/disabling injuries frequency*disabling injuries severity / 1,000
- 5. 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 6,300 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 legal rights are damaged or inappropriately handled. agreement of the Company in 2015 were 64.2% of total (4) Setting up an "Employee Rewards and Punishment Review employees. The Company's labor union also holds regular Committee" for reviewing employees to received signifidirector and supervisor meetings, and, to avoid colleagues' cant rewards or punishments. doubts, the Company does not intervene in the union's practical operations and member lists. Furthermore, it will (5) Providing "Sexual Harassment Prevention, Complaint, and give full play to the labor union under legal and reasonable Punishment Measures in the Workplace" to prevent scope in order to make wide discussions on labor issues and employees and job seekers from a sexual harassment work shall implement policies after reaching an agreement and environment and to respond to any related issues. making an agenda, which considerably helps to improve Furthermore, no significant investment agreements or contracts employee-employer relations and the planning of labor welfare. relating to human rights were made in the company in 2015.

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:



- (1) 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



4.7 Crisis Management

(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.
- 3. 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) Supply Chain 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 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 2015. 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.





5 Charity

- 5.1 Neighborhood Rela
- 5.2 Charity Plans
- 5.3 Promotion of Med
- 5.4 Commitments to I

lations	79
	81
dical Service	82
Education	85

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) Building a Bridge of Mutual Trust

To be a good neighbor, our corporation has organized good neighbor teams and volunteer teams at respective business offices of our industrial complexes. The teams are assigned to local government, environmental protection groups, local organizations, village offices, nearby households, and local residents on a regular or occasional basis to get feedback from local residents and guickly respond to the guestions they raise. We make sure to answer every question in detail and take the initiative to promote our policies to our neighbors. This not only helps them to understand our intentions but also helps build harmonious relationships of mutual trust and assistance.

(2) Bringing Traditional Culture to **Remote Townships**

We feel that continuing and promoting traditional art is very difficult due to an uneven distribution of cultural resources. In order to carry forward traditional arts and the features of local culture, we have collaborated with the "Paper Windmill Theater" to promote art through high-standard visual performances free of charge at local villages. As of today, more than 4,000 audience members have attended these performances, all of which were successful.



Paper Windmill Theater's Live Performance



Paper Windmill Theater's Interaction with Audiences

(3) Enhance Relationships between our Industrial Complexes & Local Villages

To build a bridge of mutual trust between our industrial complexes and local villages, we are committed to participating in local activities in order to fully realize our business philosophy of giving back to society. Our corporation provides assistance to villager self-empowerment activities, religious activities, festival celebrations, and visits to the poor. Furthermore, aid supplies are also given to nursing homes, orphanages, and solitary seniors.

(4) 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.

(5) 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.



Environmental Protection Volunteers Participate in Street Cleanups

Nan Ya Printed CircuitBoard Corporation (NYPCB) Corporate Social Responsibility Report



(6) Benevolent Service

The operation of our corporation is built on the foundation of giving back to society. To promote the ethics of volunteering within our corporation, we have been providing volunteer services to local communities since our corporation was first established. We worked with certified government welfare organizations either announced by the Ministry of the Interior (MOI) or recommended by the Social Affairs Bureau (SAB) to organize welfare activities, such as providing care to underprivileged families, donating aid supplies to local seniors, providing services to educational institutes for the mentally-impaired, volunteering at nearby orphanages, participating in extracurricular school programs, and supporting early intervention plans for patients with metal and/or physical impairments. All of this has been done to ensure that those in need are provided with appropriate care.

(7) 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 healthcare 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.



Environmental Protection Volunteers Participate in Street Cleanups

5.2 Charity Plans

(1) Charity Club

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

Nan Ya Printed Circuit Board Company's Love Club regularly carries out care services in Xingdeng, Ark, and Chernshing. Furthermore, colleagues have taken the initiative to recommend some new disadvantaged groups and help the Love Club expand their volunteer services. About 20 to 30 colleagues participate in each service. The club has also donated laundry detergent, tissues, books, and mineral water to these institutions. The heads of these institutions have expressed their gratitude and awarded NYPCB with appreciation certificates. They have also introduced their services and successes. NYPCB employees have also participated in various activities, such as dumpling making, a charity haircutting service, nail art, and cleanup of the facilities, fans, and windows.

(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 Activities and Used Marketplace

In accordance with in-plant night events, fairs, and nearby religious activities, NYPCB plant in the northern district actively contacts charitable foundations and the Love Club to organize charitable flea markets to raise funds for charitable foundations, spreading seeds of love and hope to every corner of the world.



Love Club members celebrate the Dragon Boat Festival with children at the orphanage



A charitable flea market is organized



Love Club members along with children at the orphanage



A live performance is held during a winter relief activity

5.3 Promotion of Medical Services

(1) Chang Gung Medical System

Aware of the lack of medical resources in Taiwan during the 1970s, the two founders of Formosa Plastics Group were dedicated to promoting social welfare donations and decided to establish a non-profit teaching hospital, thus officially establishing Chang Gung Memorial Hospital in March 1973. In December 1976, Taipei Chang Gung Memorial Hospital began to provide medical services, and Linkou, Keelung, Kaohsiung, Chiayi, Taoyuan, and Yunlin Chang Gung were all formed one after another through 40 years of efforts. Furthermore, this hospital provides preventive, emergency, chronic, Chinese, long-term, and community medical care. With vertical and horizontal specializations, we provide our communities with an integrated healthcare system. To take better care of cancer patients, the best proton radiation therapy center in Asia was established at Linkou Chang Gung Memorial Hospital. After completing human subject research, medical services began to be provided on Oct. 15, 2015.

Since the establishment of Chang Gung Hospital, we have proactively recruited excellent medical care talents to nurture potential ones, continuously introduced advanced medical equipment, led public and private hospitals to expand physical facilities and update medical equipment, and provided patients with high-quality and secure care. We have had many record-setting and pioneering management achievements, including the guarantee to cover medical expenses incurred during hospitalization, doctors rejecting red envelopes, lowering the cost of dialysis, and further improving the overall quality of medical services in Taiwan. Due to the efforts of Chang Gung Memorial Hospital, the average health bed for every ten thousand has increased from 19 to 69 (Source: statistics from the Ministry of Health and Welfare). The effects have even surpassed some advanced countries, such as Great Britain and the U.S.

