

Unimicron 2013 Corporate Social Responsibility Report

*Compose The Blissful Circuit; Create Shared Value*

About This Report



Welcome to Unimicron's 2013 Corporate Social Responsibility Report (2013 CSR Report). This report is centered on the theme- "Pioneer, Closer, Broader" to elaborate how Unimicron, as a pioneer in the PCB industry, pursues innovation and breakthrough in three major aspects, including governance, society, and environment, in order to carry out Unimicron's corporate social responsibility (CSR) of "Emphasize Performance, Cherish the Planet, Respect for People." through a closer partnership and a broader perspective. This report was produced in accordance with G3.1 Sustainability Reporting Guides lines published by the Global Reporting Initiative (GRI) and assured by the third party. We also refer to the emphase in GRI G4. Not only are the suppliers identified as one of the major stakeholders, but chapters and sections of this report also correspond to material issues along with the revelation of the approach to management advancement.

◎ Reporting Period

This report disclosed Unimicron's CSR managerial guidelines, critical CSR issues, responsive measures, and performance of action plans as well for 2013 fiscal year (from Jan 1st to Dec 31st, 2013). We publish the CSR Report annually. The publication date of the last CSR Report was August, 2013.

◎ Scope and Boundary

In addition to the information regarding Unimicron's plants in Taiwan (including Shanying Plant, Luchu Plant, Hsingpong Plant, Herjiang Plant, and Chungyuan Plant) and the Hsinchu Plant (including Hsinfeng Plant, Jenyi Plant and Science Park Branch Plant), this Report included, for the very first time, Unimicron Technology (Shenzhen) Corp. (i.e. Unimicron Shenzhen), Unimicron Technology (Kunshan) Corp. (i.e. Unimicron Kunshan), Unimicron-FPC Technology (Kunshan) Inc (i.e. Unimicron-FPC) and Unimicron Technology (Suzhou) Co., Ltd. (i.e. Unimicron Suzhou) in Mainland China to furnish the more comprehensive presentation of information. Such boundary covers approximate more than 90% of all employees and revenues of Unimicron.

◎ Reporting Guidelines and Assurance Standards

This report was produced in accordance with G3.1 Sustainability Reporting Guidelines, published by the Global Reporting Initiative, GRI. All contents, discussion and the defining procedures in this report have been assured by SGS-Taiwan to meet the requirements of GRI G3.1 Application Level A+ and AA1000 Assurance Standard (2008) type 1, moderate level.

Please do not hesitate to contact CSR Management Committee if you should have any comments regarding the "2013 Unimicron CSR Report".

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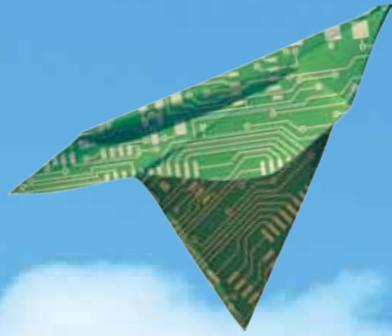
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We having been embracing clear goals and consistency and will be the same in the future.



Chairman's Statement



Having published Corporate Social Responsibility Report for 2011 and 2012 and honorably won recognitions, including 2012 Outstanding Newcomer Award and Top 50 of Taiwan Corporate Sustainability Report Award from Taiwan Institute for Sustainable Energy, Unimicon is recognized with our goals and dedication. We feel the stronger responsibility and will devote more efforts to our goals. Because of the trends of mid-to- low price gadgets and shorter product life cycle in the electronics industry, component prices were squeezed, and the volatility of customer demand also increased the complexity and challenges of manufacturing services. Even so, we persisted in our original intention to shoulder the responsibility for our employees, shareholders, the society, and all other stakeholders through incessant improvement and sustainable operation and completed the 2013 Corporate Social Responsibility Report.

The key to business success lies in focused operation. Unimicon's vision is to become "a world-class high-tech company recognized for our high added value, high service quality, high productivity, and emphasis on innovative services". In the long term, Unimicon embraces Total Quality Management (TQM), values customer satisfaction and supreme quality, persists in innovation and improvement and advances its operation performance in order to become one of the leading companies in this industry. Besides, through innovative green thinking, development of high-end products and expansion of capacity, we will always adhere to the commitment to environmental sustainability and corporate social responsibility while seizing market opportunities. Unimicon has been aiming at and fully dedicated to clear objectives and will always be.

In 2012 Corporate Social Responsibility Report, the mid-term plan for 2013- 2015 defined for the management team is as follows:

Target Enhance Enterprise Value by Innovation, Breakthrough and Development of New Markets

- **Master Industry Trends and Seize New Markets Opportunities.**
- **Enhance Operation Performance through Resources Integration and Cross-Functional Cooperation.**
- **Enhance Operation Performance through Resources Integration and Cross-Functional Cooperation.**
- **Streamline Processes and Organizations and Nurture Key Talents.**
- **Sustain Eco-Friendliness and Fully Shoulder Corporate Social Responsibilities.**

Providing services of higher values to customers is the foundation stone for Unimicon's success. Through the achievement of the mid-term plans, Unimicon is going to march to the future with firmer steps.

On the mission of humanity respecting management and earth protection, Unimicon's corporate social responsibility is based on such core themes as Emphasize Performance, Respect for People, Cherish the Planet.while ensuring our sustainable growth and becoming a model citizen in the global village. Unimicon will never change the seven promises made in 2012 Corporate Social Responsibility Report and will ponder how to further innovate so that the content of the Report corresponds more to the actual operation. Therefore, this year, we broadened the scope of information revelation and added information with regard to our plants in East and South China. Same as our previous CSR reports, this year's CSR Report has been assured by SGS-Taiwan to meet the requirements G3.1 Application Level A+ and AA1000 Assurance Standard (2008) type 1, moderate level. We also introduced GRI G4 and added concepts such as supplier management as the preparation for G4.

Foreseeing 2014, we are holding a flattened economic growth. With leading companies launching new models one after another, smartphone & tablet will still be the main stream in the end market. Keeping more intelligent and thinner tendency, electronic products will promote demands of high-end manufacturing processes for ICs, substrates and HDI boards with 3D packaging, embedded components and fine-line solutions. To meet slim and light mechanical structures and multi-functional requirements, customers also increase the proportion of flex and rigid-flex PCB designs to improve layout density and reliability in limited spaces. Meanwhile, the development of wearable devices, automotive, biomedical electronics and intelligent networks of digital home as well as cloud applications, also contributes new business opportunities for us.

During such a period of rapid changes in global economy, we must strengthen market sensitivity, capture business opportunities and prepare for every challenge through organizational changes, lean management and enhancement of execution to stand out.All Unimicon employees shall continuously strive together for the next milestone!

Chairman and CEO

Unimicon Technology Corporation

1

About Unimicron



Carrier of Happiness Delivers Fineness

Headquartered in Kwei Shan Industrial Park, Taoyuan, Unimicron Corporation (hereunder "Unimicron") was established in 1990 and specializes in the manufacturing, processing, and sales of Printed Circuit Boards (PCB), High Density Interconnection (HDI), Flexible Print Circuits (FPC), Rigid-Flex boards, Carriers, IC burn-in and testing service.



Vision

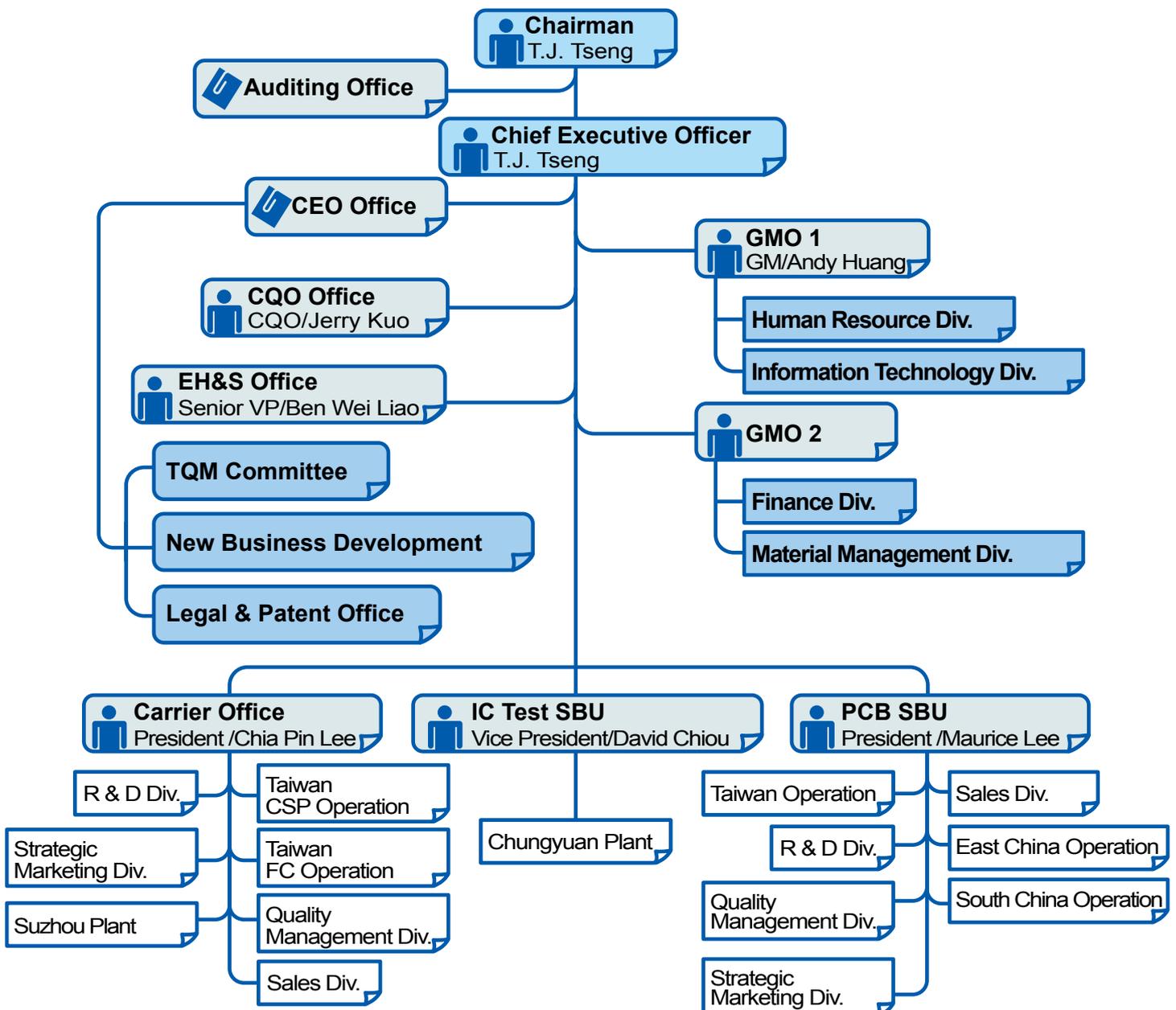


Unimicron's vision is to become “ a world-class high-tech company recognized for our high added value, high service quality, high productivity, and emphasis on innovative services”. In the long term, Unimicron embraces Total Quality Management (TQM), values customer satisfaction and supreme quality, and persists in innovation and improvement and advances its operation performance in order to become one of the leading companies in this industry. Besides, through innovative green thinking, development of high-end products and expansion of capacity, we will always adhere to the commitment to environmental sustainability and corporate social responsibility to maximize the benefits for our employees, shareholders, society, and all stakeholders.

Current Operation

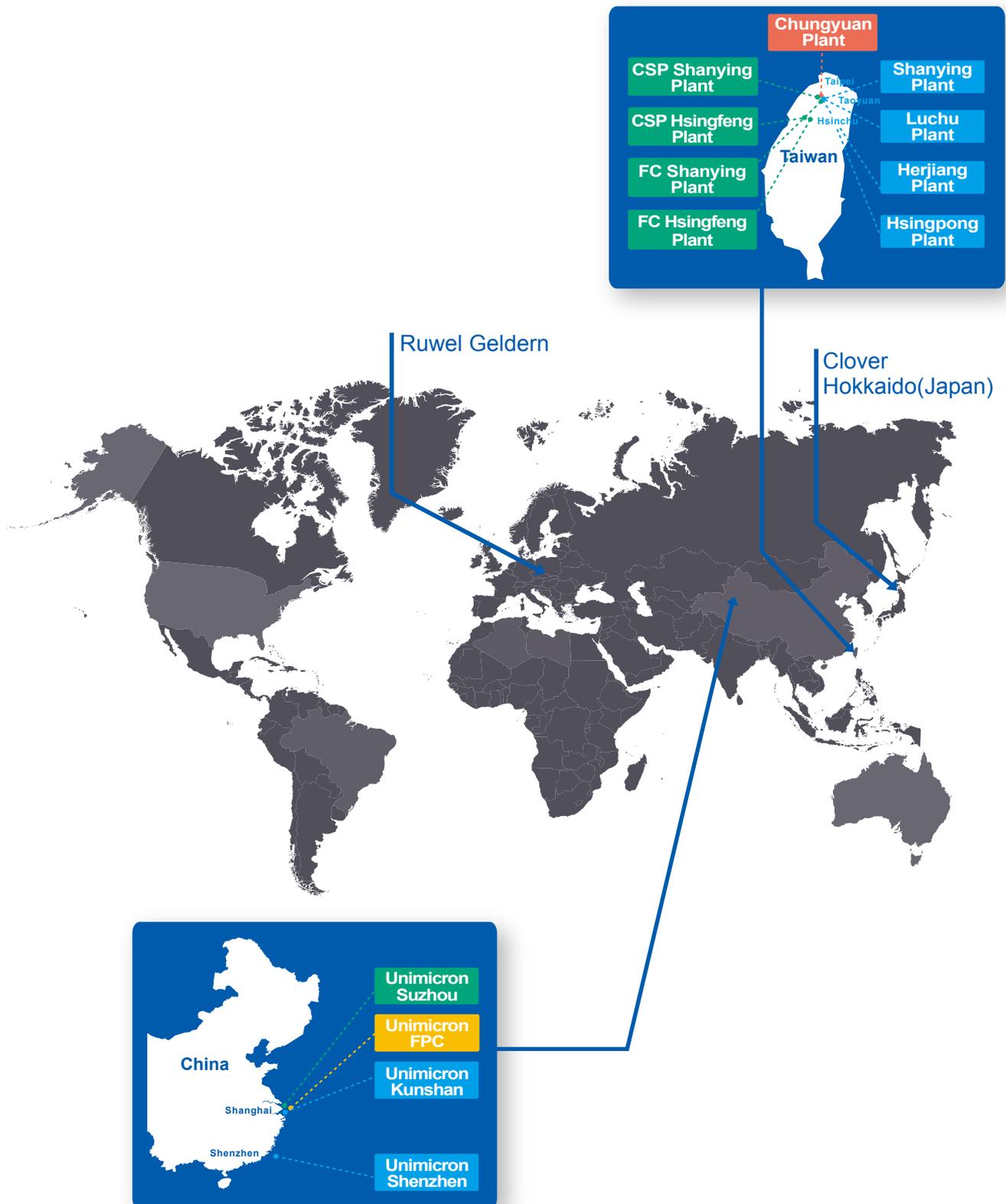


With operations mainly consisting of PCB, Carrier and IC testing SBUs, Unimicron is currently among top PCB and Carrier manufacturers in the world and major suppliers of HDI PCBs and Carriers for advanced mobile phones. The parent company, Unimicron Technology Corporation, is a TWSE-listed company in Taiwan. The organizational chart is as follows:



Please visit Unimicron's website for the latest organization chart.

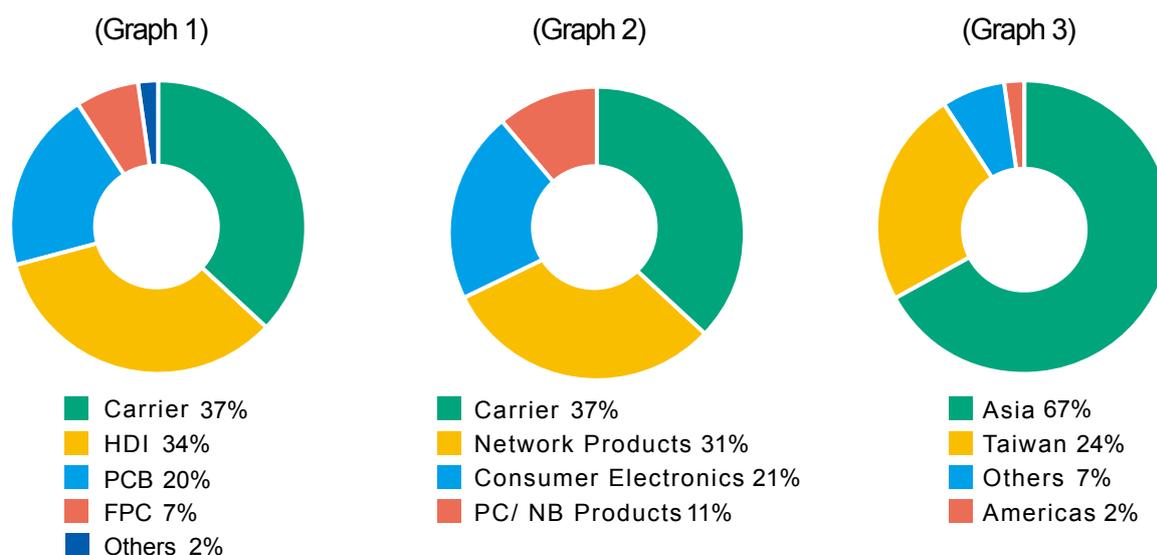
Unimicron currently operates major manufacturing sites in Taoyuan and Hsinchu, Taiwan, and plants in Shenzhen, Kuanshan and Suzhou , China- Plants in China specialize in the relatively mature PCB process and FPC operations while those in Taiwan are continuously transforming the high-end process capability to serve the market. In addition, to instantly respond to customers' demand, Unimicron has sales departments and representative offices in America, Europe, and Asia.



Note:PCB plants in blue color ,Carrier plants in green , IC testing plants in red,and FPC plants in yellow.

In 2013, market has regained confidence after Europe and the United States welcomed their steady economic improvement and Japan got rid of the shadow of recession. We also saw international raw material prices went down due to reduced hedging demand. However, because of the trends of mid-to- low price gadgets and shorter product life cycle in the electronics industry, component prices were squeezed, and the volatility of customer demand also increased the complexity and challenges of manufacturing services. Although China has become an important momentum in emerging markets, manufacturing costs were raised in parallel. Furthermore, competitors' capacity expansion and Japanese yen depreciation are also unfavorable to the price stability. All of such causes have made a great impact on operation and profitability of this industry.