Chang Gung Memorial Hospitals have evolved into one of Taiwan's large-scale hospital networks, and its extraordinary medical equipment and service are the equal of first-tier hospitals around the world. As of 2015, they are operating 9,000 open beds, have 22,000 employees, and have served more than 9 million emergency and outpatient visits, as well as over 289,000 in-patient admissions (average patients: 28,500 / day), proving that Chang Gung Memorial Hospital has become one of the most trustworthy hospitals in Taiwan.



(2) Local and Overseas Medical Care

Continuing with our mission to provide healthcare services while promoting public welfare without profit, Chang Gung Memorial Hospital not only serves walk-in patients, but also reaches out into the community and beyond, providing healthcare services and humanitarian assistance that exemplify mankind's philanthropic deeds.

A. Emergency Medical Services

Chang Gung Memorial Hospital assists the government by providing medical preparedness and responses to major disasters. All facilities have been designated by the government as area disaster response centers in order to facilitate local disaster response and training. Over the years, they have participated in many rescue operations and have been designated by the Ministry of Health and Welfare as vital emergency aid hospitals.

B. Medical Assistance to the Underprivileged

Chang Gung Memorial Hospital has provided medical assistance to various areas in medical need. For instance, the Linkou Branch established a medical station in Fuhsing Township of Taoyuan County in 2002 in order to provide both daily professional and routine medical services to remote villages. Since 2001, the Kaohsiung Branch has been offering free medical services to such remote townships as Liukeui, Maolin, Neimen, and Sanmin in Kaohsiung County; Mudan, Santimen, and Liuchiu in Pingtung County; and Wangan Township in the off-island Penghu County. Medical service tours have been provided, as have health education lectures and cancer screening, in eight non-medical townships, including Jiaxian and Shanlin, since 2009. In 2011, we built a long-term community care center and recruited rehabilitation physicians, primary care physicians, Chinese medicine doctors, social workers, dietitians, registered nurses, physical therapists, and occupational therapists to provide integrated medical services and long-term home care in remote and aboriginal communities. Since November 2012, the Chiayi Branch has provided medical service tours in the non-medical village of Budai Township. In 2013, it also supported a first aid station in Alishan to provide both locals and tourists with high-quality emergency care.

Since 2009, the Keelung Branch has been appointing doctors to such non-medical villages as Meifeng Village of Gongliao District and the Shulang, Nanshan, Baishi, and Hai Peng Tribes of Pingxi District to provide medical clinics. So far, more than 3,000 patient-visits have been performed, with a satisfaction rate of 100% according to returned guestionnaire surveys, indicating that the local residents (totaling 2,809 individuals) approve of the medical services that Chang Gung Memorial Hospital has provided.

All facilities of Chang Gung Memorial Hospital also provide tertiary neonatal care for high-risk newborns from other hospitals or clinics with substandard medical equipment. They provide advanced, delicate examinations, medical inspections, and intervention treatments to save precious newborns' lives.

Furthermore, we actively provide services for specific socially vulnerable groups, such as free tattoo removal services for juveniles on probation, assistance for juveniles being reintegrated into society, health management and healthcare for kids in children's homes, care and comfort services for solitary seniors, mouth and foot artist recruitment, and the establishment of massage stations run by blind people to increase job opportunities for people with disabilities.

(3) International Medical Assistance and Diplomacy

To assist our government with medical diplomacy, Linkou Chang Gung Memorial Hospital appointed some of its ophthalmologists, cardiologists, and plastic surgeons to form an international medical team before heading to Hanoi (Vietnam) to provide free medical clinics on July 27, 2014. Approximately 100 people have received medical treatment in those free medical clinics. Furthermore, the Manila Hostage Crisis occurred on August 23, 2010, which left Ms. Yik Siu Ling of Hong Kong with a severely injured lower jaw. Despite more than 30 major and minor surgeries, no treatment seemed to be able to cure her. Even a prestigious plastic surgeon from South Korea claimed the victim incurable. In March 2014, the patient began receiving treatment from a medical team led by Plastic Surgeon WEI, FU-QUAN and Dentist CAI, QI-YING of Linkou Chang Gung Memorial Hospital. After conducting micro plastic surgeries and three-stage dental implant surgeries on the patient, the mandibular reconstruction and cosmetic surgery were completed. The patient once again regained her appearance, long-lost chewing ability, and her will to move on.

To realize international medical aid and cultivate medical professionals for countries with diplomatic relationships, Kaohsiung Branch has been providing medical services and training sessions for the Republic of Guatemala since September 2010. It has also provided scholarships to 13 medical disciplines and liver transplant specialists receiving training in Taiwan since 2011. They returned to Guatemala in October 2012 to establish their first national transplant center. Kaohsiung Chang Gung Hospital will continue to provide the people of Guatemala with medical assistance and training.

A six-month old child with biliary atresia, Santiago Halder, was referred from a Guatemalan transplant center to Taiwan in September 2013. The surgery, the first ever "Liver Transplant with Significantly Reduced Volume", was successfully performed on October 1, 2013. On January 14, 2015, a letter was sent from the Ministry of Foreign Affairs asking Superintendent Chen to lead a medical team to Guatemala, Paraguay, and the Dominican Republic (countries with diplomatic ties) to help develop liver transplant procedures

and introduce medical personnel to receive short-term or middle-term professional training in Taiwan. In addition to fulfilling the above requirements, Chang Gung Memorial Hospital has also assigned doctors to offer short-term training courses or surgical demonstrations in the aforementioned countries in order to elevate the professional medical skills of local medical personnel and popularize standard healthcare in their local communities. Deeply touched by Chang Gung Medical Team's commitment and efforts, the Minister of the Ministry of Public Health and Social Assistance in Guatemala decided to procure all the equipment required for liver transplant in just half a year in order to realize the "Guatemala Liver Transplant Center Project". By providing medical assistance in Central and South America, the medical team not only built an international image for Chang Gung Memorial Hospital but also assisted governments through medical diplomacy.