Unimicron's consolidated revenue reached NTD. 59,934 million. The consolidated net income was NTD 956 million, a decrease by 11.2% and 70.7% respectively from the previous year. The sales breakdown by products (Graph 1), application (Graph 2) and geography (Graph 3) respectively is as follows:



◎ Consolidated Financial Performance

Year	2009	2010	2011	2012	2013
Net Sales	43,697,055	65,047,944	66,146,973	67,490,211	59,934,614
Cost of Goods Sold	36,671,561	53,259,996	55,705,648	57,689,317	53,377,165
Gross Profit	7,025,494	11,787,948	10,441,325	9,800,894	6,557,449
Operating Expenses	2,919,955	3,931,404	4,457,277	5,329,205	5,453,114
Operating Income	4,105,539	7,856,544	5,984,048	4,471,689	1,104,335
Interest Expenses	355,101	307,768	328,692	459,521	445,549
Net Non-Operating Income and Expenses	72,292	-10,195	-230,685	-621,822	-322,157
Income Before Tax	4,177,831	7,846,349	5,753,363	3,965,808	1,213,143
Income Tax Expenses	372,888	537,121	762,620	700,474	256,898
Net Income	3,639,005	7,116,434	5,009,957	3,265,334	956,245

Unit NTD. 1,000

◆ Note: 1. To present comprehensive performance, the financial data are from the company's audited consolidated financial statements; Please refer to Basis for Preparation of the Consolidated Financial Statements with regard to the subsidiary companies, whose financial performance is incorporated into the consolidated financial reports.

2. Consolidated financial reports for 2012 and 2013 are produced in accordance with IFRSs.

3. Employee benefit expenses for 2012 and 2013 are NTD 10,915,359,000 and NTD 10,845,947,000 respectively.

Please refer to Unimicron's 2013 Financial Report on the website of Market Observation Post System in respect of asset, liabilities and equities, reinvestment and other financial information. For PCB production volumes, please refer to Operation in 2013 Annual Report of Unimicron.

◎ Unimicron's Mid-term Plans for 2013~ 2015



In response to the challenging business environment, we have prudently set our strategies for short term, mid-term term, and long term development. Our goal is to Enhance Enterprise Value by Innovation, Breakthrough and Development of New Markets. Echoing the five major strategies, we established our Research and Development Building in our Taoyuan Plant. The new IC substrate plant, which started construction at the end of 2012 and would mark the beginning of a brand new era in Taiwan, will gradually begin mass production in the second half of this year in response to the future technology development of semi-conductors and the customer's demand for products of the next generation. This project will not only lead the company into world-class advanced substrate technology, but also enhance the company's competitiveness in quality, manufacturing and service. The expansion plan for PCB/HDI business in Jining, Shandong will also complete the building this year and begin trial run

in May of next year to grasp the coming peak season in the second half of 2015. Through the development of new technologies and new capacity, we expect to capture market opportunities to achieve steady growth and profitability.

In addition to deployment in the Cross-Strait regions, Unimicron increased investment into UniDisplay Inc. to acquire control over it in 2012, Unimicron also invested in and acquired newly issued shares of and the control over NEOCONIX in 2013. The major business scope of NEOCONIX is in design and manufacturing of micro-sized electric connectors with high capacity. It is hoped that this investment is going to boost the market development of Unimicron. China has been playing a significant role in Unimicron's future development. For the past years, the local government has been emphasizing the balance among economic development, environmental protection and the harmonious society. In order to minimize the risks against local operation and maximize opportunities, Unimicron's action are as follows:

1. Focus on the development of science and the innovation of technology and equipment.
2. Emphasize environmental protection and energy saving and green supply management, and reduce waste emissions.
3. Improve labor productivity, accelerate the progress of equipment automation.
4. Accelerate the development and investment in China and strive for more advantages and resources.
5. Improve employee welfare, promote the harmony of employee's family and boost employee's happiness. The action plans and performance corresponding to major strategies in 2013 will be elaborated in the later sections of this Report.

Awards and Recognition in 2013

◎ Important Awards and Recognition of the Year



◎ Awards and Recognition for Plants

Award Type	Awarded Plants	Award Title	Issuer
Social Responsibility	Unimicron Technology	Top 50 of Taiwan Corporate Sustainability Report Award	Taiwan Institute for Sustainable Energy.
	Unimicron Technology	Corporate Social Responsibility award –Friendly Workplace and Happy Enterprise Premium Award by New View Magazine	New View Magazine
	Unimicron Technology	“Best Employment” Gold medal award for 2013 from Taoyuan County Government	Taoyuan County Government
	Taoyuan Plant, Unimicron Technology	Recognition for The Top Ordering Parties by Taoyuan County Shelter Workshop	Taoyuan County Government
	Unimicron Technology (Kunshan) Corp.	The Everlasting Benevolence and Eternal Philanthropy Award	High-tech Zone, Kunshan
	Unimicron Technology (Kunshan) Corp.	Recognized as the Exemplary Site for Home for Workers	Kunshan Federation Of Trade Union
Quality	Unimicron Technology	The 26th National Solidarity Circle Contest	Corporate Synergy Development Center
	Unimicron Technology	ASE Group Best supplier Award	ASE Group
	Unimicron Technology	Xbox One Launch Partner	Microsoft
	Unimicron Technology	Partner Awards 2013	Sony Mobil
Safety and Health	Unimicron Technology	The Seventh "National Industrial Safety & Health Award"	Ministry of Labor, Executive Yuan
	Hsingpong Plant, Unimicron Technology	Injury-Free Work Hour Record	Ministry of Labor, Executive Yuan
	Shanying Plant, Unimicron Technology	Champion, 2013 Excellent Nursery Room Evaluation, Public Health Bureau, Taoyuan County	Public Health Bureau, Taoyuan County
	Hejiang Plant, Unimicron Technology	Five Star Award for Labor Safety and Health	Ministry of Labor, Executive Yuan
	Unimicron-FPC Technology (Kunshan) INC	Jiangsu Province Health Promotion Exemplary Enterprise	Patriotic Health Campaign Committee, Jiangsu Province
	Unimicron-FPC Technology (Kunshan) INC	Advanced Unit of Cafeteria Health (Safety) Management	Kunshan Patriotic Health Campaign and Health Promotion Committee
	Unimicron Technology (Kunshan) Corp.	Recognized as 2013 Health Unit	The WHO Health City Cooperation Center
Environment Protection	Jingzai I Plant, Unimicron Technology	Won the 22nd Session Executive Yuan R.O.C Corporate Environmental Protection Award (Won the Award for the three consecutive years so an honor award is won additionally.)	Environmental Protection Agency, Executive Yuan
	Jingzai I Plant, Unimicron Technology	2013 Best Environment Protection Specialist (Chijing Luo)	Environmental Protection Agency, Executive Yuan
	Jingzai I Plant, Unimicron Technology	Taoyuan County Seventh Excellence Green Award	Taoyuan County Government
	Unimicron Technology (Kunshan) Corp.	Four Star Award of Energy Star	Suzhou Municipal People's Government
	Unimicron Technology(Suzhou) Co., Ltd.	Three Star Award of Energy Star	Suzhou Municipal People's Government
	Unimicron Technology(Suzhou) Co., Ltd.	Municipal Speedy Information Infrastructure	Suzhou Municipal People's Government
	Unimicron Technology(Suzhou) Co., Ltd.	Jiangsu Province Water-Saving Enterprise	Suzhou Water-Saving Office
	Unimicron Technology(Suzhou) Co., Ltd.	Environmental Protection Investment Introduction	Suzhou Industrial Park Environmental Protection Bureau
	Unimicron-FPC Technology (Kunshan) INC	Ten Best Foreign Enterprises of Sustainable Development	Kunshan People's Government
	Unimicron-FPC Technology (Kunshan) INC	Won an honorable title as Qualified Enterprise	KunShan Economic and Information Technology Commission / Kunshan Environmental Protection Bureaus
	Unimicron Technology (Shenzhen) Corp.	2012 Pengcheng Waste Reduction Pioneering Enterprise (annually evaluated and awarded medals for the past two years)	Pengcheng Waste Reduction Action Steering Committee
	Unimicron Technology (Shenzhen) Corp.	2012 Baoan Energy-Saving Pioneer (annually evaluated and awarded medals for the past two years)	Recycling Economic and Energy Saving Leading Team, Baoan, Shenzhen



Managerial Operation of Corporate Social Responsibility



**With Heart We Care;
Happiness We Share.**

Issues of sustainable development, including changes in urbanization of global demography and climate, have revolutionized the rules of global supply chains. Unimicron, as a world class supplier in the PCB and Carrier industry, may seize new market opportunities through well understanding these issues while managing and pondering, in the long-term and systematic manner, the significant risks impacting industrial development. To achieve this goal, we established the Unimicron Corporate Social Responsibility Management Committee in 2010, with top management as advisory committee members and high level managers in charge of different functional sub committee operations. Unimicron has developed management guidelines on critical CSR issues through the Committee and its working groups (whose members include representatives of Finance, Investor Relations, Human Resource, EH&S, Information Technology, Material Management, and Customer Service departments). Our corporate social responsibility is based on such core themes as 3Ps: Emphasize Performance, Respect for People, Cherish the Planet in order to ensure business sustainable growth and become a model citizen in the global village. Our seven promises are as follows:



Seven promises



01



To enforce corporate governance, improve information transparency, and protect and respect the interests of shareholders and stakeholders.

02



To manage the Company on high ethical standards, require all employees to comply with laws and integrity principles, respect human rights, protect intellectual property, and prevent fraudulent conveyance which jeopardizes the rights of the Company, customers, and suppliers.

03



To strictly comply with local labor laws, customer requirements, the Electronics Industry Code of Conduct (EICC) and other international standards and ensure equal employment opportunities, humane treatment, employee communication, and working conditions.

04



To establish a supplier management system and standards, regularly communicate with suppliers to found a stable, sustainable, and win-win partnership, procure environment-friendly products and forbid the use of conflict minerals.

05



To participate in social welfare and emergency relief activities in accordance with the philosophy of "Taking from the Community and Giving back to the Community" to share love, to give back to the community, and to fulfill our responsibilities as a corporate citizen.

06



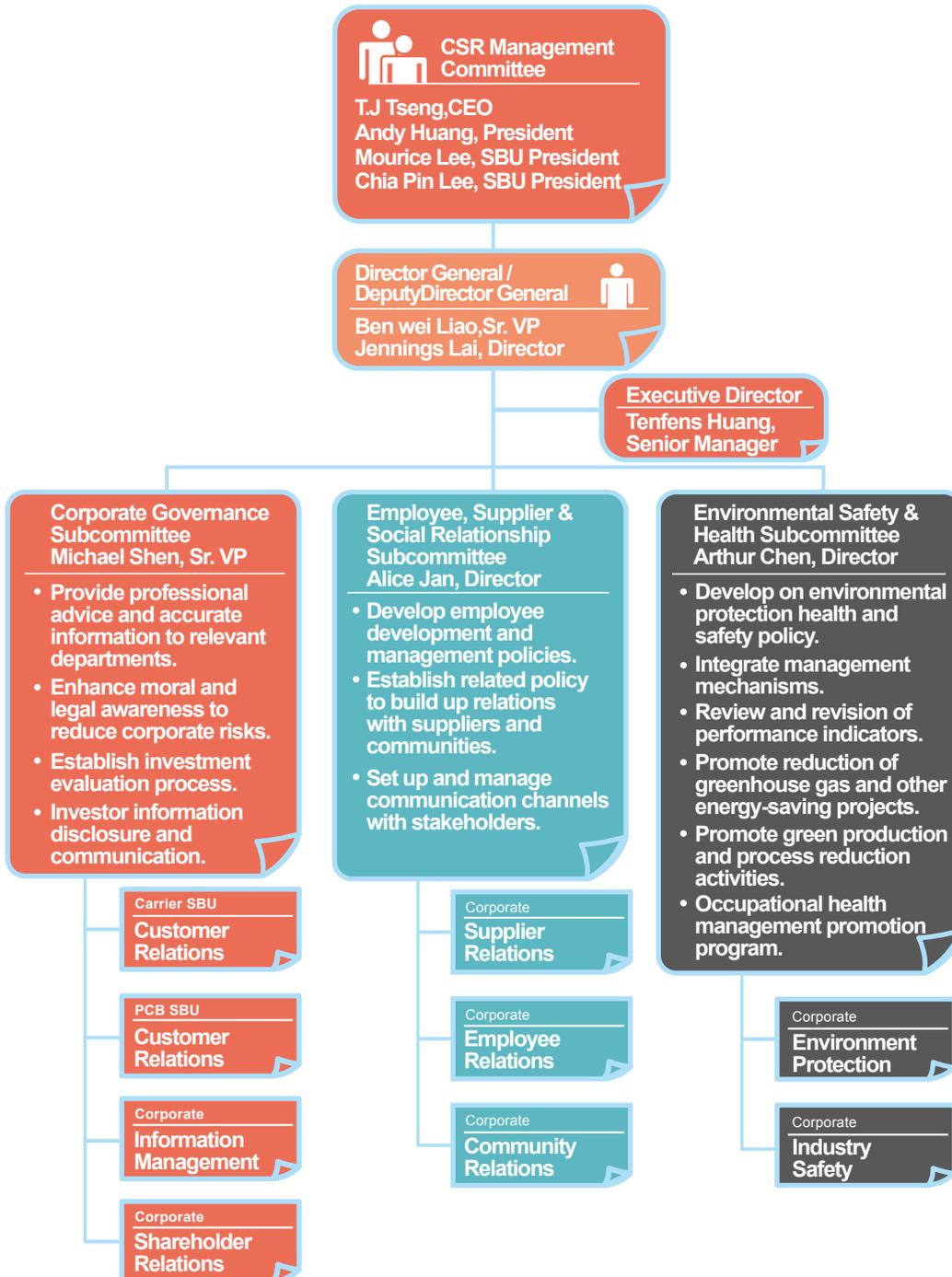
To continuously enhance our technology standards and innovation in order to meet customer and market demands; remain actively involved in environmental initiatives and lower production costs to solidify our core competency.

07



To enforce implementation of environment and hazardous substance management systems, comply with environmental protection and industrial safety regulations, join the green movement - "Reduce, Reuse, Recycle", implement energy conservation and waste reduction, and build a safe and comfortable working environment.

When CSR Management Committee just commenced its operation, members participating in normal operation and the data compilation are mostly in Taiwan. Through contacts, communication is made to plants in China for complete execution of policies of the head office. Nevertheless, starting from the identification of stakeholders/material issues and the compilation of data, we gradually incorporate staff in China into participation and feedback in hopes that Unimicron's corporate social responsibility management is seen a thorough scope and a more evident outcome. CSR Management Committee reviews its annual performance through achievement of Key Performance Indicators (KPI) and the result of external review on sustainable development. The result of performance review is submitted to the Chairman of CSR Management Committee, Mr. TJ Tseng.



Communication with Stakeholders and Identification of Material Issues



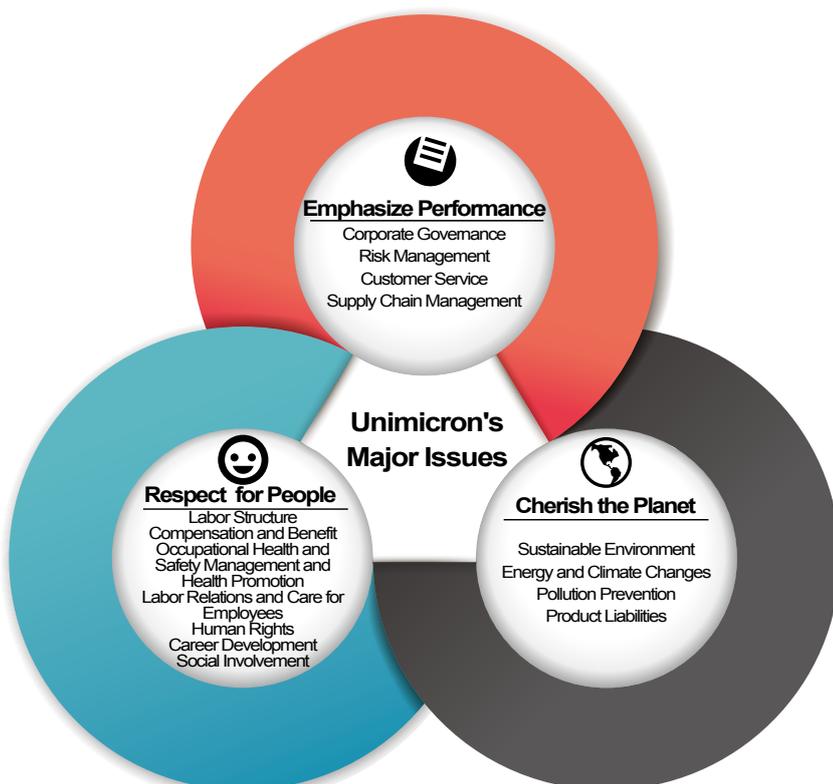
In addition to discussion and planning among members of CSR Management Committee, the Committee also communicate and cooperate with stakeholders to carry out tasks of corporate social responsibility so that we can minimize our operational risks and seize the growth opportunities. We have adopted the five major principles outlined in AA1000 SES (2011) to define stakeholders, including

- ⊙ Dependency
- ⊙ Responsibility
- ⊙ Influence
- ⊙ Tension
- ⊙ Diverse Perspectives

Unimicron’s stakeholders are defined accordingly on the yearly basis for the purpose of following communication. This time we conducted evaluation on all possible stakeholders through contacts windows of corporate social responsibility in Taiwan and China and integrated the perspectives of the top management team. In addition to employees, customers, government, stakeholders, investors, who have been identified for past years, suppliers are added as one of the major stakeholders of Unimicron- this result is consistent with the trend that the supply chain has become the focus of attention in the electronic industry. Other stakeholders include communities, bank/ creditors, NGOs, industry associations, insurance companies and media. The details are graphed hereby.



■ Primary Stakeholder ■ Secondary Stakeholder



After identifying key stakeholders, we, through major CSR contacts for Taiwan and China, other staff members and external stakeholders, probed into the degree of attention which stakeholders paid to each issue and the according impact on the Company. After consulting with the management team, we integrated material issues on sustainable development as the Graph so we can focus and take responsive action plans, which are disclosed in the later section.

On the daily basis, Unimicron communicates and interacts with these stakeholders through the channels in the following table.