In March 2014, Keelung Chang Gung Memorial Hospital signed a medical collaboration contract with Ha Tinh Provincial Hospital and Chen An Hospital (Vietnam). In January 2015, Keelung Chang Gung Memorial Hospital appointed some of its doctors, pharmacists, and registered nurses to form a professional medical team that could provide physical medical services and strengthen bilateral collaboration. The professional medical team mainly provides medical services, such as free physical examinations, medical counseling, and health educational lectures, at a medical station in Ha Tinh Province of Vietnam. Furthermore, that team also went to Chen An Hospital in Nghe An Province to conduct medical case studies and exchanges, share valuable medical experiences, and provide doctors with training to elevate the professional medical skills of local medical personnel and popularize standard healthcare in local communities. Highly praised by the local media and residents, Chang Gung Memorial Hospital has thoroughly contributed to medical diplomacy.

In collaboration with Pesamuhan Bodhicitta Mandala Indonesia from December 1, 2013 to December 7, 2013, Chiayi Chung Gung Memorial Hospital assigned Deputy Superintendent Lee, Shiuann-Sheng to lead a medical team to Medan (capital of the North Sumatra province in Indonesia) and provide physical examinations and educational health lectures to local residents. Of the 917 people who received medical services, 678 had medical reports that showed abnormalities. With early diagnosis and treatment, the patients were able to be cured before their illnesses became worse. By signing a memorandum of understanding with the Medical University of North Sumatra, we expect to also promote bilateral collaboration through academic research.



Keelung Chang Gung Memorial Hospital signed a medical collaboration contract with Ha Tinh Provincial Hospital (Vietnam)

(4) Welfare Services and Medical Subsidies

Chang Gung Memorial Hospital sets aside a fixed portion of its monthly income and donations from the community to its social charity funds for community welfare services, including the donation of cochlear implants, an umbilical blood bank subsidy, deep brain stimulation treatments, etc. Medical subsidies are given to the poor and disabled to provide them with equal access to medical services. Many lives have been saved among indigent populations. Meanwhile, patient forum activities, community services, and organ donation campaigns are held in order to promote the welfare of the larger community. In 2015, medical subsidies surpassed NT\$ 560 million. As of today, the figure has reached NT\$ 7.03 billion.

(5) Health Promotion – Community Services

Since the number of people with chronic illnesses has increased in our country, Chang Gung Memorial Hospital has acted according to national policies and conducts various free health counseling sessions, preventive services and screenings, and health promotion events every year. These community events help local residents to identify health issues prior to experiencing advanced complications and thus allows them to seek treatment at an early stage.

Community Health Promotion and Lecture Activities

Year	2011	2012	2013	2014	2015
Number of Activities	1,979	1,928	1,846	1,345	1,373
Number of People Served	135,500	132,561	116,939	106,321	117,418
Expenses (in NTD 10, 000)	1,006	1,061	1,163	1,426	2,138





5.4 Commitments to Education

(1) The Establishment and Current Profile of the Three Universities

Due to the rapid economic growth of Taiwan in the 1960s, a critical need developed for skilled mid-level industrial professionals. In 1963, in response to Taiwan's developmental needs, Mr. Y. C. Wang, founder of the Formosa Plastic Group, donated funds to establish the Ming Chi Institute of Technology (now known as Ming Chi University of Technology). With the establishment of Chang Gung Memorial Hospital in 1976, our founder also determined that Taiwan had a serious shortage of guality medical professionals. Mr. Wang subsequently founded the Chang Gung Medical College (now known as Chang Gung University) in 1987, as well as Chang Gung Institute of Nursing (now known as Chang Gung University of Science and Technology) in 1988.

Ming Chi Institute of Technology, Chang Gung University, and Chang Gung University of Science and Technology now train and supply high-guality professionals through cooperative education and internship programs. These three Universities share the same core values of Diligence, Perseverance, Frugality, and Trustworthiness.

A. Ming Chi University of Technology

Based on the core values of diligence and perseverance, Ming Chi University of Technology (MCUT) has three colleges – the College of Engineering, the College of Environment and Resources, and the College of Management and Design. MCUT strives to offer a rigorous and well-rounded curriculum that includes opportunities to achieve student competence in core subjects. Furthermore, students will be able to obtain a meticulous nature that will allow them to live a well-rounded and meaningful life, seek balance between theory and practice, and have the ability for life-long learning. Ming Chi University of Technology was recognized for excellence in the University of Technology evaluation results announced by the Ministry of Education and was ranked number one domestically. All faculties in MCUT have been certified by the IEET (Institute of Engineering Education, Taiwan) and the AACSB (Association of Advanced Collegiate Schools of Business), ranking in the top three of domestic universities of science and technology. Furthermore, MCUT has been given multiple distinguished awards for its successful collaboration with the manufacturing industry over the years. MCUT currently operates four research centers – the Biochemical Technology R&D Center, the Center for Thin Film Technologies and Applications, the Chinese Herbal Medicine Center, and the Battery Research Center of Green Energy. MCUT is truly a school with an outstanding educational tradition and amazing academic performance.

B. Chang Gung University of Science and Technology

Chang Gung University (CGU) consists of the College of Medicine, the College of Engineering, and the College of Management and has strived for excellence in both academic instruction and research since its establishment. Chang Gung University has several exemplary research centers, particularly in the "molecular medicine", "biomarkers", "aging health", and "radiation medicine" fields. In its constant pursuit of excellence, Chang Gung University developed close collaborations with industry for both research and training. For example, the "Molecular Medicine Research Center (MMRC)" mainly focuses on the discovery of biomarkers. This research has been developed through systematic identification of tumor specific macromolecules. The technology can be applied to clinical cancer screening and patient follow-ups in the future. The "Healthy Aging Research Center (HARC)" facilitated a metabolomics core lab and became one of the collaborative partners of the Phenome Center. The "Institute for Radiological Research" has jointed forces with Chang Gung University and Chang Gung Memorial Hospital to develop advanced particle therapy technology and establish the first domestic proton therapy center at Chang Gung Memorial Hospital.

GU is a university with outstanding academic and research performance. Furthermore, CGU has been recognized for excellence in the university evaluation results announced by the Ministry of Education. Based on the results of recent research and statistics, CGU's research performance is in the Top 6 of all Universities in Taiwan. Furthermore, CGU has been one of the Top 500 Universities worldwide (from 2008 to 2015), according to rankings provided by Shanghai Jaio Tong University.

C. Chang Gung University of Science and Technology

The goal of Chang Gung University of Science and Technology (CGUST) is to cultivate talents for the medical industry. To achieve this, CGUST has established the College of Nursing (e.g.: Graduate School of Nursing, Department of Nursing, Department of Geriatric Care and Management, and Department of Respiratory Therapy), the College of Human Ecology (e.g.: Graduate School of Healthcare, Graduate School of Health Technology Industry, Department of Early Childhood Care and Education, Department of Cosmetic Applications, and Department of Nutrition and Health Science), and the Center for General Education. Furthermore, the Chronic Diseases and Health Promotion Research Center, Clinical Skills Center, and Health Industry Development Center have all been established to cultivate talents for the healthcare industry. CGUST has shown outstanding performance in recent years and attained several educational program subsidies provided by the Ministry of Education. CGUST also encourages teachers to collaborate with government sectors, Chung Gung Memorial Hospital, and the Formosa Plastics Group in the area of research and R&D programs in order to gain practical skills.

(2) Education and Employment Assistance for Aboriginal Youths

To care for the aboriginal population, Formosa Plastics Group has been recruiting aboriginal female students to attend Aboriginal Nursing Classes at Chang Gung University of Science and Technology since 1995. This program is also conducted using Technical Training Classes for Aboriginals run by Ming Chi University of Technology with the goal of training them so that they will have the ability to participate in our modern-day society. Full tuition subsidies are provided to these students, along with internship opportunities, in order to reduce the financial burden on their families. Currently, more than 5,321 students have benefited from the program, and a total of NT\$ 1.69 billion has been provided.

	Classes	Number of Students	Amount of Reward
Chang Gung University of Science and Technology	Aboriginal Nursing Classes	3,543 people	Approximately NT\$ 1.27 billion
Ming Chi University of Technology	Aboriginal Skills Classes		
	Aboriginal Class (Five-Year Junior College)		Approximately
	Aboriginal Class (Vocational High School)	1,778 people	NT\$ 0.42 billion
	Aboriginal Class (University of Science and Technology)		



Appendix

Appendix 1 Global Reporti G4 Indicator C

Appendix 2 ISO 26000 Co

Appendix 3 United Nations Principles Com

Appendix 4 Assurance

ing Initiative (GRI)	89
Comparison List	
omparison Table	100
s Global Compact nparison Table	102

103

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
	Strategy G4-1 and analysis		Organization's top decision-maker's relevant declaration on its organization and strategy's sustainability	•	Message from the President	03	
		G4-2	Organization's simple statement on key impact, risk and opportunity	•	1.3 Prospects, Opportunities and Challenges to the Industry	10	
	Organization introduction	G4-3	Organization name	٠	1.1 Corporate Profile	07	
		G4-4	Major brands, products, and services	•	1.1 Corporate Profile 1.2 Market Position 1.4 Major Product and R&D 2.1 Governance Overview (3) Corporate Management Structure	07 09 11 25	
		G4-5	Location of organization headquarters	•	1.1 Corporate Profile	07	
a		G4-6	Organization business located countries number and names	•	1.1 Corporate Profile	07	
ener		G4-7	Ownership nature and legal form	•	1.1 Corporate Profile	07	
al stand		G4-8	Service markets provided by the organization	•	1.2 Market Position	09	
ards disclo		G4-9	Description of organization scale	•	1.1 Corporate Profile 1.2 Market Position 2.2 Financial Performance	07 09 28	
siire		G4-10	Description of any significant changes to total employee and regular employee numbers, employment figure	•	4.1 Empolyment	61	
		G4-11	Total employee number proportion under the protection of the collective bargaining agreement	•	4.6 Human Rights	74	
		G4-12	Description of organization's supply chain	٠	2.6 Supplier and Contractor Management	31	
		G4-13	Major changes that happened on a company scale, organization structure and ownership during report period	٠	About the Report	01	The Company has no major changes in 2015
		G4-14	Description of whether organization has a relevant forewarning policy or principle	٠	 2.1 Governance Overview (4) Follow Corporate Regulation (6) Internal Audits (7) Employee Behaviors and Code of Ethical Conduct 	26 26 27	

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
	Organization introduction	G4-15	Economic, environmental, and social regulations, principles, or other proposals formulated outside the organization and approved by the organization	٠	1.6 Participating Organization Standard	14	
		G4-16	List the organization's participated associations (such as industry associations) and national or international promoted organization's member qualification and methods of participation	٠	1.6 Participating Organization Standard	14	
	Identify major consideration aspects and boundaries	G4-17	Related organizations in the consolidated annual report	•	1.1 Coporate Profile	07	
		G4-18	 a. Define report content and consideration aspect boundary process b. How can the organization obey the "Principles for defining report contents" 	٠	1.8 Identification of Major Issues	17	
Ge		G4-19	List all major consideration aspects identified during the report contents definition process	•	1.8 Identification of Major Issues	17	
neral stan		G4-20	Description of internal organization's boundaries on such aspects specific to every major consideration aspect	•	1.8 Identification of Major Issues	17	
dards discl		G4-21	Description of internal organization's boundaries on such aspects specific to every major consideration aspect	•	1.8 Identification of Major Issues	17	
osure		G4-22	Influence and cause of any information provided in previous reports	•	About the Report	01	The Company does not have this influence in 2015
		G4-23	Significant changes on scope and consideration boundaries as compared with previous reports	•	About the Report	01	
	Interested party	G4-24	Interested party group list	•	1.7 Stakeholder Dialogue	15	
	participation	G4-25	Interested party identification	٠	1.7 Stakeholder Dialogue 1.8 Identification of Major Issues	15 17	
		G4-26	Interested party's participation mode	•	1.7 Stakeholder dialogue	15	
		G4-27	How can the organization respond to issues proposed by an interested party; and interested party category for proposing such issues	٠	1.7 Stakeholder dialogue 1.8 Identification of Major Issues	15 17	