Stakeholder	Category	Communication Channels	Communication frequency
Shareholder/ Investor	Individual Shareholders	<ul style="list-style-type: none"> » Annual shareholder' s meeting » Quarterly Investor meetings » Quarter/ annual financial reports » Responses to telephone or email inquiries and requests » Disclosure of material information on official website 	<ul style="list-style-type: none"> » Once a year » Four times a year » Four times a year » From time to time, at any time » From time to time, at any time
	Institutional Shareholders	<ul style="list-style-type: none"> » Quarterly investor conference » Local and international investment forums (including international road shows) » Meetings or phone contacts with investment institutes 	<ul style="list-style-type: none"> » Four times a year » 7 times in 2013 » From time to time
	Board of directors	<ul style="list-style-type: none"> » Board meetings » Audit report » Yearly Internal Control Statement » Compensation Committee 	<ul style="list-style-type: none"> » 7 times in 2013 » Regularly » Regularly » Twice in 2013
Customer		<ul style="list-style-type: none"> » Audits » Sales meetings » Customer satisfaction surveys » Technical seminars » EICC/CSR Audits 	<ul style="list-style-type: none"> » Regularly » Regularly » Regularly » From time to time » Regularly
Employee		<ul style="list-style-type: none"> » Direct supervisors » Dedicated HR staff » Company website » Company bulletin boards » Opinion mailbox for employees » Employee seminars/regular labor forum » Employee satisfaction surveys » Monthly meetings at each plant » Appropriate channels for employee grievances » Welfare committees and employee clubs » Functional committees » Themed activities » Training courses and policy promotion meetings 	<ul style="list-style-type: none"> » From time to time, at any time » From time to time, at any time » From time to time/ Quarterly » Once a year » Regularly » From time to time, at any time » From time to time » Regularly » From time to time » From time to time
Supplier		<ul style="list-style-type: none"> » Regular supplier meetings » Regular audits, evaluations, and assistance » Channel for supplier complaints » Technology seminar » Horizontally expanded projects » Supplier management platform » Supplier training 	<ul style="list-style-type: none"> » Regularly » Regularly » From time to time, continually » From time to time » From time to time » Regularly » Regularly
Government and Competent Authority		<ul style="list-style-type: none"> » Official documents » Reply to inquiries of competent authorities and supplementary information » Disclosed information and relevant reports as required by authorities » Participate in the workshops held by the competent authority » The Information Disclosure and Transparency Ranking 	<ul style="list-style-type: none"> » From time to time » Once a year
External Appraisers		<ul style="list-style-type: none"> » Corporate Credit Rating » Questionnaires » Contests 	<ul style="list-style-type: none"> » Once a year » From time to time » From time to time
Media		<ul style="list-style-type: none"> » Interview » Press releases 	<ul style="list-style-type: none"> » From time to time » From time to time

Goal Achievement and Planning



As previously mentioned, CSR Committee of Unimicron placed its focus of integration on Taiwan during the early phase of its operation. The setting and planning of general goals was also based in Taiwan. The achievement of major goals in Taiwan for 2013 and the plans for 2014 are as follows. Plants in China also set their goals and, each quarter, track and report their execution to the head office- The goal setting and plans for Unimicron Group is an important task for the next phase of our CSR management.

Theme	Focus	Performance Indicator	Target of 2013	Result in 2013	Accomplishment	Target of 2014
Labor Relations	Advance the labor system and execution.	No Violation Ticket against labor condition	0	0	●	0
	Promote care for employees	Interview and assist new engineers	Complete rate as 100%	Accomplished	●	None(The staged task is completed)
Social Participation	Nurture talents with professional skills.	*Higher education: scholarship and assistantship for six master/ PhD candidates* Internship for undergraduate, master and PhD students.	Accomplish the plan.	Accomplished	●	Raise the quota to 8 candidates.
	Fund minority students	Scholarship for low-income senior high school students	Accomplish the plan.	Accomplished	●	Continue the scholarship
	Community Feedback	Sponsored Guei-Shan Township with the three-stage baseball system.	Accomplish the plan.	Accomplished	●	Continue the scholarship
Supply Management/ Product Liabilities	Require commitment from new suppliers to corporate social responsibilities/ integrity	The ratio that new suppliers sign the Acknowledgement Notice on Corporate Social Responsibility Agreement/ Agreement on Integrity	100%	100%	●	100%
	Fully carry out green material procurement	Ratios of direct and indirect green procurement	100%	100%	●	100%
Occupational Safety and Health	Control over Frequency-Severity Indicator (FSI)	Under 0.095	Under 0.095	0.08	●	Under 0.075
	Reduce the three industrial injuries (fire, chemical and occupational injuries)	The number of accidents involving three major injuries	0	0	●	0
Sustainable Environment	Promote the energy-saving project to reduce carbon emissions.	Amount of greenhouse gas emission reduced	2,000 tons of CO2e	4,422 tons of CO2e	●	2,000 tons of CO2e
	Promote the water-saving project to save water	Amount of water saved	360,000 tons	862,132 tons	●	200,000 tons
Corporate Governance	Carry out Personal Information Protection Act	No violations	0	0	●	No major information security incident.
	Escalate information disclosure and transparency	Score on improvement of the Information Disclosure and Transparency Ranking	4 points	7 points	●	None(The staged task is completed)
	E-Learning on Insider-Trading Prevention	Completion rate	80%	88%	●	None(The staged task is completed)
	Customer's satisfaction on CSR audit.	The quantified score on the audit report.	Customer's satisfaction on CSR audit. \geq 4 points	PCB:5 Carrier: No audit	●	Customer's satisfaction on CSR audit. \geq 4.5 points

In addition to continual items from 2013, other new tasks being implemented in Taiwan for 2014 include public space improvement, consecutive acquisition of workplace health self-certification, the project report on corporate operation-related laws, and training on Electronic Industry Code of Conduct (EICC). Furthermore, the Company also tried to objectively understand the performance through participating in major evaluation contests in work safety, environmental protection and information disclosure. Plants in East and South China also set goals and action plans for local material issues. The according performance is presented in later sections.



Emphasize Performance

Governance with Heart

We have been caring about our society and advancing ourselves for corporate governance with our heart. We are convinced that realizing CSR is just like farmers growing crop. If you irrigate it with your heart and cultivate it carefully, you will harvest plenty.

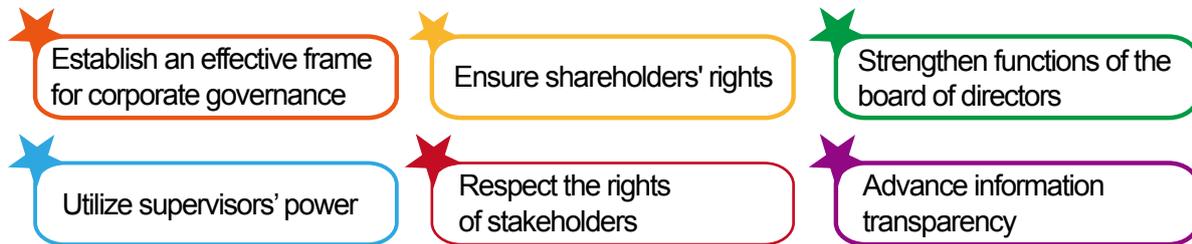
Unimicron aims to be a pioneer in the PCB industry. In addition to persistently being the bellwether for R&D, quality and innovation, we also hope to continue advancing our performance in corporate governance, risk management, customer service and supply chain management through visionary thinking in order to be better prepared for changeable business environment in the future.



Corporate Governance



Since the establishment of Unimicron, we have been introducing and implementing practices of corporate governance in conformity with the following six principles:



The Board of Directors is comprised of nine directors and three supervisors with three independent directors, including 1 female director and 1 female independent director. With professional backgrounds across business management, finance, science and engineering, and psychology, these directors are experts in atomic energy and vacuum science, psychologists, chief financial officers in listed companies and managers in the high-tech industry. Empowered by their rich and diverse background and professional expertise, the directors provide professional advice from different perspectives for us to carry out corporate governance more effectively. In terms of ages, the average age of directors and supervisors is 57. (Notes: Unimicron hold a re-election for directors and supervisors in June 2014. The data was before the election.)

According to the Rules and Procedures of Board of Directors Meetings, board meetings are held at least once each quarter to thoroughly review corporate performance and analyze strategies for our future development. 7 board meetings were called in 2013. Major approved issues were instantly disclosed on Market Observation Post System after the meeting. Currently, Mr. T. J. Tseng is the chairman and he also serves as the Chief Executive Officer in the company. This arrangement, on one hand, allows the Board of Directors for a probe into critical corporate issues, and, on the other hand, fortifies strategy implementation of the management team. Board members are highly disciplined, and, when a conflict of interest arises against any member, this member will excuse themselves from the discussion and voting. Details on their attendance of meetings and advanced training are disclosed in Annual Report for investors and shareholders to fully understand the operations of the Board.

To prevent liability and financial loss caused by litigation brought up by shareholders against directors and supervisors as they undertake their responsibilities, Unimicron started to purchase liability insurance for them in 2003 to protect the rights of directors and supervisors.

For the aforementioned six corporate governance principles of Unimicron, the focuses and performance of our corporate governance for 2013 are as follows:

◎ Compensation Committee

To professionally and objectively assist the Board to implement and evaluate compensation policies and programs of directors, supervisors and managers, Unimicron established the Compensation Committee in 2011. Currently, there are three members in the committee, who are all served by independent directors and observe the Article of Incorporation of Compensation Committee.

Two meetings were held in 2013 and attended by Chairman and executive of Human Resources Department in addition to three committee members. In these meetings, the compensation of directors and supervisors, annual salary raise, profit sharing and annual bonus for managers were discussed. The average attendance rate of the two meetings was 83%. The qualifications and independence of every committee members and the operation of the committee are disclosed in the Annual Report for investors and shareholders complete understanding.

◎ Supervisor System

The Board of Directors consists of three distinguished supervisors with extensive experience in financial tax management and they are knowledgeable in respect of corporate finance laws and regulations. Their responsibilities include supervising the execution of business operations, regularly reviewing audit reports and documentation submitted to the shareholder's meeting by the auditing office, providing appropriate recommendations, and attending board meetings in order to understand the operation of the Board.

Currently Unimicron's supervisor system is operated smoothly. However, to meet the timeline on which Financial Supervisory Commission requires TWSE/GTSM-listed companies to set up an auditing committee, the Company will persistently plan the establishment of an audit committee.

◎ Internal Audit

To thoroughly review and assess the effectiveness of the internal auditing system, performance and efficiency of operations, reliability of financial reports and compliance with applicable regulations, we have set an internal auditing mechanism for the Board, and the internal auditing managers of Unimicron attend Board meetings to regularly report on the result of annual audits in order to ensure internal auditing will stay effectively implemented. In addition, corrective measures are recommended on a timely manner in response to the flaws of business found in all departments and subsidiaries.

The major tasks of internal audits can be categorized into five frameworks: 1. Environmental control; 2. Risk assessment; 3. Control procedure; 4. Information and communication; and 5. Supervision. They include operation procedures involved in the following nine major transaction cycles: sales, collection, procurement and payment, production, payrolls, financing, fixed asset, investment, computerization, and R&D. The implementation of internal audits depends on the auditing plan produced according to annual risks that Unimicron is exposed to and this internal audit includes routine and irregular internal audits. The auditing frequency and tasks are shown as the following table. A total of 53 audits were carried out in 2013 and 6 flaws were found. For these six flaws, we have followed up and re-checked on a quarterly basis. These flaws were 100% corrected.

◎ The Result of Internal Audit for 2013

Operation Frequency	Tasks
» Once per month	» Engage in derivative product transaction
» Once per quarter	» Manage loans to and endorsement and guarantee to outside parties
	» Management procedures on transactions of related parties
	» Supervision and management procedures on subsidiaries
	» Management procedures on operation of board meetings
	» Management procedures on operation of compensation committee
» Once per year	» Management procedure on prevention of insider trading
	» Management procedures on applications of IFRS, process of professional accounting judgments and changes of accounting principles and estimate
	» Control on security of information flow
	» Sales and collection cycle
	» Procurement and disbursement cycle and other operational cycles

◎ Electronic Voting

Unimicron have been adopting electronic voting since our 2012 annual shareholders' meeting. The votes exercised electronically in 2013 accounted for 32.09% of total issued shares and 40.09% of the attending shareholders.

In 2014, we will re-elect our directors and supervisors. To ensure that electronic voting will be conducted smoothly, we amended the Company's article of incorporation and "The Procedures for Electing Directors and Supervisors" in 2013 so that election for directors and supervisors is conducted in the nomination system to maximize shareholders' willingness to participate and vote and to protect shareholders' rights. In addition, we voted every recognition item and discussion item by poll in 2013 Shareholder's Meeting and announced the voting turnout and results in the meeting to completely manifest shareholder's support for motions.

◎ Information Transparency

We complied with the regulations and policies made by the competent authority and completed all required notices. Investors can inquire company data through Market Observation Post System. The company website not only discloses financial information, technological research and development and the performance of corporate social responsibility, but also provides important corporate policies to download. In 2013, Unimicron also volunteered to declare Corporate Governance Self-Assessment Report so that all stakeholders can download the report through Market Observation Post System or the link on the company website for further understanding on corporate governance.

Each quarter, Unimicron regularly holds the investor conference to disclose the consolidated financial results, operational performance and prospects and provide the link of related data and video files of the conference through the website of the Company and Market Observation Post System for investor's reference. Also, we attend various investor conferences every year and visit foreign investors for face to face communication and listening to their strategic recommendations.

Our dedication to information disclosure also won acknowledgement- the Securities & Futures Institute (Taiwan) conducts yearly reviews on the information disclosure of TWSE/GTSM-listed companies. The five evaluation

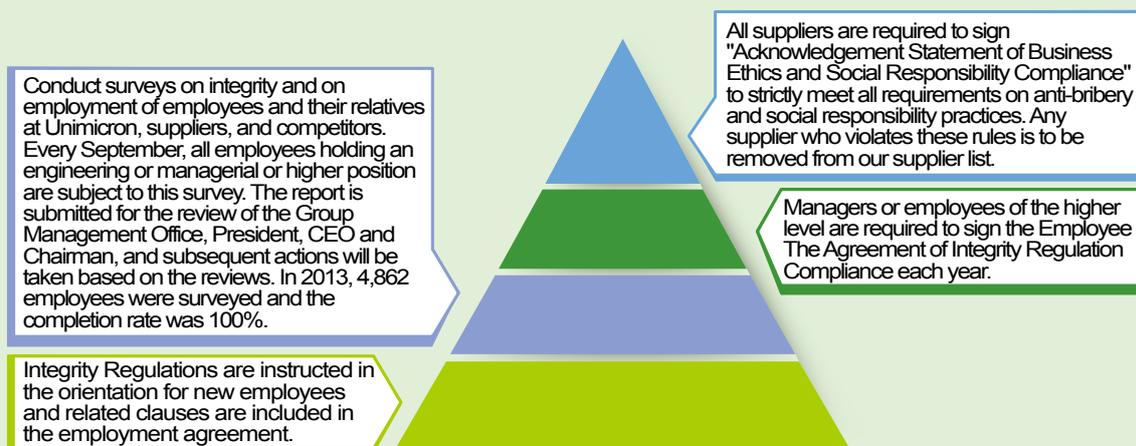
categories include "Compliance with the Mandatory Disclosures", "Disclosure of financial forecasts", "Timeliness of Reporting", "Disclosure of Annual Reports", and "Corporate Web site disclosure". Unimicron was ranked as the TWSE-listed Company with more information disclosure transparency for the first and second year and also received an A rating from the third to eighth year. For the ninth and tenth year, because of adjustment in the categories of the evaluations (the ranking was further divided from five levels into seven levels), our information disclosure was rated A-. The company will persistently meet the requirement of the evaluation index and, through project review, improve the disclosure of company information and elevate the quality and transparency of information disclosure.

◎ Code of Conduct

To realize our vision of becoming a world-leading company, employees are Unimicron's most valuable assets. In addition to professional skills, we pay more attention to integrity. Thus, we have developed "Integrity Regulations" and "Business Ethics and Code of Conduct", and specified rules on recruiting the relatives of employees and on our suppliers.

Respect for human rights, intellectual property protection, preventing the improper transfer of benefits so as not to harm the interests of company, customers and suppliers are our priority. Our Code of Conducts specifies the rights and responsibilities of each unit, the content of the operations, the conduct guidelines, and the rewards and punishments and it is countersigned by the heads of each unit as a company's standard operating procedure. Relevant provisions are included in the employment agreement of employees and are a required course for new employees. For example, we strictly forbid employees to accept and ask for commissions, rebates, gifts, presents, entertainment or other similar benefits from the company's competitors, suppliers or other business related external parties. Without the consent or approval from the company's top management, employees are forbidden to use company resources to provide political contributions or other donations for any public office candidates.

Not only are all our employees required for compliance, but we also adopt the following measures to ensure that the rules are properly implemented. These measures include :



◎ Education and Training

As business environments become increasingly globalized, policies of many countries expose us to the risks of anti-trust laws. In order to avoid negligent violation of these laws due to employees' unfamiliarity, we have been hosting anti-trust law workshops since 2010 and requiring the participation of all sales and high level managers in these workshops. In 2012, online training courses were launched so that employees on business trips and in the overseas plants can be involved in the training through E-learning. Meanwhile, we incorporated regulations and articles of antitrust laws into Code of Conduct. In 2013, 151 were required to take the training on anti-trust laws while 121 completed it, with the training rate as 80%.

In Taiwan, in response to the regulations of Securities Exchange Act regarding insider trading and equity transactions between insiders of TWSE-listed company and to avoid violations of related regulations by Unimicron personnel or insiders because of their unfamiliarity with or negligence of according policies and being penalized or fined by competent authorities, we established the standards of procedures on "Operation Procedures Regarding the Promotion of Insider Trading Prohibition and Standards on Insider's Equity Transactions of TWSE-Listed Company ". In addition to periodic training courses, the company also reminds insiders of according policies on occasions and sets up consultants, with expectation that subjects subject to these procedures can fully understand and comply with these legal standards. In 2013, 2,166 people finished the training on prevention of insider trading with the completion rate of 88%. We will arrange training courses in the second half of 2014 for staff who could not complete the training and the newcomers of 2014.

Risk Management

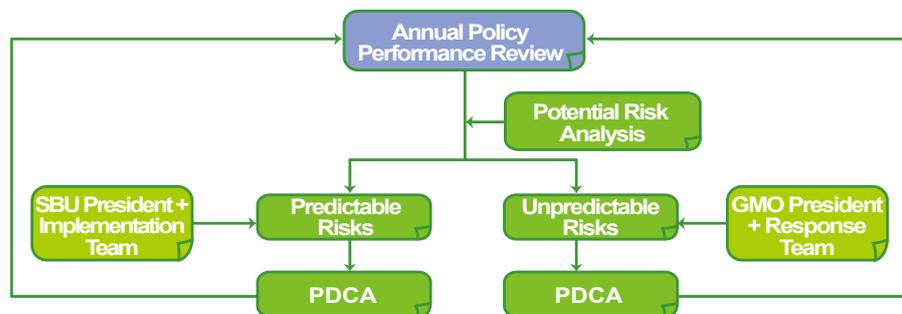


The scope of Unimicron’s risk management embodies all services and activities across all plants. Through Material Management, Human Resource, EH&S, Information Technology and Production departments under Business Continuity Planning (BCP) and other divisions, potential risk types and risk factors from natural environment, political environment, economic environment, management and controlling behavior and information technology are identified to quantify risk, define risk indicators and risk quadrants and evaluate and choose possible responsive measures, according to which action plans will be developed. This mainly aims to eradicate every possible risk factor through preceding understanding and constant alertness and supervision in respect of factors and signs of possible changes (including predictable and unpredictable risks) under systematic managerial mechanism. However, against those uncertain risk factors, we also formed a contingency team to formulate feasible response measures in advance and, through communication about risk signals, to sustain business operation, and guarantee the corporate values for Unimicron.

In addition, in order to advance information security of our products and offer customers greater protection, we introduced ISO27001 information security management system in 2013. Shanying Plant and Hsinfeng Plant are among the first which acquired certifications. The according experiences have been shared with Unimicron Technology Shenzhen Plant in China for establishment of the same management system.



Photo of ISO27001 Certificate



To avoid contingencies, unpredictable accidents or natural disasters (such as torrential rain or typhoons associated with climate changes), which may impact business operation and result in financial problems and losses, Unimicron purchased insurances to transfer risks. Currently we have purchased a number of insurances, including property insurance, business interruption insurance, installation insurance, flood insurance, and fire insurance in hope to minimize the loss.

Uncertain Factors	Preventive Procedures	Contingency Plan
Single Customer	<ul style="list-style-type: none"> » VIP & Strategic Accounts » 4 Window Analysis » Product Profile Management 	SBU President leading the Implementation Team
Single Plant	<ul style="list-style-type: none"> » Multiple Plants » Multiple Geographic Location 	SBU President leading the Implementation Team
Cash Flow	<ul style="list-style-type: none"> » Long/Short Term Bank Loan » Capital Investment Management » Receivable/Payable Control 	VP of Finances leading the Implementation Team
Single Supplier	<ul style="list-style-type: none"> » Multiple Suppliers » Alternative Materials » Safety Inventory » Pull-in System » Smooth Communication Channels 	GMO President leading the Response Team » VP of Material Management » VP of Operations / Production Management / Quality Management » VP of Sales
Natural Disasters	<ul style="list-style-type: none"> » SH&E Policy » Fire/Earthquake Drill » Government Regulation of Infectious Diseases » Information Sharing 	GMO President leading the Response Team » VP of SH&E » Director of HR

Customer Service

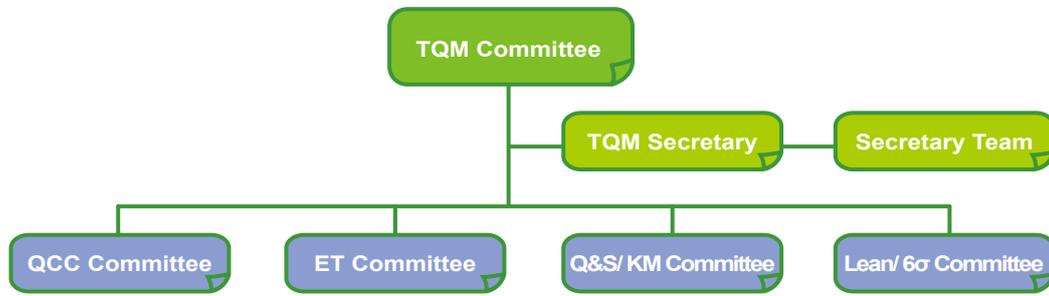


As a world class supplier in the PCB and Carrier industry, Unimicron embraces customers from all over the world. We pursue the goal of becoming the best business partner of our customers and dedicate our full effort to technology innovation and top-quality products along with comprehensive services in order to completely satisfy our customers.

In respect of CSR or environment protection, we communicate concepts and practical experiences with customers in Taiwan and China through customer's on-site audit. We also lead customers to pay a visit to equipment in Unimicron's plants and communicate on the management system and procedures so that customers understand our determination and effort on corporate social responsibility.

◎ Total Quality Management

Pursuit of quality is the core of Unimicron's corporate culture. Unimicron's TQM can be dated as early as 1996, when TQM Committee was first established. Chairman T.J.Tseng is a Fellow of the International Quality Association (IQA). For the past 20 years, he has not only been a quality ambassador, but also laid a solid foundation for our quality management. Currently our TQM Committee heads our quality management organization. Under TQM Committee, four subcommittees, such as QCC Committee, are established in order to completely promote quality management. Their according duties as detailed hereby:



» Operation of TQM

- Customer oriented management
- Deliver teamwork.
- Promote cross-functional management
- Quality is everyone's responsibility
- Continuous improvement
- Solidify the management of "Result" and "Process"
- Emphasis the concepts "Prevention matters more than inspection," and "Do it right at the first time."
- Policy-based Management + Daily Management
- Instill the quality value, develop common consensus, and establish fine business culture.

◎ QCC Committee

Promote QCC and Employee Suggestion Box. Monitor employee training, project progress and document all activities. Provide employee training result to Human Resources Dept. as the reference in the promotion review.

◎ ET Committee

Educate TQM concept and apply it in the work and life. Establish the training system by level and function in order to cultivate the talented person and internal teachers.

◎ Q&S / KM Committee

Continuous improves whole company quality by implementing of the quality system, and application of the knowledge management system.

◎ Lean / Six Sigma Committee

Develop Lean / Six Sigma action plan and KPI, monitor progress and propose improvement plan. Assist plant / department in selecting projects. Review and certify GB / BB / MBB.

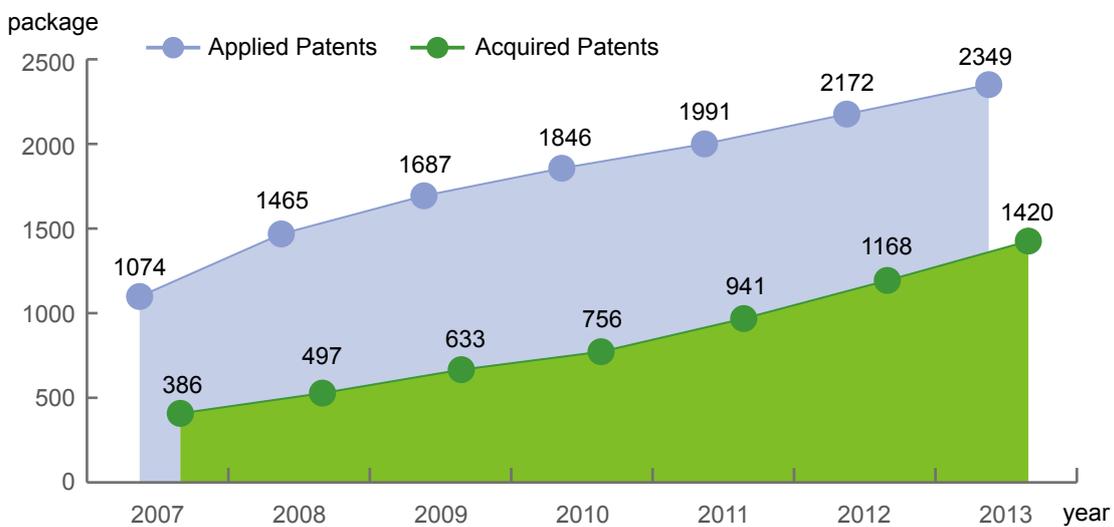
◎ Innovative Technology

It is rooted in our faith that only through continuously accumulating and improving human resources, equipment, capital, and other R&D prerequisites can we maintain our technical capacities, cultivate our technology and innovation capacity, and ultimately satisfy the needs of all our customers around the world. Thus, armed with strategies to strive locally in Taiwan and deploy globally, we have set up R&D centers in Taoyuan and Hsinchu. Besides introducing state of art equipment and recruiting brilliant RD talent, we have also committed large R&D resources. Currently, we invest about 2%~3% of our annual revenue in R&D related activities.

	Unit	2010	2011	2012*	2013*
Research and development expenses	Million(NT)	1,170	1,440	1,559	1,694
Total Revenue	Million(NT)	65,048	66,147	67,490	59,934
Ratio	%	1.80%	2.20%	2.30%	2.83%

◆ For 2012 and 2013, the consolidated financial reports were produced in accordance with IFRSs.

We place a considerable emphasis on intellectual property rights (hereafter IP rights). While IP rights have become the most valuable asset in the ICT industry, we not only highly respect existing technologies adopted in the industry, but also encourage our R&D engineers to aggressively innovate and develop proprietary technology to establish self-owned technology in order to become the leading company in the industry. As of the end of 2013, we applied for 2,349 patents worldwide and acquired 1,420 patents (the statistics counted in the patent families that applied patents in different countries). In PCB and carrier technology, Unimicron sustains a significant competitive advantage.



To ensure our products' lead in the world, we collaborate closely with our world-class material and equipment suppliers and adopt high-performance materials and state-of-art equipment during the new product development process. Meanwhile, we team up with world-class research institutes and academic communities both in Taiwan and oversea areas to jointly develop new products and technology. We set up postgraduate programs to broaden our R&D talent pool. We also cooperate with the peers in Japan and the US in order to develop innovative products which meet market trends and customer needs as well as earning satisfaction and trust from customers.

While We continue to pursue R&D, we are granted tax exemptions, investment tax credits, and subsidies from the government and subsidies for academia-industry cooperation programs (such as Micro-Linewidth Heterogeneous Carrier of Integrated Glass Interposer Development Project in 2013). In 2013, the total amount of financial support we received from the government topped NTD 300 million.

◎ Customer Satisfaction

To acquire thorough customer information and gain a deep understanding into their needs and expectations on our product quality and service, technology, price and delivery dates, we communicate with customers in following ways: Set up the fixed contact persons for customer service; Founded a VIP customer service team (whose leader is in the factory director level and communicate and discuss with customer every week); Quarterly meeting; Regularly visit our customers; and irregularly scheduled contact.

To fully master customer's demand and expectation, the plants in Southern and Northern China of Unimicron conducted regular "Customer Satisfaction Survey" semi annually for VIP customers and annually for important customers. Take PCB products as example, with the efforts of the employees of relevant department, the satisfaction score of all customers has been hiking every year, from 4.17 in 2010 to 4.37 in 2013 (with full marks of 5). We discuss ratification and improvement plans in the review meetings according to trends analyzed from gathered customer satisfaction questionnaires and customer QBRs scorecard, in order to implement corresponding measures, and incorporate these measures into departmental performance indicators. This not only elevates customer satisfaction, but also serves as our reference to adjust corporate strategies and development.

We understand that listening to the voice of customers and responding to customer expectation as soon as possible are the critical factors to create the revenue and expand the business territory. We regard customer's complaints and suggestions as our opportunity to enhance our communication with customers, to advance the consciousness of our customer management and crisis awareness and to improve ourselves incessantly. For that matter, in terms of the customers, we devised comprehensive, systematic and standardized procedures in order to provide a customer-oriented, active and highly effective response mechanism. At the same time, we ensure that their messages are delivered to the relevant departments or management for instant response to customer's need, protection of customer's rights, and elevation and fortification of customer loyalty.

Treatment Procedures	Channel	Channel Standard operating procedures (SOP)	Response
The quality complaint from customers and its responsive measures	Abnormality notice mail from customer	» Abnormality notice mail from customer complaint treatment procedure	» Confirm the clear situation with customer, if the responsibility of problem is not from the factory, we contact, notify the customers in detail within 4 hours by phone. If the customer complaint relates to HSF, GM Committee should be informed within 24 hours. If it is under sample developing phase, R&D department needs to check whether or not the abnormal situation is happened in the R&D phase.
Situation monitoring and response	Meeting minutes The Customer complaint Service treatment form	» Customer complaint treatment procedure » Non-conformance treatment procedure » The Norm of Returns processing	» Gathering the information of customer complaint and understand the cost of inferior and discard products and the customer requirement » Shall reply customer the preliminary situation of problems within 24 hours. No matter the complaint level is Serious, Major, Minor » Formulate the precautionary measures for future new product or mass production
The analysis and improvement of customer complaint		» Guidelines on product returns » The feedback procedure on quality correction	» Ask the responsible department to conduct the root cause analysis within the required time and implement the developed corrective strategies
Abnormality correction reply report	The Customer complaint treatment form	» Customer complaint treatment procedure » The feedback procedure on quality correction	» Trace and supervise the time limit of handling in the factory » Investigate the content gave by the responsible department and then transform it to the format what customer need
Follow-up on effect of improvement and according information management	The Customer complaint treatment form	» Continuous improvement in operation procedures » Customer complaint treatment procedure	» Supervising and implementing conformation in the corrective actions of customer complaint » Do the monthly information integration and the periodic review with the relevant QC » Keeps all the customer complaint treatment forms files in customer management operation system

◆ In 2013, there was no customer complaints on intrusion of customer's privacy or loss of customer's data. Neither was there any heavy fine on product or service under violation of laws.

With Unimicron's comprehensive effort and dedication to customer satisfaction, we won recognitions from our critical customers in 2013, such as Xbox One Launch Partner from Microsoft, Partner Awards 2013 from Sony Mobil and ASE Group Best supplier Award (the best service award).

Supply Chain Management



Inspired by our vision, "Be a world-leading company", we regard fulfillment of our CSR as our basic principle we follow for all our business activities. We understand that this helps Unimicron become an international company, and, thus, all our customers, employees, and collaborative suppliers must follow and enforce this guideline.

During early years, the attention to the supply chain was mostly paid to quality, cost, delivery time, finance, technology and services. Nevertheless, such incidents as a number of natural disasters, employee management, labor disputes, and environment pollution during recent years, which stroke the operation of key suppliers, have completely exposed the potential risks against the supply chain. If our suppliers fail in their management, not only does this failure influence Unimicron's image, but it also impacts our production. Thus, we team up closely with our customers and suppliers in order to construct a stable and sustainable supply chain and therefore establish a cross-departmental Supply Chain Committee so that a long-term partnership can be constructed to protect rights of both parties. The highlights are as follows:

- Integrity** All employees of Unimicron Technology must sign Agreement on Integrity. Under the Agreement, procurers must create maximum interests for the Company according to integrity.
- Supply Agreement** Unimicron complies CSR and EICC standards and actively asks its suppliers and its supply chain to fully comply with corporate social responsibilities.

Supply Chain Risk Management	On the principles of sustainable operation, Unimicron produced a comprehensive risk management plan. In addition, we also evaluate our supply chain thoroughly. At the same time, We ask our suppliers to present a sustainable operation plan as a risk factor of supply chain evaluation.
Quality Requirement on Green Procurement	Unimicron starts tracking and controlling in the beginning of raw material procurement to ensure the compliance with applicable regulation starts from product design. This measure aims to minimize the hazard that products cause against the environment during product usage and recycling.
Procurement Requirement of Unimicron	Unimicron established comprehensive procurement policies in compliance with regulations and customer's requirement. Our suppliers must comply with applicable policies before becoming our partners.
Supplier Audit	Unimicron Technology developed a review plan to comprehensively audit suppliers in our audit plan every year. We purchase raw materials primarily from Taiwan and to promote proper business practices, we have teamed up with our procurement partners to implement CSR and green procurements, enforce localized material supplies, reduce unnecessary expenses associated with ocean and air transportation, and reduce carbon footprint generated in the transportation process. During 2013, The proportion that Unimicron procured the raw materials adopted in plants of Taiwan from local suppliers was 85% while such proportion for the plants of China was over 57%. When options are limited and raw materials can be only imported from overseas, we also shorten the operation time by replenishing inventory in Taiwan and try to reduce the transportation cost.
Suppliers' Observation of Business Ethics and Promise about Social Responsibilities Consistency in operational management	We followed international standards and regulations such as EICC, ISO14001, OHSAS18001, RoHS, HSF and PFOs (Hazardous substance prohibition), and bans on conflict minerals etc. and established corresponding management systems or regulations based on the environmental, human rights, safety and health principles outlined in the above international standards. Our Material Management Division regularly promotes relevant supply chain activities and communicates with suppliers frequently to create a win-win partnership. Starting from 2011, all our raw material suppliers are required to provide their Business Ethics and Social Responsibility Compliance. This compliance is created based on EICC, ILO conventions and the SA8000 standard and covers behavioral ethics, human rights, and environmental related clauses. In 2013, we united into "Supply Agreement" the four statements, including 1. Business Ethics Observation Statement, 2. Social Responsibility Statement, 3. The Promise and Statement on Non-Illegal Raw Material and Non-Infringement Action Statement, 4. Non-Infringement Statement. Suppliers were asked to resign such Agreement. As of the end of 2013, the signature rate was 81% and expectedly 100% in 2014.

◎ **Supplier Audit and Counselling**

In an effort to upgrade overall competitiveness for the entire supply chain, we have established a supply chain task force to conduct regular supplier audits and inspections. Besides evaluating suppliers based on their quality, price, service, environmental, workplace safety and technology to ensure their quality standards, we also uphold the spirit of PDCA to assist our suppliers to track the root causes of their weakness to provide timely and necessary support and maintain the strongest competitiveness for the entire supply chain.

To ensure that all suppliers thoroughly understand and fulfill their CSRs, we will host EICC training seminars. Before their audits, we will first communicate with them and provide necessary training and prepare all relevant documents, stress and promote CSRs internally and externally, and communicate with suppliers via CSR and EICC promotion conferences. In June 2013, we held the Supplier Industrial Safety and Environmental Protection Forum and EICC Promotion Conference. A total of 60 suppliers were invited for attendance.

In terms of implementation, suppliers are requested to meet EICC and relevant environment requirements to conduct self-assessments before our field audits. For suppliers not complying with requirements, they will need to set an improvement action plan. If they fail the assessment again, they will be removed from our qualified supplier list. As of 2013, no qualified suppliers were disqualified because of the inconformity with the aforementioned auditing requirement.

On the other hand, Unimicron, through the counseling plan of the Corporate Synergy Development Center, assisted suppliers to introduce clean production, optimize energy and resource efficiency, reduce environmental impacts, comply with regulations on environmental protections and international standards, fulfill the requirements for both of economic development and environmental protections, and upgrade the green competitiveness of the industry. We assessed the performances of our suppliers with the five indicators of national clean production assessment system, such as production manufacturing, environmental design, green management, social responsibility, innovation and etc.