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	:	Content description	Disclosure status	Reference chapter	Page	Comments
	Report	G4-28	Report duration	٠	About the Report	01	
	overview	G4-29	The last report date (if applicable)	•	About the Report	01	
		G4-30	Report duration	٠	About the Report	01	
		G4-31	Contact information	•	About the Report	01	
		G4-32	GRI disclosure indicator, compliance basis, and external declarative statement	٠	Appendix 1. Global Reporting Initiative (GRI) G4 Indicator Comparison List Appendix 4. Assurance	89 107	
		G4-33	Policy and practice for obtaining external verification conducted by the organization for reporting	•	About the Report	01	
General standar	Management	G4-34	Business corporation's management structure, including members that are responsible for the upper management unit's strategy formulation and company supervision and other specific jobs (which can be categorized according to gender, age, minority groups, etc., upper management level member proportion)	٠	2.1 Governance Overview (1) Operation of Board of Directors	23	
ds disclosure		G4-36	Whether appointing senior supervisor to be responsible for economic, environmental, and social issues, and whether he/she reports directly to the upper management unit	•	About the Report	01	
		G4-37	Consulting processes of interested parties and upper management unit with respect to economic, environmental, and social issues. If authorized, please describe the authorized object and upper management unit's feedback procedures	•	1.7 Stakeholder Dialogue	15	
		G4-38	Upper management unit and its committee's composition	•	2.1 Governance Overview (1) Operation of Board of Directors	23	
		G4-39	Whether upper management unit's chairman has an additional post in an administrative unit	•	2.1 Governance Overview (1) Operation of Board of Directors	23	

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	t	Content description	Disclosure status	Reference chapter	Page	Comments
	Management	G4-40	Whether upper management unit's nomination and selection, as well as nomination conditions, involve diversity, independence, ability and experience, and whether interested parties participate	•	2.1 Governance Overview (1) Operation of Board of Directors	23	
		G4-41	Whether upper management unit's methods for preventing conflicts of interest are disclosed to interested parties	•	 2.1 Governance Overview (4) Follow Corporate Regulation (7) Employee Behaviors and Code of Ethical Conduct 	26 27	
General s		G4-48	Supreme committee or position responsible for formal review and sustainable report authorization	٠	2.1 Governance Overview	23	
tandards disclosu		G4-52	How salary process flow is decided, and if having salary consultant intervention, whether it is independent from the management level. Describe whether salary consultant has any other relation with the organization	٠	4.2 Salary and Welfare	62	
ıre		G4-53	How can salary policy take interested party's opinions into consideration	٠	4.2 Salary and Welfare	62	
	Commercial ethics and honesty	G4-56	Moral values, principles, standards, specifications, and behavior principles of the organization	٠	Message from the President	03	
		G4-57	Internal and external mechanisms for seeking moral and legal behavior suggestions, as well as affairs related to organization honesty (e.g. consulting/service hotline)	•	2.1 Governance Overview	23	
		G4-58	Internal and external mechanisms for reporting illegal and immoral behaviors	•	2.1 Governance Overview	23	



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
	Economic outcomes	G4-EC1	Direct economic value generation and distribution, including operating revenue, business costs, employee treatment, donations, other community investments, reserved surplus, and loan payment	•	2.2 Financial Performance4.2 Salary and Welfare5.2 Charity Plans	28 62 81	
		G4-EC2	Financial burdens and other risks and opportunities caused by climate change	٠	Message from the President 3.2 Environmental Accounting 3.3 Water and Energy	03 41 42	
					Conservation and Greenhouse Gas Reduction 3.4 Protecting the Environment around Plants (4) Examination and Reduction of Greenhouse Gas Emission	51	
Specific		G4-EC3	Scope of commitment for the organization's welfare plan	٠	4.2 Salary and Welfare	62	
standards disclosures		G4-EC4	Major financial supports obtained from the government	٠	-	-	The Company has complete financial status and received no financial support from the government in 2015
	Market status	G4-EC6	Local employment procedure and senior management level proportion employed from local residents at major operating footholds	٠	4.1 Employment (3) Local Supervisory Proportion	62	
	Indirect economic impact	G4-EC7	Investments in infrastructure, service development support, and impact	٠	5.1 Neighborhood Relations	79	
	Procurement	G4-EC9	Major operating areas' purchasing costs sourced from local suppliers' secondary materials	•	2.6 Supplier and Contractor Management (1) Supplier Management	31	
	Supplies	G4-EN1	Weight or volume of adopted raw materials	٠	2.6 Supplier and Contractor Management	31	
		G4-EN2	Secondary materials and supplies usage percentage		-		The Company did not use any secondary materials in 2015.