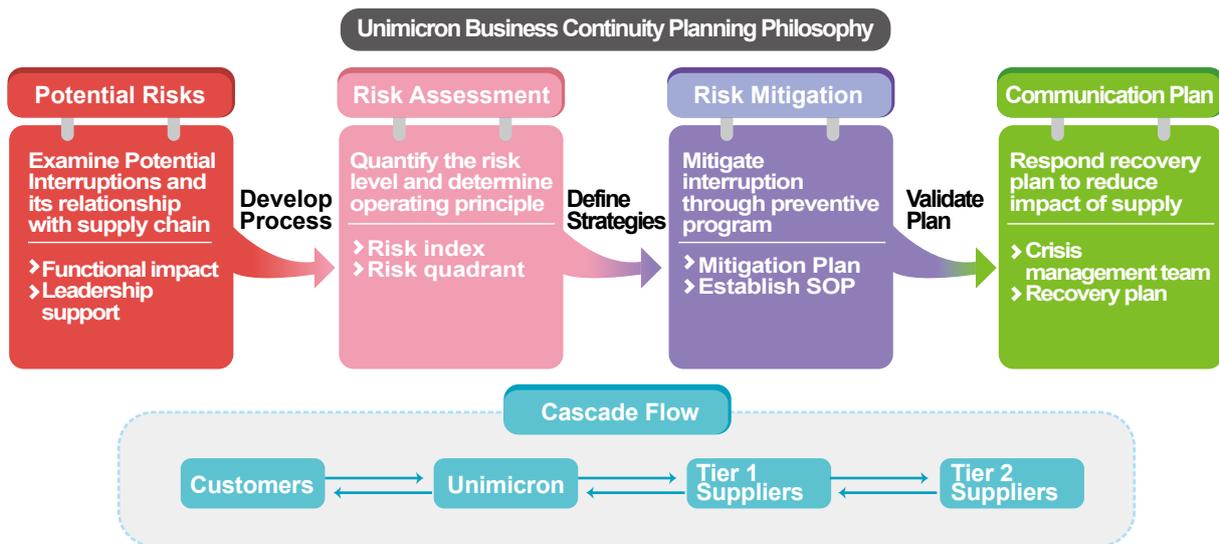
Unimicron participated in clean production certification and functioned as the center factory in the corporate synergy system. Meanwhile, our suppliers, Sus Recycling Technology and Yes-Sir Technology, responded to our invitation and join the satellite factories. Sus Recycling Technology introduced the green building training as its basis for new plant construction. Yes-Sir Technology engaged in the vulnerable index of the clean production evaluation system.

The follow-up, the Industrial Safety and Environmental Protection Sustainable Operation Conference will continue the promotion of clean production for experience sharing with suppliers in 2014.



◎ Business Continuity Management

To avoid the suspension of supply caused by the 311 Japan Earthquake in 2011, Unimicron started to contemplate and build a more complete "Business Continuity Planning" that listed all risks and proceeded with a complete assessment since 2012. The company started to build a "Business Continuity SOP" and derived an implementation measures at the second level, actively certifying secondary suppliers and through internal and external collaborations, ensure that business and operations are not interrupted.



◎ Development on Conflict Minerals

Since the exploitation process of precious metals, such as cassiterite, wolframite, coltan and gold, from Democratic Republic of Congo and neighboring regions have caused many serious human rights and environmental issues, and those metals are known as "conflict minerals". The majority of those minerals eventually wind up in consumer electronic devices such as cell phone, portable music players, and computers.

With this in mind, Unimicron has included the prohibition of "conflict minerals" in its supplier management policy and work with our customers to ensure that those conflict minerals extracted under armed conflicts or illegally by workers in poor working conditions are not used in our products. Meanwhile, we require our suppliers to fulfill their CSRs, ensure the source of Au, Sn, Ta and W used in their products are not from "conflict areas" or "blood area", and urge them to pass this message to their upstream suppliers in order to eradicate such behavior through the market mechanism. Additionally, we bring out our influence on the supply chain and encourage our suppliers to be members of the Conflict-Free Smelter Initiative (CFSI) plan in EICC/ GeSI to realize our promise with actions.

In addition to the minerals from the aforementioned regions that were regarded as the conflict minerals, a concern arose in 2013 over whether stannum from Bangka Island, Indonesia was extracted illegally. As soon we heard about this concern, we instantly sent a letter to our upstream supplier and asked it to assist with the investigation and promise that the stannum was not from the conflict mineral zone. As of the end of 2013, four stannum smelting plants in Indonesia either became qualified smelting plants in Conflict-Free Smelter Program or were placed on the audit list.



Respect for People



Share in sincerity

We are convinced that our greatest happiness comes from unselfish sharing. We value and care about every employee and stay as close as to each other like family. Actively involved in social activities, we are all party of the social community.



“Closer” is one of our three objectives in our 2013 corporate social activities. A successful sustainable enterprise not only creates exceptional performance and care about the earth, but also builds a strong bond with “people”. Only when an enterprise breaks the walls and connects itself with the community, the management and entry-level staff, local employees and foreign staff can this enterprise create commonly shared values and accomplish co-prosperity.

This section elaborates Unimicron’s care for and expectation on employees and the Company’s labor policies and then explains Unimicron’s dedication to community involvement for 2013.



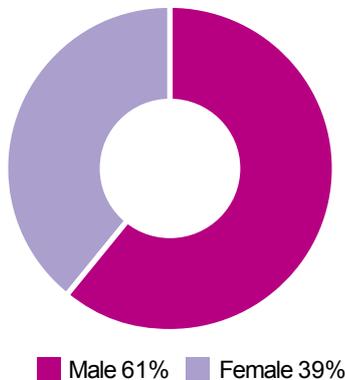
Labor Structure



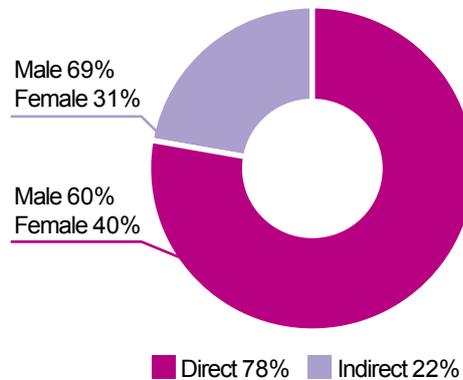
As of the end of 2013, the total number of employees at Unimicron reached 21,327, among which 10,214 employees are in Taiwan, and 11,113 employees are in China. We value employee diversity and cultures and recruit and offer new immigrants long term and stable employment opportunities. At the end of 2013, the number of our foreign workers totaled 72. We set our labor policies in accordance with local labor regulations, requirements of our global customers, EICC, and other international standards to construct an equal, secure and stable employment and development environment.

We provide fair employment opportunities and, in respect of recruitment, employment, appraisal and promotion, all employees are free from discrimination of gender, race, religion, political orientation, marital status, and labor union membership. Placing right talents at right positions is the only concern of ours. All employees are treated equally.

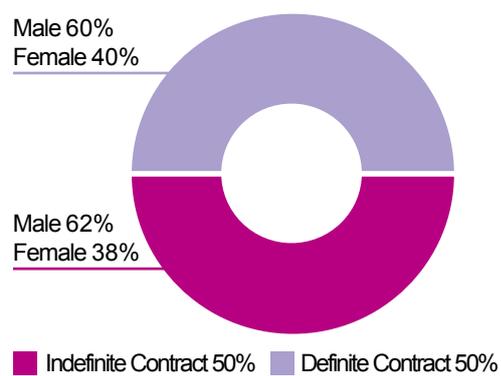
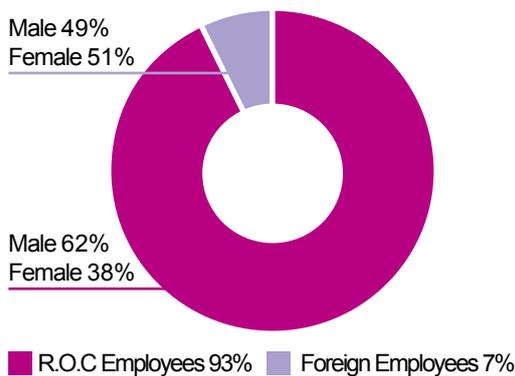
Unimicron Gender Distribution



Direct/ Indirect Personnel Distribution



Direct Personnel: Technicians directly related to manufacturing and production. Indirect Personnel: Management/ Engineers, supervisors



During recent years the changes in the job market and the prosperity of the service industry resulted in the lack of labors in the manufacturing industry. Consequently, Taiwan Government permits specific industries to recruit foreign labors to a certain proportion. Nevertheless, Unimicron still save its employment opportunities for Taiwan citizens. In 2013, 2,299 local labors in Taiwan were hired.

▼ Recruitment Fair in Unimicron Technology Shenzhen Plant



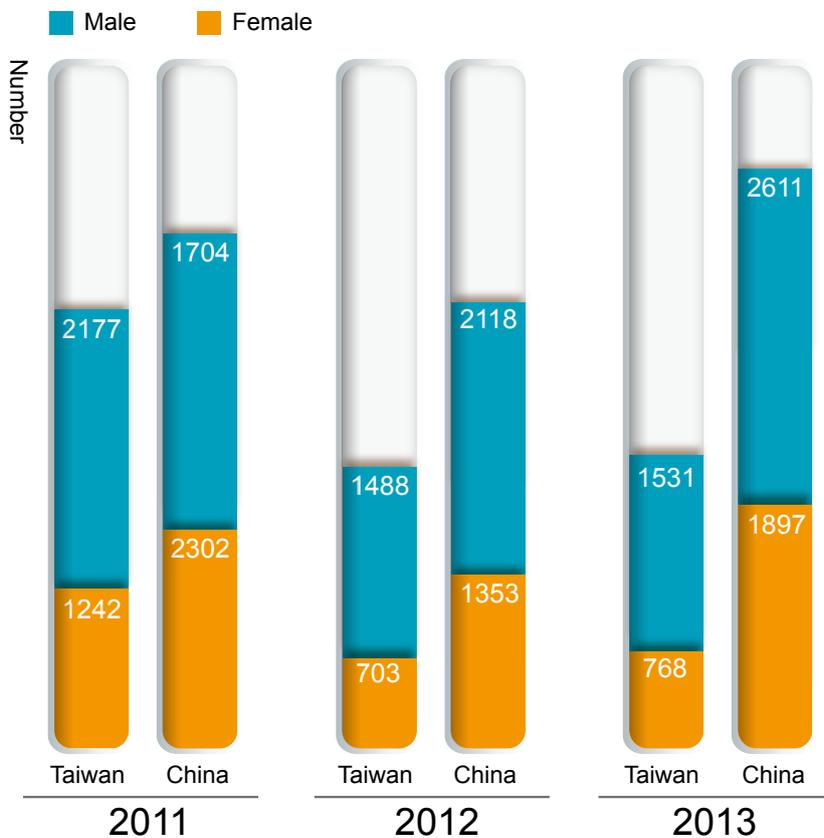
▼ Recruitment Information Conference in Taiwan



Foreign employees in plants of Taiwan during 2013 are mostly direct employees from Philippine, with a total number of 1,359 while four plants in China did not hire any foreign direct employees. Unimicron commits its full effort to taking good care of these foreign labors that came a long way from their home country to join this big family of Unimicron. Please refer to Labor Relations and Care for Employees for the details.

Because of the characteristics of this industry, there was no female Vice President and above among positions of assistant managers, managers and associate managers and above. In the future, we will more actively provide more nurturing and developing opportunities for female executives.

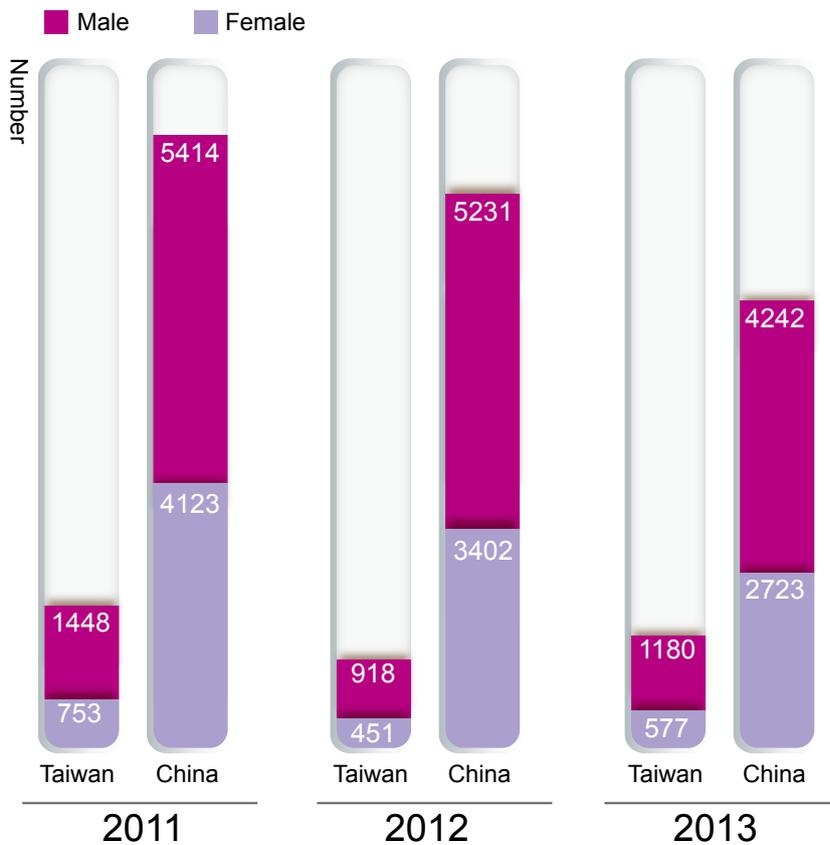
◎ Total Newcomers :



Calculation Approach: Foreign personnels with a definite contract in Taiwan are not included.



◎ Total Employee Turnover :



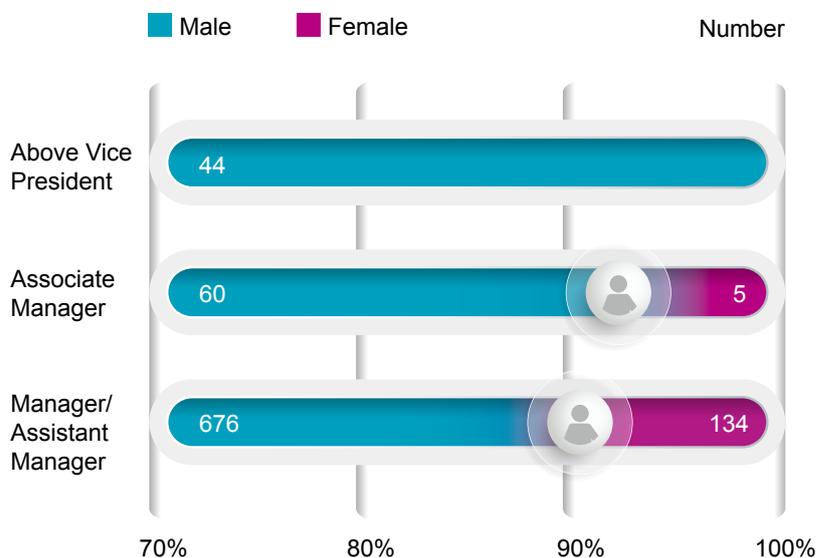
Calculation Approach: Foreign personnels with a definite contract in Taiwan are not included.

The cumulative turnover rates for indirect staff and direct staff in Taiwan during 2013 are 14.1% and 16.6% respectively while the rates in China are 21.6% and 76.0% respectively.

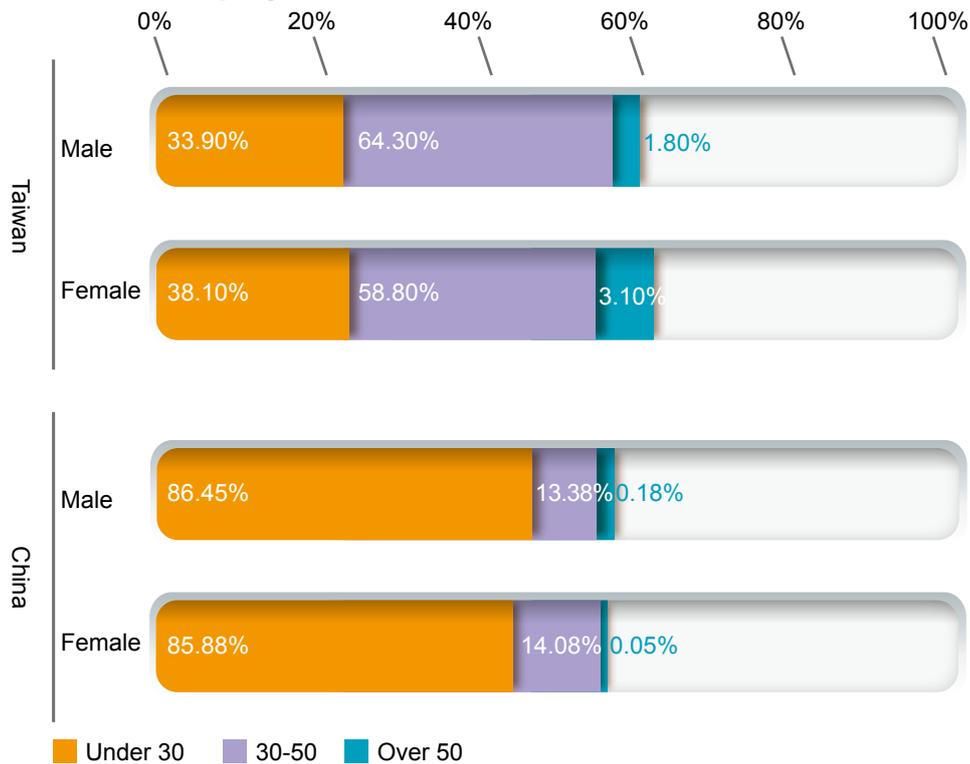
The turnover rates for new employees are 25% (2,299 were newly employed and 572 resigned) Taiwan and 28% for China (4,508 were newly employed and 1,260 resigned). (The aforementioned numbers do not include foreign staff and contractors).

◎ Distribution of Assistant Managers or Above is as illustrated :

With regards to employment of local supervisors, 100% of team leaders or above in Taiwan were locally while 89% in China.



◎ Age Distribution of Employees :



Labor Relations and Care for Employees



◎ Unimicron's Labor Policy



Talent is the key of company success in the global market. Innovative products, technology and services can be realized only by brilliant talent. With faith, honesty and mutual trust, Unimicron has committed itself to creating a work environment that cultivates our employee's talent, allowing employees and teams to utilize their potential and attracting top talent from all fields. We further offer competitive employee benefit programs and compensation systems that stimulate the potential of prospective employees. Through complete training programs to retain top talent and boost our productivity and core competency, we aim to maximize our corporate performance.

☉ Employee’s Communication Channel

We significantly valued communication with staff and encourage our staff to present recommendations in following ways and protect the rights of complainants:

» Direct supervisors	» From time to time, at any time
» Dedicated HR staff	» From time to time, at any time
» Company website	» From time to time
» Company bulletin boards	» From time to time
» Opinion mailbox for employees	» From time to time
» Employee seminars/regular labor forum	» From time to time
» Employee satisfaction surveys	» Once a year
» Monthly meetings at each plant	» Regularly
» Appropriate channels for employee grievances	» From time to time, at any time

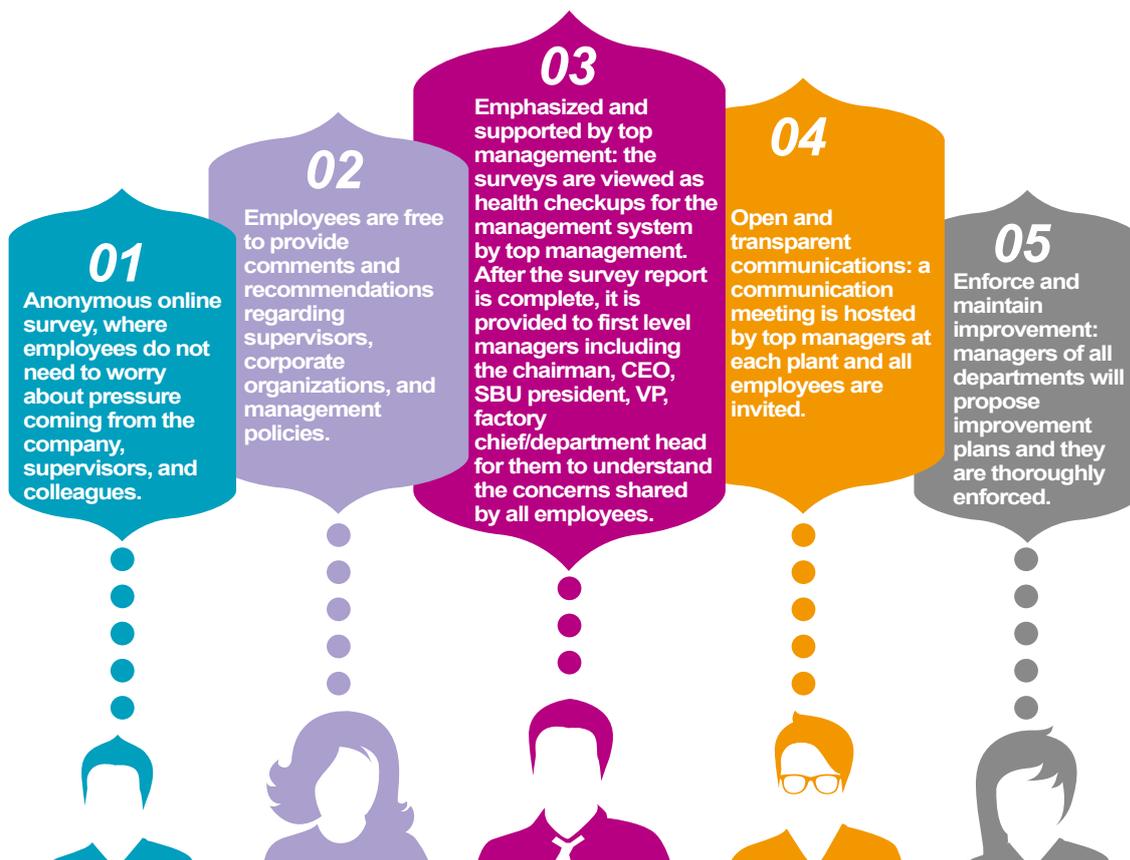
Employees in Taiwan can express their opinions and file complaints through many channels. They can directly report to their supervisors, file complaints using complaint boxes (directly submit to the factory chief), quarterly labor-management conferences, outlook employee email, reporting hotlines(for audit department, HR and foreign employees), anonymous reporting email, or "Got Something to Say" at Myumt employee corner in the corporate intranet in order that their private problems can be solved. Concerns expressed by staff are passed to the according department for response or follow-up.

For example a total of 591 complaints in Taiwan were received through the aforementioned reporting channels in 2013. Over 50% of these complaints were filed through the labor meetings and all of the complaints were resolved. 1,269 complaints were filed in plants of China while 67% of these complaints were made through the symposiums and interviews with Human Resources Department. All of these complaints were resolved.

☉ Employee Satisfaction Survey

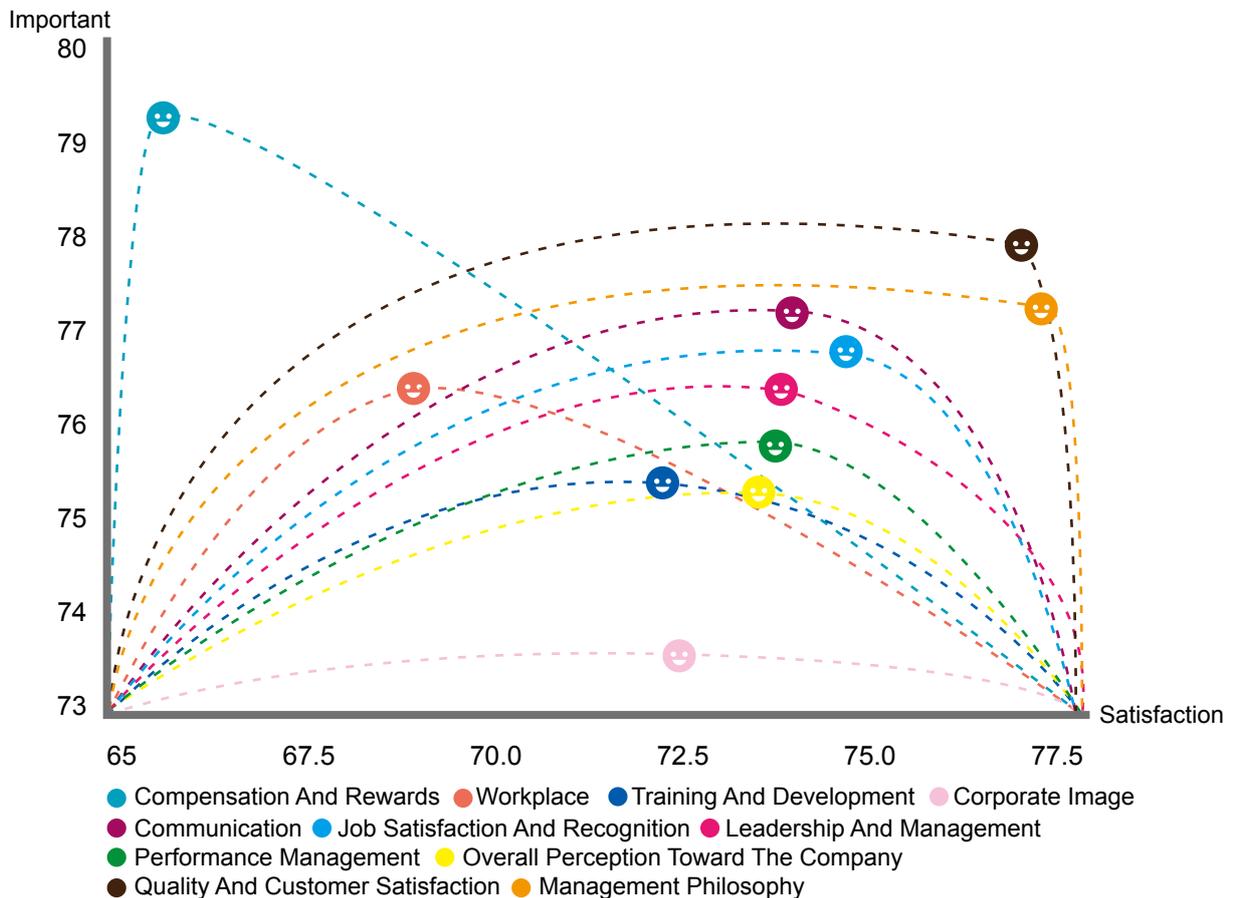
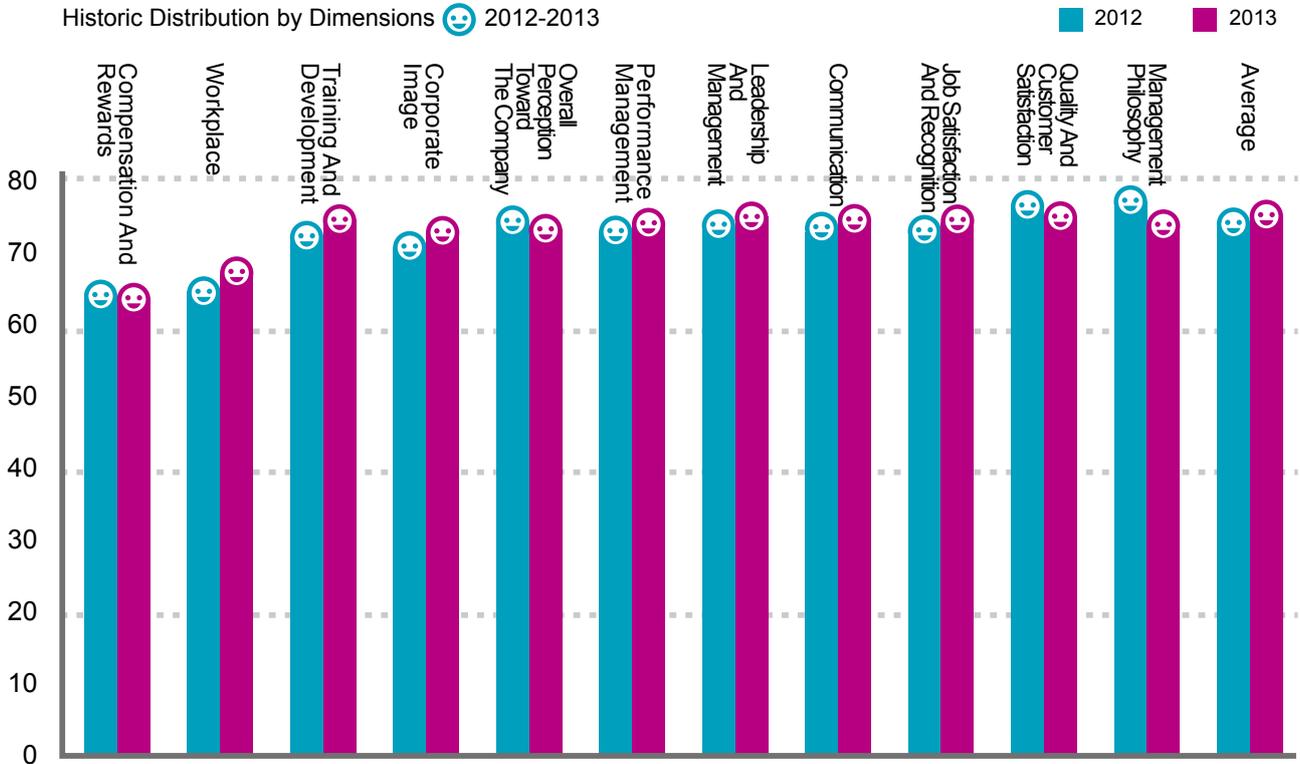
Unimicron is people-oriented and values every employee. We listen to the voices of our employees and, according to employee feedbacks, deliberately decide whether adjustment on corporate management strategies and implementation plans is appropriate.

We have persistently and continuously conducted all types of surveys on employee opinions, and our early surveys were focused on ideas regarding life dimensions such as food, transportation, housing and cleanliness. However, in 2008, it came to our attention that more than half of our employees are from the N generation (Net Generation) and they are keen to participate in corporate affairs. Thus we adjusted our employee satisfaction surveys and shifted our focus onto in-depth surveys and analysis on dimensions that concern the N generation, such as training and education, communications, compensation packages, leadership and management, business philosophy, performance management, quality and customer satisfaction, job satisfaction, corporate identification, work environment and corporate image, etc. The features of Unimicron’s satisfaction survey are:



During 2013, plants in Taiwan invited staff between Grade Level 5 to 11 to participate in a survey on 11 dimensions, including compensation and rewards, workplace, training and development, corporate image, overall perception toward the Company, performance management, leadership and management, communication, job satisfaction and recognition, quality and customer satisfaction, and management philosophy etc. 94% of employees responded. The result is as follows:

Historic Distribution by Dimensions ☺ 2012-2013



The management valued the annual employee satisfaction survey significantly. Human Resources Department compiles the survey results and all of the human resource indicators of the Company and report to the management in person. Our CEO, along with top executives, attended the employee symposium to directly communicate with employees on their thoughts and company's plans. 8 employee symposiums were called during 2013 with attendance of over 500 employees. The result of the survey for 2013 indicates that compensation and rewards and workplace are two dimensions with low satisfaction but high importance. As a result, the Company started with these two issues first. In respect of workplace, improvement plans were presented for the environments of the cafeteria, the motorcycle tower, the smoking zone, the dormitory and offices. In regards to compensation, the Company devised measures including retention bonuses, annual raises and achievement bonuses to be enforced successively and announced these measures. It is hoped that, through transparent communication, employees can complete feel that the Company values employees' opinion.

In China, the survey is conducted on administration and business affairs. The average satisfaction grades are as follows:

2013	East China			South China
	Unimicron-FPC	Unimicron Kunshan	Unimicron Kunshan	Unimicron Shenzhen
Food Satisfaction	81	87	76	90
Dormitory Satisfaction	93	97	86	90

The satisfaction of employees in each plant hiked during 2013. Our improvement measures include streamlining the abnormality reporting process in Unimicron Suzhou to instantly solve problems, and remodel the public area and renew fitness devices and old equipment. In Unimicron Technology Kunshan/ Unimicron-FPC, we increased the recreation areas, hosted outdoor events for staff living the dormitory and held life workshops, where professionals taught lessons on life.

Similarly, satisfaction on food also hiked. Our corrective measures include launching unique dishes in Unimicron Suzhou, further diversifying dishes, increasing personnel on night shift in the cafeteria and providing instant services. Unimicron Technology Kunshan also launched new dishes every month, provided exquisite delicacies, added famous steamed buns or snack on the menu and so on.

In escalating the retention rate of the personnel, Unimicron Technology Shenzhen, in order to further understand current engineers' work and living status in Unimicron Technology Shenzhen, called a new engineer symposium every month. In 2013, four engineer and college student symposiums were called in total with attendance of 87 people. In addition, in order to maximize employee's sense of belonging and have employees worry-free at work, Employee Welfare Committee organized a one-month summer daycare school for employees' children, where the handiwork class, the culture class and the physical education class were opened and attended by 43 children.

▼ Engineer Care Symposium



▼ Summer Daycare School for Employee's Children



▼ The birthday party is held every month (1)



▼ The birthday party is held every month (2)



▼ The birthday party is held every month (3)





In order to bridge the care between indirect units and sections of the manufacturing department, Unimicron Suzhou launched Rainbow Bridge Care-Matching for a three-month event. This event included:

1. Open Your Heart: visited and showed care about newcomers, hosted a teacher-honoring ceremony, built the Manager's Heart Network.
2. Impart Tricks: offered guidance and shared experiences.
3. Developed common consensus of the team: group activities, birthday parties for the module (gratitude for parents), motivation tip sharing- pass on positive energy to effectively elevate the retention rate in hopes of reducing the turnover rate.

Open Your Heart

- Visit and show care about newcomers
- The Teacher-Honoring Ceremony
- Build the Manager's Heart Network



Impart Tricks

- Offer guidance
- Share experiences

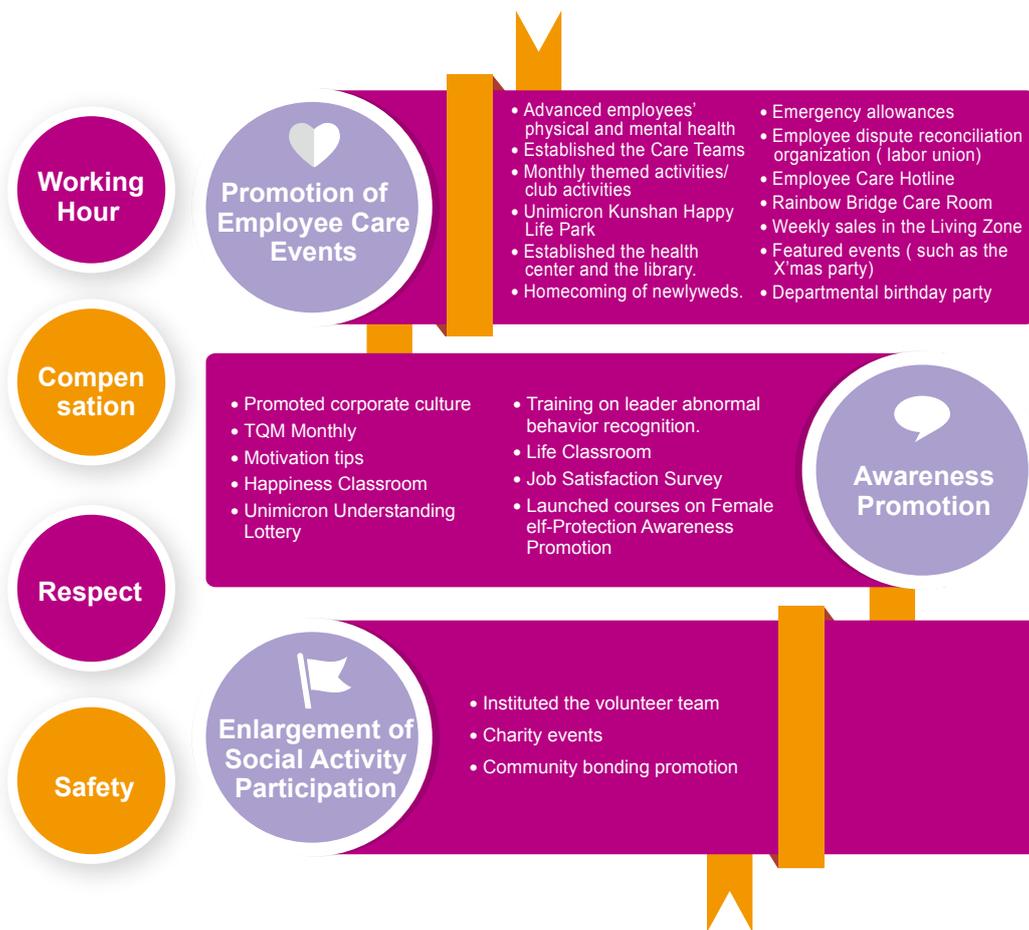


Develop common consensus of the team

- Group activities
- Birthday parties for the module-gratitude for parents
- Motivation tip sharing- pass on positive energy



Because most of employees in plants of China are from different provinces, the homesickness and relationship problems of these employees, far from their hometowns, often influence their work and life. Consequently, Unimicron Technology Kunshan and Unimicron- FPC launched Employee Assistance Program (EAP) in 2012. A three-year plan was developed with "Care about Employees. Pass on Love" as the theme. This plan was divided into three phases- "Seeding Period", "Sprouting Period" and "Prospering Period". Evaluation indicators were set accordingly. During the promotion in 2013, employees actively participated in various activities. It is hoped that, in 2014, effective results of Happiness Raising Plan and the construction of a thorough system can be witnessed.



The Value of EAP for the Organization

- Further understand and satisfy employee's needs for mental health;
- Assist employees of poor performance to improve performance;
- Minimize absenteeism and turnover and advance employees' loyalty
- Assist with crises and reforms.
- Provide consultation and counseling to maximize management effectiveness

The Value of EAP for Employees

- It is a new approach to the solution of personal problems;
- It is a voluntary, free-of-charge, confidential and professional counseling service;
- It solves problems that influence emotion, pressure, work problems, marriage and family, and childhood education.
- Professional consultation services, such as medical, law and financial services, can be added to the core services.