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		ct	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	
		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	
Specific sta		G4-EN6	Energy decrease results, practices, base year, and computing methodology	•	3.4 Protect the environment around plants (5) Green Supply Chain	53	
ndards disclosure	Water resources	G4-EN8	Describe total water consumption volume according to water source	•	 3.3 Water and Energy Conservation and Greenhouse Gas Reduction (3) Water Resource Management and Water Consrvation 	45	
		G4-EN9	Water source subject to significant influence due to water taking	•	 3.3 Water and Energy Conservation and Greenhouse Gas Reduction (3) Water Resource Management and Water Consrvation 	45	
		G4-EN10	Circulating and recycled water's percentage and total volume	•	 3.3 Water and Energy Conservation and Greenhouse Gas Reduction (3) Water Resource Management and Water Consrvation 	45	



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		Aspect Content description			Disclosure Reference status		Page	Comments
	Biodiversity	G4-EN11	Operating places or their purlieus owned, rented, or managed by the organization that are located in environment protection zones or other typical ecotones with a high biodiversity value	٠	3.5 Greening and Tree-planting Activities around Plants	57	The Company's factories are not located in ecological preservation areas		
		G4-EN12	Describe the organization's activities, products, and services' significant impacts on environment protection zones or other typical ecotones with a high biodiversity value	٠	3.5 Greening and Tree-planting Activities around Plants	57	The Company's factories are not located in ecological preservation areas		
		G4-EN13	Protected and repopulated habitats	٠	3.5 Greening and Tree-planting Activities around Plants	57	The Company's factories are not located in ecological preservation areas		
		G4-EN14	According to the degree of endangered species risk, it states that the habitats affected by the organization's operation have been included in IUCN (protection zone's management category system) Red List and national protection list of species.	•	3.5 Greening and Tree-planting Activities around Plants	57	The Company's factories are not located in ecological preservation areas		
	Emission substances, polluted water, and wastes	G4-EN15	Direct greenhouse gases emission volume (Category 1)	•		51			
		G4-EN16	Direct greenhouse gases emission volume (Category 2)	•	3.4 Protecting the Environment around Plants (4) Examination and Reduction of Greenhouse Gas Emission	51			
		G4-EN18	Greenhouse gases emission identity	٠	3.4 Protecting the Environment around Plants (4) Examination and Reduction of Greenhouse Gas Emission	51			
		G4-EN19	Greenhouse gases volume reduction	٠	3.4 Protecting the Environment around Plants (4) Examination and Reduction of Greenhouse Gas Emission	51			

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
_	Emission substances, polluted water, and wastes	G4-EN20	Ozone depleting substances (ODS) emission volume	•	 3.4 Protecting the Environment around Plants (4) Examination and Reduction of Greenhouse Gas Emission 	51	
		G4-EN21	Nitrogen oxide, sulfur oxide and other major gases emission volume	•	 3.3 Water and Energy Conservation and Greenhouse Gas Reduction (1) Environmental Data 	42	
	Water pollution and wastes	G4-EN22	Total polluted water emission volume categorized by water quality and emission purpose	•	3.4 Protecting the Environment around Plants(2) Water Pollution Prevention	48	
Spe		G4-EN23	Total waste amount categorized according to sort and disposal method	•	3.4 Protecting the Environment around Plants(3) Waste Management	48	
cific standards d		G4-EN24	Total count and volumes related to serious leakage	٠	3.1 Commitments to Environmental Sustainability (2) NYPCB Environmental Protection History	40	
sclosure		G4-EN25	The weight of hazardous wastes judged by the terms of the Basel Convention after transportation, import, export, or processing	•	3.4 Protecting the Environment around Plants(3) Waste Management	48	
		G4-EN26	3.4 Protect the environment around plants(2) Water pollution prevention	•	3.4 Protecting the Environment around Plants (2) Water Pollution Prevention	48	
	Products and services	G4-EN27	Plans for reducing products and services' environmental influences and outcomes	٠	1.4 Major Product and R&D 3.4 Protecting the Environment around Plants (5) Green Supply Chain	11 53	
		G4-EN28	Sold products and their package materials percentage	٠	 3.4 Protecting the Environment around Plants (5) Green Supply Chain ROHS Regulations and Product Packaging 	55	



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		Content description	Disclosure status	Reference chapter	Page	Comments
Specifi	Regulatory compliance	G4-EN29	Total amount of huge fines from violating environmental laws and the sanction number in addition to monetary sanction	٠	3.1 Commitments to Environmental Sustainability (2) NYPCB Environmental Protection History	40	
	Transportation	G4-EN30	Significant environmental impacts generated from product transportation for organization operations, other commodities, raw materials, and employee transportation	٠	 3.4 Protecting the Environment around Plants (4) Examination and Reduction of Greenhouse Gas Emission 	51	
	Overall performance	G4-EN31	Description of the total environmental protection costs and investments according to category	•	3.2 Environmental Accounting	41	
	Supplier C environment (impact) — evaluation C	G4-EN32	New supplier ratio screened out according to environmental standards		2.6 Supplier and Contractor Management	31	
: standards d		G4-EN33	Important practical significance and potential negative influence from suppliers on environment and adopted measures	٠	2.6 Supplier and Contractor Management	31	
sclosure	Environmental complaint mechanism	G4-EN34	Environmental influence complaint number that were submitted, handled, and solved by the formal complaint mechanism	٠	3.2 Environmental Accounting	41	
_	Employment	G4-LA1	Newly employed employees and dismissed employees group number and proportion categorized according to age group and region	٠	4.1 Employment (2) New Employees by Age and Region	62	
		G4-LA2	Benefits that are only provided for full-time employees instead of temporary or part-time employees categorized according to major operating places	٠	4.2 Salaries and Welfare	62	
		G4-LA3	Rate of return to work and survival rate after maternity/paternity leave, categorized by gender	٠	4.2 Salaries and Welfare	62	
		G4-LA4	Minimum notice period(s) regarding operational changes	•	4.6 Human Rights	74	No latest date has yet been set

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:

Asp	ect	Content description	Disclosure status	Reference chapter	Page	Comments
Occupation safety and health	al G4-LA5	Employee representative percentage in occupational safety and health committee	•	3.1 Commitments to Environmental Sustainability (1) Environmental Protection Policy A. Organization Chart and Responsibility of the EHS Unit	38	
	G4-LA6	Proportion of occupational injuries, occupational diseases, lost labor, and absence, as well as the death toll on business categorized by region and gender	•	 4.5 Employee Wellness Program (4) Statistic of Occupational Disasters and Accidents and the Effect of Health and Safety Management 	73	
	G4-LA7	Employees engaged in high-risk occupations	•	 4.5 Employee Wellness Program (1) Improve the Health and Wellness of Employees (2) Contingency Plan for Infectious Diseases 	69 70	
	G4-LA8	Subjects related to health safety in agreement with the labor union	•	-	-	No health or safety-related topics can be found in the NYPCB union agreement.
Education training	G4-LA9	Calculate the average training hours of individual employees according to employee title and gender	0	4.3 Training System (2) Employee Training and Advanced Courses	67	
	G4-LA10	Enforce employee's continuous employment ability and assist in employee's job transfer skill management, as well as lifetime learning projects and curriculum	•	4.3 Training System	67	
	G4-LA11	Reveal employee percentage of receiving regular evaluations and career development reviews divided by gender	•	4.3 Training System	67	