EAP Value Evaluation Index

Employee Loyalty

- Years of Service
- Retention Rate

Perception on the Organization

- Employee's reference
- Labor dispute

Commitment to the Organization

- Satisfaction survey

Body-Mind Balance

- Occupational injuries

◎ Result of Implementation for 2013

	Unimicron Kunshan	Unimicron- FPC
Established the Care Teams	4 Phases	4 Phases
Launched the consultation on Care Day/started Employee Care Hotline	144 visitors on Care Day. Satisfaction was 100%.	118 visitors on Care Day. Satisfaction was 100%.
Started Happiness Classroom	11 phases. Average attendance rate was 89	9 phases. Average attendance rate was 63.5
Issued "Motivation tips"	50 tips	104 tips
Launched courses on Single Female Self-Protection Awareness Promotion	7 phases, with 75 attendants	13 phases, with 686 attendants

◎ Care About Foreign Staff

For foreign works who have come a long way from their countries to create a better future with us, we uphold the spirit of "we are the world and we are all part of Unimicron", empathy, care, and dedication to furnish a full-range daily support and to care for their mental, physical and spiritual health, and express our care for them with specific actions.

The recruitment accords with the principles and process of fairness, openness and justice. During the interview in their mother country, information on Taiwan, working environment of Unimicron Technology and recruitment conditions are introduced. In respect of the management of the agency, the recruitment and evaluation mechanism are developed. Every six months, the agencies in cooperation with us are reviewed to ensure that foreign employees comply with regulations and corporate policies during the employment and working period.

Regarding their physical and mental health, when they are working in Taiwan, we offer full featured employee dorms. In addition to sufficient personal space, the dorms feature recreational sites for dorm residents to engage in sports and relaxation. We hire foreign administrators to the same nationality to assist the foreign workers in their daily life, provide life counseling, and translate for them to reduce the barriers caused by their nationalities, languages, and cultures. Also, all sorts of health enhancing activities are regularly hosted each year, including: sports day, paint ball games, mid-autumn BBQ, Christmas Parties, etc. In addition, Super Typhoon HAIYAN stroke Philippine in 2013. The Company provided care and consolation money.³

In respect of communications with foreign workers, foreign administrators and HR managers communicate with representatives of foreign workers at monthly meetings. Besides promoting upcoming corporate events, policies and regulations, we will assess the needs and recommendations of foreign workers at the meeting and communicate with them in real time to thoroughly fulfill our commitment for foreign workers in all life dimensions, including food, clothing, housing, transportation, education and entertainment.

Item	Care Measures
Food	<ul style="list-style-type: none"> » Offer diverse meal choices for foreign workers at employee cafeterias. » Set vending machines at dorms to provide foreign workers with 24 hour services.
Clothing	<ul style="list-style-type: none"> » Uniforms are offered at the workplace and Polo shirts and jackets are provided to foreign workers as their casual wears during their free time.
Housing	<ul style="list-style-type: none"> » Provide independent dorms for foreign workers and they are not required to share rooms with local employees to ensure their privacy rights. » Provide computers for foreign workers to go online and contact their families back home. » Filipino TV channels are available at the dorms to alleviate homesickness for foreign workers. » Feature prayer rooms for foreign workers to seek their spiritual comfort. » Dorms are regularly sterilized.
Transportation	<ul style="list-style-type: none"> » For the Hsinchu and Luichu sites, the dorms are located outside the facilities and shuttle services are available between the dorms and plants to ensure their safety.
Education	<ul style="list-style-type: none"> » Host regular training sessions to improve their safety at work and sharpen their professional skills. » Onsite physicians are available to ensure foreign workers can work without worries. » Regular employee symposiums are hosted each quarter. » Set up complaint box.
Entertainment	<ul style="list-style-type: none"> » Regularly host recreational activities to ensure balance between work and life. For example: sports day, ball games, mid-autumn BBQ, Christmas, Mass and Family Day.
Other	<ul style="list-style-type: none"> » Set up foreign administrators to provide foreign workers with life counseling and medical assistance. » Host regular life care interview. » Host regular foreign employee symposiums and list their concerns and complaints.

▼ Foreign Staff-Basketball Tournament



▼ Foreign Staff-Xmas party



◀ Foreign Staff-Dragon boat racing



Compensation and Benefits



◎ Compensation and Rewards

As a leader in the PCB industry, we strive to retain top talent. Therefore, we apply the competitive strategies to the comprehensive compensation. From 2010, we have participated in external compensation surveys and compared our compensation measures and welfare measures with our peers'. In 2011, we instituted The Compensation Committee to review annual raise, profit sharing and annual bonuses of managers to come up the encouragement policy to attract and retain the talent. Meanwhile, it is hoped that staff can feel Unimicron's practice for valuing talents.

In terms of the compensation packages, we set compensation standards based on an employee's educational and professional background, knowledge, skill set, years of professional experiences, and personal performance. The compensation package we offer is in full compliance with relevant labor regulations. All employees are compensated equally, and are free from discrimination on gender, race, religion, political orientation, marital status, and labor union membership. Besides basic salary and festival bonuses, we will flexibly adjust salaries based on corporate performance and include performance based bonuses, employee profit sharing plans, incentive bonuses to boost morale and to retain brilliant employees. In 2013, the parent company won Best Employment" Gold medal, award by Taoyuan County Government to praise model enterprises in Taoyuan County.



In order to boost the spirits of distinct employees, the top director of each plant selects excellent employees of the year and awards them with prize certificates and bonuses before Labor Day every year. The award posters are posted in the plants to encourage more employees to continue excellent services by following the good examples of the distinction employees. In 2013, 6 employees got awarded with this honor. Besides of that, the company awards the top 3-5% excellent employees nominated by each plan with prize certificates and bonus on the company year-end parties. Across plants in China, different measures are practiced to praise excellent employees to boost morality and to promote coherence.

◎ Reimbursement and Benefits

According to the law, Unimicron offers labor and national health insurance, maternity leave / parental leave, pension reserve funds, and purchase group insurance for all our employees when employees come on board. Employees can choose to apply for employee benefit programs for their family members at their own expense to extend coverage to their family members. Additionally, we further offer complete group insurance combinations for oversea employees so they can be devoted to their responsibility without worries. The employee welfare committee will provide subsidies of different amounts based on different life events, such as customary occasions, employee training, hospitalization, or occupation injury. In Taiwan, the subsidies of 2013 are totaled NTD 10 million for 2013.

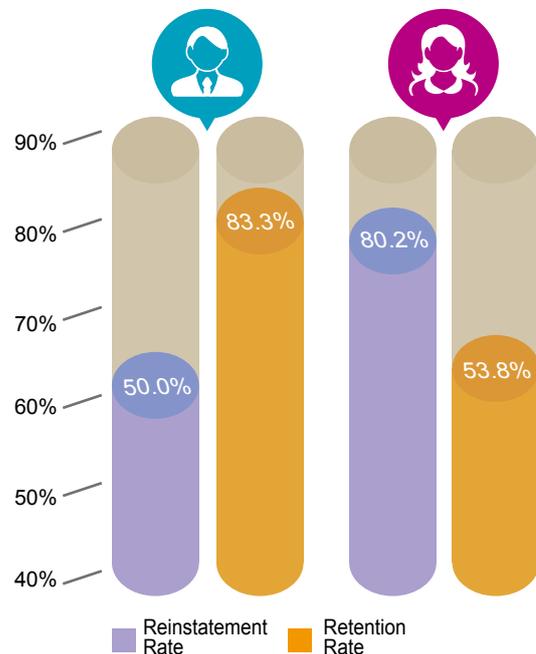
Pension System (All of Permanent Employees)

Area	Retirement Option	Appropriated Pension to Salary	Employee's Participation in the Retirement Plan
Taiwan	Old pension fund system Corporate pension fund account	Employer 2% Employee 0%	100%
	New pension fund system Personal pension fund account	Employer 6% Employee 0~6%	
China	Endowment Insurance (Employee Account)	Employer 13-20% Employee 8%	100%

In plants of Taiwan, to carry out the Act of Gender Equality in Employment and offer better care to our female employees who have just given birth, a gestation care policy is implemented. A face-to-face health consultation is available to every employee during pregnancy. The according workplace and shift schedules are evaluated or changed. The Company offers every pregnant employee with a resting chair, an exclusive parking lot, the elevator permission, an pregnancy ID tag, and the New Mommy Manual. The medical service is available to postnatal employees along with a heartwarming and cozy nursing room. During 2013, the nursing room was employed 20,424 times, an increase by 166% from 12,240 of 2012. The operation of the nursing room in Shanying Plant for 2013 was ranked No. 1 in Taoyuan County. In addition, unpaid parental leaves are provided for any employee of either gender. In 2013, a total of 11 male employees and 73 female employees applied for parental leave. The Reinstatement Rate of 2013 reached 84.5%. In plants of China, such as Unimicron Technology Kunshan, an exclusive lounge for pregnant employees was set.

Massage rooms are available at each plant and professional blind masseuses are recruited to serve employees onsite from Monday to Friday. Diverse dining environments are featured to offer employees a number of varied choices including business meals, buffets, noodles, and Chinese delicacies. Convenient stores and café bars are also accessible for employees to relieve their work pressure during their breaks.

▼ Nursing Room in plants of Taiwan



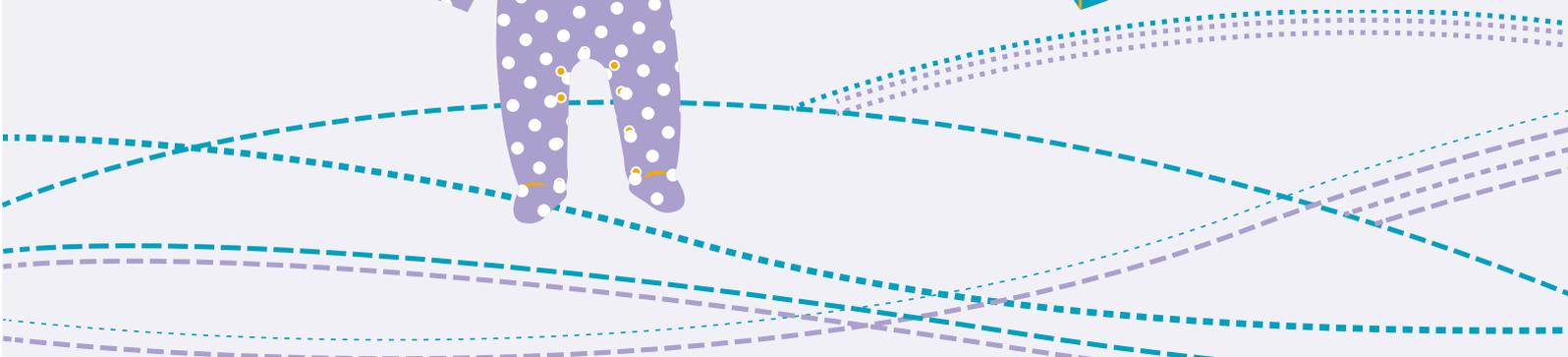
Note:

- (1) Reinstatement Rate = Number of actual reinstated employees during 2013 / Number of expected reinstated employees during 2013
- (2) Retention Rate = Number of employees who continued working for one year (reinstated in 2012 and still working in the end of 2013) / number of reinstated employees during 2012

▼ Pregnant Employee Lounge in Unimicron Technology Kunshan (1)

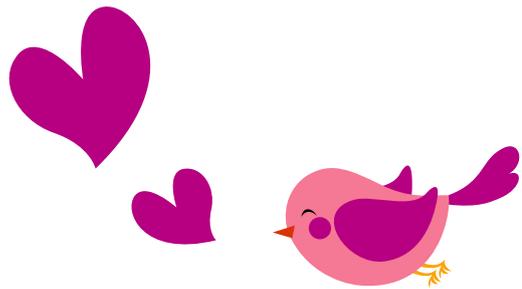


▼ Pregnant Employee Lounge in Unimicron Technology Kunshan (2)





▼ Priority Parking Space



▼ Priority Seat for the Pregnant.



© Club Activities

Each department of plants in Taiwan usually voluntarily hosts all kinds of recreational activities to foster the spirit of teamwork and a harmonious atmosphere in the workplace. In terms of club activities, we have the travel club, jogging club, bowling club, golf club and so on to offer employees diverse choices of leisure activities. Through these clubs, staff can sustain bond and develop common interests. Care Club and Environmental Protection Green Giant Club were also established to combine clubs and charity. Please refer to Social Involvement for details. Regarding facilities, we feature basketball courts, fitness centers, table tennis rooms, badminton courts, aerobic classrooms, and KTV rooms to encourage healthy activities and sports, and for employees to engage in proper activities in designated locations available during their free time to strengthen the bond between employees and enhance their health and wellbeing. In 2013, the Company granted NTD 335,400 to clubs in Taiwan.



Plants in China can also be seen diverse club activities. For example, employee clubs in Unimicron Kunshan include Dance Club, Yoga Club, Billiard Club, Fishing Club, Basketball Club, Bicycle Club, Badminton Club, Table Tennis Club, Soccer Club, and Makeup Club. Every club organizes activities and events regularly to boost interaction among employees.

In 2013, employees specially selected from clubs also actively participated in external sports, chess and chorus contests and won many honors.



Career Development



We expect that all employees can utilize their talents at their positions while allocating human resources and helping employees with their personal development plans according to the HR needs of each department. The HR department will plan and review manpower deployment in compliance with the HR roadmap and HR maturity with each department carrying out their according plans.

With regard to critical projects, we define and weigh the level of HR maturity based on the project requirements and adopt the required professional abilities, potentials and completeness of necessary training subjects to conduct HR evaluation and allocation to ensure the pre-established goals and performance level of the projects are achieved.

To systematically assess the achievement of the performance target of each department and employee, we have deployed the TQM system at all levels and incorporated all departments and individual employees into daily management in order to regularly review their performances. Each subcommittee under TQM committee undertakes the according annual plan set by the TQM committee and implements and reviews progress accordingly. This not only tightens and bonds systems together, but also assists all Unimicron employees with utilizing their abilities and creating maximum effects.

◎ Talent Cultivation and Diverse Development

Unimicron Technology pursues customer, employee and shareholder satisfaction and fulfillment of its corporate social responsibilities as its vision. Talent is the key of company success in the global market. Innovative products, technologies and services can be realized only by brilliant talents. With philosophy of integrity, innovation, customer satisfaction and quality first, Unimicron has been committed to constructing a work environment where talents are utilized appropriately and personal and team potentials are easily exercised to attract top talents from all fields. We further offer competitive employee benefit programs and potential-driven compensation systems. Through complete training programs to retain top talent and boost our productivity and core competency, we expect to maximize our corporate performance.

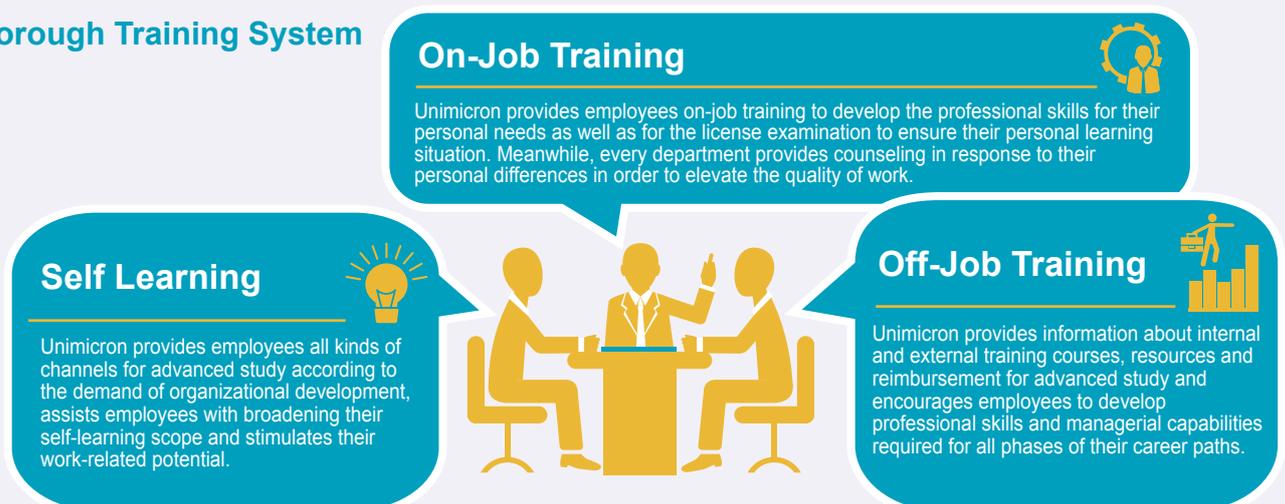
◎ Unimicron College- A Good Place for Career Development

In order to equip every Unimicron's employee with the best competency, we devise comprehensive training frameworks and career orientations based on the needs of employees in different positions and develop the diverse, self-driven and refined learning culture. Meanwhile, to incessantly enhance living quality of employees, we also furnish diverse learning channels so that employees can enjoy opportunities to be engaged in cross-field and cross-technology projects and fortify experience sharing and interaction. It is hoped to, through teamwork and brainstorming, to learn from each other, elevate the overall performance and complete the training systems and outperform our competitors.

After understanding employee's characteristics and demands, we stratify and construct the training system, by which an appropriate training frame is designed. Meanwhile, to enhance the skills of employees and broaden their scope of careers development, we also incessantly advance the training system according to their field and levels.

Besides enforcing an annual training plan, we offer leadership and management-related training programs designed to meet the needs of our operational strategies and those of current leaders or potential leaders. Along with the job rotation systems and the planning and implementation of promotional systems, we aim to ensure continuous improvements to our talent recognized for their development potentials and maintain and strengthen our talent pools.

◎ Thorough Training System



© Rigorous Newcomer Training

Lead the way for success

Stimulate common consensus through teamwork such as Winning Team and QCC so that newcomers can learn the methods and attitudes of work and perceive corporate culture and core values.

Shape a successful model

Supervisors and senior staff play the assistant's role to familiarize newcomers with their duties through counseling and guidance, build performance and become another role model in Unimicron.

Open the door for Success

On the first day of the job, newcomers take Unimicron Newcomer Training instantly to acquire basic knowledge, such as corporate culture, organization characteristics, production processes, personnel regulations, benefits and systems, waste pollution prevention and labor health and safety.



© Solid Training of Professional Skills



© Management Training for All Levels



With regard to professional training, we plan the review on professional skill licenses needed for specific duties of both direct and indirect personnel. Such review is conducted individually by plants and divisions. The employing unit designates counselor to provide newcomers the most suitable training mechanism through counseling and on-the-job training. The curriculum covers a wide variety of professional courses, introduction to chemical hazards and fire safety education.