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 • Partial disclosure

	Aspec	t	Content description	Disclosure status	Reference chapter	Page	Comments
	Diversificati on and equal opportunity	G4-LA12	Divide management unit members and each kind of employee composition according to gender, age, ethnic minorities, and other diverse indicators	٠	4.1 Employment (1) 2015 Nanya PCB Corp. Human Resources Structure	61	
	Equal pay for equal work	G4-LA13	Basic salary and remuneration rates between men and women divided by employee's category and major place	•	4.2 Salaries and Welfare (1) Employee Salaries	62	
	Supplier's labor	G4-LA14	Use guidelines for working conditions to select new supplier ratio	٠	2.6 Supplier and Contractor Management	31	
Specific standards disclosure	condition evaluation G4-LA	G4-LA15	Important practical significance and potential negative influence from supplier on labor and adopted measures for this	٠	2.6 Supplier and Contractor Management	31	
	Labor condition complaint	G4-LA16	The submitted, processed, and solved number of labor condition complaints through the formal grievance mechanism	٠	4.4 Employeee Relations (2) Care for Employees	68	
	Investment	G4-HR1	Provisions carrying human rights or total number and percentage of major investment agreements and contracts that have carried out human rights selection	٠	4.6 Human Rights	74	The Company has no provision for human rights contained in the Company's major investment agreements and contracts in 2015
		G4-HR2	Total training hours of employees receiving operating related human rights policy and training employee percentage	•	4.6 Human Rights	74	
	Anti-discrim ination	G4-HR3	Total discrimination events and adopted corrective actions	٠	4.6 Human Rights	74	The Company had no discrimination events in 2015
	Freedom of association and collective bargaining	G4-HR4	Identify whether there is a risk that endangers collective bargaining rights and actions for eliminating such risks	٠	2.6 Supplier and Contractor Management 4.6 Human Rights	31 74	

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	Whether the company or major suppliers employ child laborers, or has a workplace that endangers child laborers. Measures adopted by the company to abolish child labor.	•	2.6 Supplier and Contractor Management4.6 Human Rights	31 74	
Specific standards disclosure	Forced labor	G4-HR6	Identify whether forced labor risks exist and actions for eliminating such risks	•	4.6 Human Rights	74	
	Safety practice	G4-HR7	Percentage of securities receiving training on operating related human rights policies	٠	4.7 Crisis Management	75	
	Aborigines' rights	G4-HR8	Total events related to aborigines' rights infringement and measures adopted by the organization	٠	4.6 Human Rights	74	
	Supplier's human rights evaluation	G4-HR10	Percentage of new suppliers receiving audits	٠	2.6 Supplier and Contractor Management (1) Supplier Management	31	
		G4-HR11	Important practical significance and potential negative influence from suppliers on human rights and countermeasures adopted	٠	2.6 Supplier and Contractor Management	31	
	Complaint mechanism for human rights	G4-HR12	The submitted, processed, and solved human rights complaint number through a formal grievance mechanism	٠	4.4 Employee Relations (2) Care for Relations Employees	68	







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 community	G4-SO1	Operating footholds percentage that have already implemented local community discussion, impact assessment, and development plan	٠	5.1 Neighborhood Relations (1) Building a Bridge of Mutual Trust	79	
		G4-SO2	Operating footholds with significant or potentially negative influence on the local community	٠	-	-	The Company had no significant or potentially negative influence on the local community in 2015
Specific	Anti- corruption	G4-SO3	Total number and percentage of public institutions that have carried out corruption checks and the identified significant risks	٠	 2.1 Governance Overview (4) Follow Corporate Regulation (7) Employee Behaviors 	26 27	
		G4-SO4	Anti-corruption policy and procedure communication and training	٠	Conduct (8) Anti-corruption	27	
rde dieclos		G4-SO5	The number of confirmed corruption cases and the actions that have been taken	٠	-		
	Public policy	G4-SO6	Gross political contributions in accordance with nation and receiver/beneficiary	٠	 2.1 Governance Overview (4) Follow Corporate Regulation (7) Employee Behaviors and Code of Ethical Conduct 	26 27	The Company is free of political contribution donations in 2015.
	Anti-com- petitive behavior	G4-SO7	Total amount of legal actions and results focused on anti-competitive behavior, anti-monopoly, and antitrust practices.	٠	2.1 Governance Overview (7) 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 2015

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	t	Content description	Disclosure status	Reference chapter	Page	Comments
	Regulatory compliance	G4-SO8	Fine amounts due to violation of laws and regulations and number of non-monetary sanctions.	•	2.3 Internal Control	29	The Company did not have any sanctions due to violation of laws or regulations in 2015.
Specific standards disclosure	Supplier G4 community (impact) evaluation G4	G4-SO9	Proportion of new suppliers that received audits.	•	2.6 Supplier and Contractor Management	31	
		G4-SO10	Supplier's important practical significant and potential negative influence on the community and the adopted measures.	•	2.6 Supplier and Contractor Management	31	
	Community (impact) evaluation	G4-SO11	Number of the submitted, processed, and solved community impact complaints through a formal grievance mechanism.	0	-	-	
	Customer's health and safety	G4-PR1	Assess the impact of the life cycle in different stages on safety and health in order to improve products and services and the percentage of major products and services that are going to receive this assessment.	•	3.4 Protecting the Environment around Plants (5) Green Supply Chain	53	
		G4-PR2	Number of violation of laws and voluntary codes related to health and safety during the life cycle of products and services in accordance with results.	•	-	-	The Company had no violation in 2015









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
	Product and service label	G4-PR3	Information type of product and service required by the program and the percentage of the important products and services required to meet this information.	٠	2.5 Customers3.4 Protecting the Environment around Plants(5) Green Supply Chain	29 53	
		G4-PR4	Number of violation of laws and voluntary codes related to regulatory product and service information label volume in accordance with results.	•	-	-	The Company had no violation in 2015
Specific st		G4-PR5	Practices related to customer's satisfaction degree, including the investigation results of customer's satisfaction degree	•	2.5 Customers	29	
tandards disclosure	Marketing communi- cation	G4-PR6	Prohibit the sales of products under dispute	•	2.1 Governance Overview (5) Commission of Salaries	26	
		G4-PR7	Total number of violation of laws and voluntary codes related to marketing promotion (including advertisement, promotion and sponsoring) in accordance with results.	٠	-	-	The Company had no violation in 2015
	Client privacy	G4-PR8	Total actual complaint number related to violation of customer privacy and loss of customer's information.	٠		-	The Company had no violation in 2015
	Adhering to Regulations	G4-PR9	Total amount of violation of laws/regulations related to the supply and use of products/services.	٠	-	-	The Company had no violation in 2015

Appendix 2 ISO 26000 Comparison Table

	Major issue	Corresponding section in 2015 report	Page	Comments
Organization management	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 practice	Employment and employment relations	4.1 Employment	61	
	Work conditions and social protection	4.5 Employee Wellness Program	69	
	Social dialogue	1.7 Stakeholder Dialogue 1.8 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	
Environment	Pollution prevention	3. Environmental Sustainability	35	
	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 Plants	47	





104

Appendix 2 ISO 26000 Comparison Table

	Major issue	Corresponding section in 2014 report	Page	Comments
Fair business practice	Anti-corruption	2.1 Governance Overview (4) Follow Corporate Regulation	26	
	Responsible political participation	-		Not involved in any political activity
	Fair competition	2.1 Governance Overview (4) Follow Corporate Regulation	26	
	Promote influence circle's social responsibility	2.5 Customers2.6 Supplier and Contractor Management5. Charity	29 31 77	
	Respect intellectual property rights	-		The Company respects intellectual property rights
Consumer issues	Fair marketing, information, and contract practice	2.1 Governance Overview (4) Follow Corporate Regulation	26	
	Protect consumer's health and safety	-		Does not provide any final product to consumers
	Sustainable protection	-		Does not provide any final product to consumers
	Consumer service, support and complaint settlement	2.5 Customers	29	
	Consumer data protection and privacy	-		Does not provide any final product to consumers
	Provide necessary service	1.4 Major Product and R&D	11	
	Education and new knowledge	1.4 Major Product and R&D	11	
Community	Community participation	5. Charity	77	
participation and	Education and civilization	5. Charity	77	
development	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 United Nations Global Compact Principles Comparison Table

Category	Ten principles	Corresponding section in 2015 report	Page	Comments
Human rights	an rights Business circles shall support and respect 4.6 Human Rights internationally recognized 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 Plants (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 (8) Anti-corruption	27	



INDEPENDENT ASSURANCE OPINION STATEMENT

Nan Ya Printed Circuit Board Corporation 2015 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 assessment and assurance of this report. This independent assurance opinion statement has been prepared for NYPCB only for the purposes of assuring its statements 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 independent assurance opinion 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 assurance opinion statement may be read.

This independent assurance opinion 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 and accurate

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to NYPCB only.

Scope

The scope of engagement agreed upon with NYPCB includes the followings:

- 1. The assurance covers the whole report focused on systems and activities during the 2015 calendar year on NYPCB headquarter and relevant operations in Taiwan
- 2. The evaluation of the nature and extent of the NYPCB's adherence to all three AA1000 AccountAbility Principles in this report as conducted in accordance with type 1 of AA1000AS (2008) assurance engagement and therefore, the int the report is not verified through the verification process.
- This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the NYPCB 2015 Corporate Social Responsibility Report provides a fair view of the NYPCB CSR programmes and performances during 2015. The CSR report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the NYPCB and the sample taken. We believe that the 2015 economic, social and environmental performance indicators are fairly represented. The CSR performance indicators disclosed in the report demonstrate NYPCB's efforts recognized by its stakeholders.

Our work was carried out by a team of CSR report assurors in accordance with the AA1000 Assurance Standard (2008). We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that NYPCB's description of their approach to AA1000 Assurance Standard and their self-declaration in accordance with the core option of GRI G4 guidelines 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's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 20 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- 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 of Inclusivity, Materiality and Responsiveness as described in the AA1000 AccountAbility Principles Standard (2008).

Conclusions

A detailed review against the AA1000 AccountAbility Principles of Inclusivity, Materiality and Responsiveness and the GRI G4 guidelines is set out below:

Inclusivity

This report has reflected a fact that NYPCB has continually 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. The reporting systems are being developed to deliver the required information. 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 issues.

Materiality

NYPCB publishes sustainability 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

Responsiveness

NYPCB has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for NYPCB is developed and provides the opportunity to further enhance NYPCB's responsiveness to stakeholder concerns. Issues that stakeholder concern about have been responded timely. In our professional opinion the report covers the NYPCB's responsiveness issues.

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 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 responsibility and sustainability issues.

Assurance level

The moderate level assurance provided is in accordance with AA1000 Assurance Standard (2008) in our review, as defined by the scope and methodology described in this statement.

Responsibility

This CSR report is the responsibility of the NYPCB's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and metho described.

Competency and Independence

The assurance team was composed of Lead Auditors and Carbon Footprint Verifiers experienced in industrial sector, and trained in a range of sustainability, environmental and social standards including AA1000 AS, ISO14001, OHSAS18001, ISO14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:

Peter Pu Managing Director BSI Taiwan 02 June, 2016

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