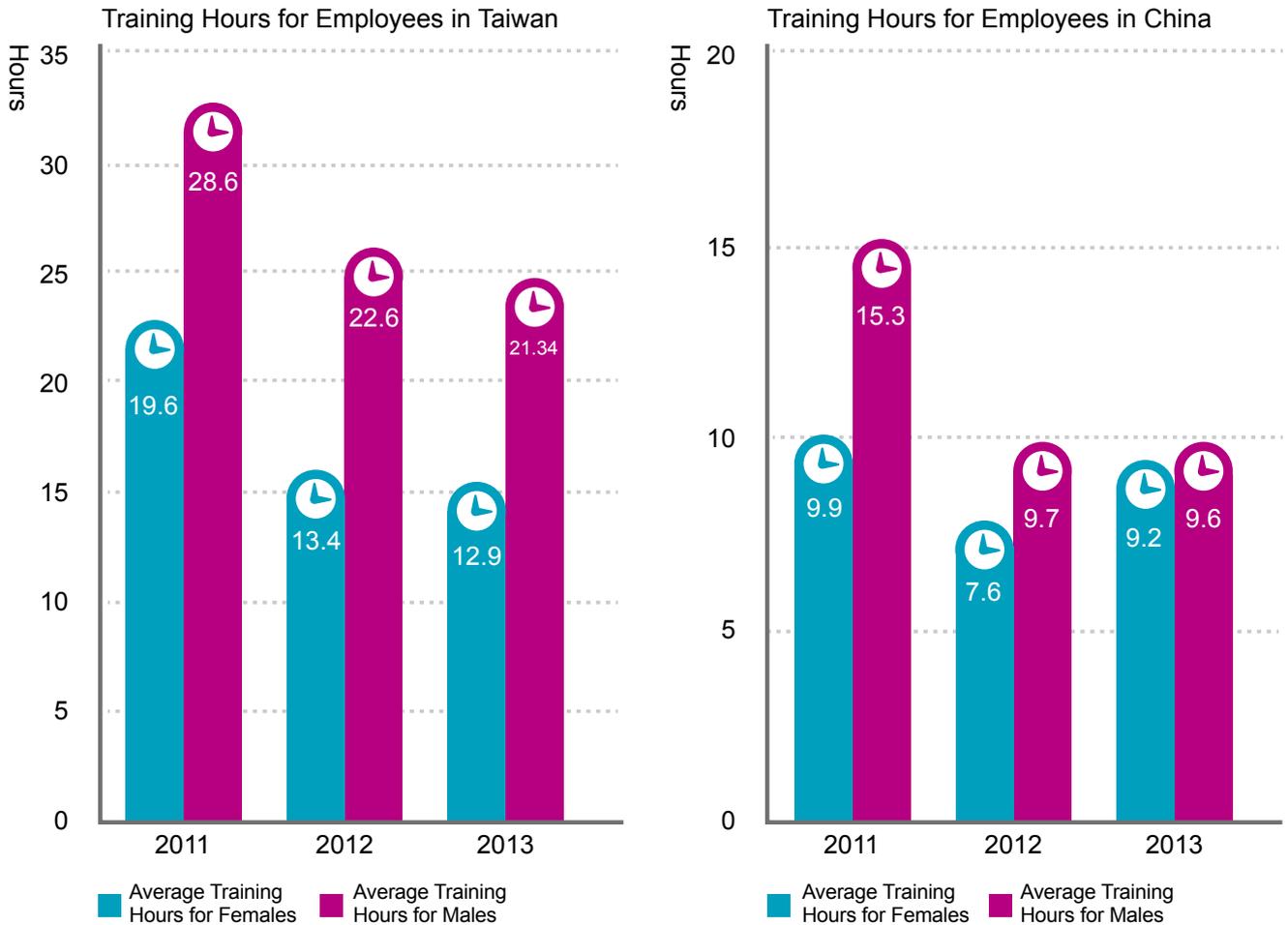
2013 Annual Convention, Human Resources Department, Unimicron.

In 2013, the average course completion rate of required courses for employees in managerial positions in plants of Taiwan and China is 81% and the curriculum includes the following courses: Fundamentals of Management Practice, Managerial Capability Development for Entry-Level Supervisors, Site Supervisor Management Training (TWI)-JI/JR, Interview Skills, Project Management- Members/Leaders/Sponsors, Basic/ Advanced Cost Management, etc. Through this solid manager development and training, personnel above manager's level enjoyed the proportion of internal promotion as high as 72%.

We expect that all our employees can be transformed from human resources to top talents, and finally profit generators. To achieve this goal, we develop a personal training development blueprint according to HR requirements at each position and offer talent-cultivating plans for employees to continuously grow in a learning dedicative environment and increase their value.

In respect of average raining hours of employees, males received more average training hours than females because of the difference in the proportion of duties between males and females. For example, most tasks which require more physical operation must be performed by male employees. While strict training is necessary before the operation, males face higher chances to take training mandatory for task performance. In different phases of organization development, the types and hours of training courses are differ, too. Cultivation of all kinds of seeds was the focus in 2013.

In Taiwan plants, some of the courses turned into license courses so the weight of individual On the Job Training is escalated to boost the effectiveness. Next, we cut hours of some training and added homework and action plans in order to ensure what they have learned are fully applicable to work. As a result, the average training hours for 2013 are slightly fewer. Average training hours for male and female employees in 2013 were 21.34 and 12.9 hours respectively. In China, these hours for male and female employees are 9.6 and 9.2 hours respectively.



◎ **Newcomer Training**

For new employees to quickly familiarize themselves with their working environment and responsibilities and fit into the corporate culture in no time, the Orientation Training for new employees include Company Introduction, Production Process Introduction, Quality Awareness and Activity, Human Rights and Electronics Industry Code of Conduct, Promotion of Information Security and Unimicron Code of Conduct, HR Policies and Benefits, Waste and Pollution Prevention and Labor Safety. 10-32.5 hours of training are conducted in plants of Taiwan and China, respectively. Moreover, new employees also take the courses including SPC Courses, 7QC Tools, The Approval of Professional Engineering License and The Winning Team to help them understand our business concepts, values and goals through dynamic competitions. We aim to associate personal values with team ones and carry out these values in their daily work.

Occupational Safety and Health Management and Health Promotion



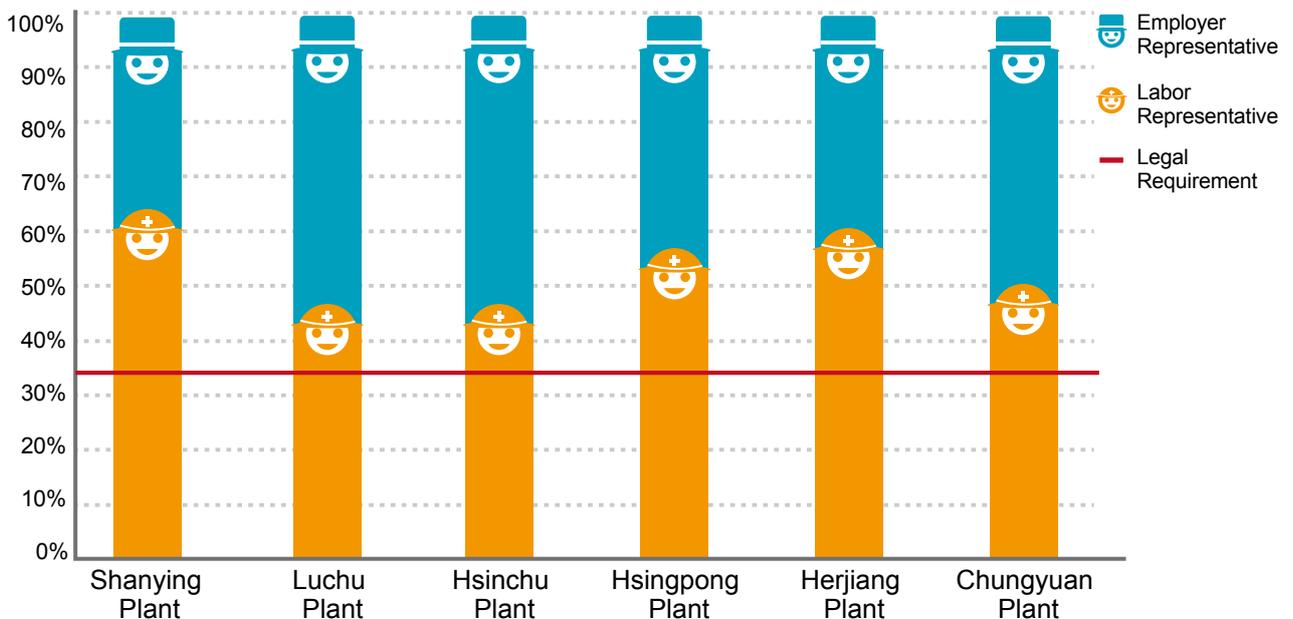
In respect of occupational safety and health management, Unimicron not only commits to comply with the according regulations and regard safety and health of employees and stakeholders as the important part of the enterprise operation, but we also target at establishing a safe and comfortable workplace to initiate occupational safety and health measures and actions.

Unimicron has been dedicated to promotion of industrial safety and utilizing the benchmarking mechanism to maximize occupational safety and health performance of every plant. In 2012, a promotional team across safety and environmental protection, PCB SBU and Carrier SBU in hopes of constituting a safe work place and becoming “a benchmark enterprise in industrial safety”. Because our effort and accomplishment won recognition from the Government: Our plants in Taiwan won the 7th National Industrial Safety Award in 2013, the top award for occupational safety and health management; Hejiang Plant won the “Five-Star Award” for labor safety and health from the Council of Labor Affairs (now Ministry of Labor) after awarded "Excellent Organization Award for Labor Safety and Health" by Taoyuan County Government for three consecutive years (2010,2011,2012); Plants in Taiwan was honorably praised as "Excellent Organization Award for Labor Safety and Health by Taoyuan County Magistrate in Taoyuan County Safety and Health Family Reunion.



◎ **Operation of the Occupational Safety and Health Organization and Safety Partner**

The top management has built up a specific occupational safety and health policy and organization. All plants in Taiwan complied with the regulation and established their labor safety and health committees, in which the labor representatives from every plant accounts for as much as 65%, higher than the regulatory requirement.



◆ Note: Shanying Plant covers: Shanying Plant, Precision S1 Plant, Precision S2 Plant and Precision S3 Plant.
 Luchu Plant covers: Luchu Plant and Luchu II Pant.
 Hsinchu Plant covers: H1 Hsinfeng Plant, H1Renyi Plant and H3 Plant.

It is our belief that the complete and legal occupational safety and health management system (including contractors management) is constructed on self-management; based on this belief, we built up OHSAS 18001 Management System and all of our plants (including those in China) are certified with OHSAS 18001 2007. Our plants in Taiwan even acquired certification of "Taiwan Occupational Safety And Health Management System" (TOSHMS) by CNS15506 : 2011. In addition, we have fully utilized PDCA improvement to enhance system efficiency through the e-management interface.

Meanwhile, to make the entire staff incessantly pay attention to occupational safety and health, since 2004, Unimicron has been promoting Unimicron Safety and Environmental Protection Month during the 3rd quarter of every year. It is planned to boost occupational safety and health management through innovative and active events. Please refer to the later "Other Environmental Protection Actions" section for details on the promotion of safety and environmental protection months.

In order to elevate Unimicron's safety and health management standards, reduce occupational injuries and realize the common vision of sustainable operation, Unimicron's plants in Taiwan founded the safety partnership with Northern Region Inspection Office, Council of Labor Affairs (now Northern Occupational Safety and Health Center, OSHA, Ministry of Labor) since 2012. This Safety Partner Plan is based on the belief of "mutualistic symbiosis" for governmental agencies, labors, and enterprises. We aim to integrate the safety and health resources of large-sized

public and private enterprises, unions, regional organizations and related ministries or bureaus and establish the partnership on the common visions of reducing occupational safety risks and sustainable operations. Therefore, Northern Region Inspection Office, Council of Labor Affairs and Unimicron base the foundation of the safety partnership on peer-to-peer, mutual trust, reciprocity and mutual aid principles during the cooperation period and jointly promote the voluntary cooperation plan.

We integrated the professional diagnosis by Northern Region Labor Inspection Office, Council of Labor Affairs with Unimicron's accident prevention resources and collaborated on discovering, identifying, and developing solutions to dangers in workplaces through educational trainings, counseling and achievement sharing so that Unimicron may advance and upgrade the occupational safety and health standards to accomplish the goals of occupational accident prevention. By building up a safety partnership platform, reinforcing and integrating related resources, and vitalizing the Company's internal safety and health campaigns, it aims to assist every plant of the Group to upgrade safety and health standards and reduce occupational accidents.

During 2013, we completed Safety and Health Awareness Promotion Training for Executives, Electrical Safety Training, Diagnosis and Counseling on Plant-Wide Disaster Prevention Resources and Discovery and Correction of Workplace Hazards. Through these activities, the overall Frequency-Severity Indicator (FSI) continued to drop from 0.13 in 2012 to 0.08 in 2013, a decrease by 38%.

◆ Note overall Frequency-Severity Indicator (FSI) = $\sqrt{\text{Disabling Injury Frequency Rate} * \text{Disabling Injury Severity Rate}} / 1000$

◎ Occupational Injury Prevention and Emergency Mechanism

In order to achieve the goal of "Zero Accident, Zero Disaster", we not only comply with the basic regulations, but also purchase active sensors, including infrared thermography sensors, spectrum audio-noise meters, and acid gas sensors, and proactively initiate contingency plans to prevent accidents in advance.

We have set up the annual educational training plan for employees (including contractors) every year. In order to enhance employees' correct acknowledgement toward safety and health, the training themes include: safety at workplace and home, personal protective equipment, transportation safety, fire apparatus application, emergency management principles, earthquake contingency plan etc. In 2013, every existing employee (including employees in China plants) undertook 6.13 hours of safety and health education training.

In order to effectively control the emergency situations promptly, we regulated Unimicron emergency management for different emergencies by utilizing the company internal resources and outer supportive systems and practiced strict educational trainings to reinforce the related staff's knowledge and skills so that the damage or loss is minimized when emergency occurs. There were 202 emergency contingency trainings totally held in all the related plants in 2013.

Unimicron also collaborated with First Corps, Fire Bureau, Taoyuan County Government and provided facilities for Gueishan Industrial Park Typhoon and Flood Drills. It is hoped to utilize internal resources and integrate peripheral supportive systems to familiarize other businesses in this industrial park and the Company's staff with responsive measures to typhoons and disasters through on-the-spot simulation drills against typhoons and floods and further reduce damages and impacts brought by typhoons and floods.

In order to ensure the steadiness and stability of Unimicron's operation, each section in Unimicron regularly conducts self-inspection on Infrared (IR) Thermal Imagers of electrical or high-temperature devices. Every year, the external professional certification organization conducts infrared inspection on electrical or high-temperature devices in order to effectively minimize the risks of operation interruption.

Unimicron's Plants in Taiwan conducts two infrared inspections (first inspection and re-inspection) on highly risky devices through the external professional certification organization according to the pre-arranged schedule. Abnormality is corrected instantly. In 2013, 28 infrared examinations were conducted with 111 highly risky points were corrected.



◎ Unimicron Mutual Prosperity S&H Family Group

Echoing the Government's plan- Cultivate Labor Safety and Health Locally, Unimicron established "Unimicron Mutual Prosperity S&H Family Group" with major suppliers through the synergy development system, which is founded upon the mission of elevating safety and health in the way of major enterprises leading minor ones. The full effort is dedicated to upgrading the safety and health awareness of contractors and other mid-to-small enterprises through education and guidance in order to comprehensively escalate the safety and health self- management standards of the Group's members.

In order to solidify occupational safety and health of Unimicron's electronic supply chain, Unimicron has been collaborating with Taoyuan County Government to promote "Local Cultivation of Labor Safety and Health" since 2011. Unimicron as well as over 30 major supplies founded Unimicron Mutual Prosperity S&H Family Group

Within three years, the safety and health self- management standards of the Group's members were comprehensively raised and risk factors in the workplace were effectively improved through experience sharing and cooperation to guard the overall safety and health, jointly construct a safe work place and boost enterprise' competency. On the principles of mutual assistance, cooperation and mutual benefits, no occupational injury happened during operation inside the supplier's plants of Unimicron's Taoyuan plants throughout 2013.



◎ Presentation of Local Cultivation Project and Safety and Health Family Group

Echoing Cultivate Labor Safety and Health Locally of Mid-to-Small Enterprises, promoted by Council of Labor Affairs, Executive Yuan, Unimicron has been incessantly learn and grow with members of the Group for the past three years., Through discussion on experiences of promotion with the core family, a win-win situation is built with the performance acknowledged. Unimicron received praise from Unimicron Mutual Prosperity S&H Family Group in National Safety and Health Family Presentation in 2014.

In this campaign, Unimicron, though continuously communication and interaction with the group members, actively shared the implementation experience regarding major enterprises leading minor ones and interactively discussed with the core family to achieve the goal of win-win situation.



◎ Occupational Safety and Health Performance

● Zero Disaster Working Hours Record

All of Unimicron's plants in Taiwan registered the selection for Zero Disaster Working Hour Record, a campaign held by Occupational Safety and Health Administration, Ministry of Labor. Related Staff of every plant which won the certificate of Zero Disaster Working Hours Record were given rewards as the encouragement. As of the end of 2013, 6 plants acquired 8 certificates of Zero Disaster Working Hours Record.

● Occupational Injury Statistics

Through clear and comprehensive reporting procedures and accident investigation mechanism, the investigation results will be fed back to relevant departments and preventive measures will be initiated to lower the accident repetition rate. Throughout 2013, no major occupational injury happened in Taiwan and China. The S.R. in China increased because an employee in Unimicron Kunshan violated the rules and thus got hit by the machine. The safety design and protection in the related area inside every plant of Taiwan and China was enhanced comprehensively thereafter in hopes of achieving the goal of zero occupational injury. The Disabling Injury Frequency Rate (F.R) and Disabling Injury Severity Rate (S.R) in every area from 2011 to 2013 are as follows:

Year	Disabling Injury Frequency Rate (F.R.)			Disabling Injury Severity Rate (S.R.)		
	Whole Company	Taiwan	China	Whole Company	Taiwan	China
2013	0.68	0.87	0.53	127	8	217
2012	1	0.62	1.31	18	27	11
2011	1.19	1.07	1.46	4	5	4

◆ Note: Disabling Injury Frequency Rate (F.R.) = Disabling injury person time *10 to the sixth power / total of labor hours.
 Disabling Injury Severity Rate (S.R.) = (Disabling injury person time * Total of lost days) *10 to the sixth power / total of labor hours
 Definition of Disabling injury person time: times where labors cannot return to work within one day (including one day) after occupational injuries happen
 Total lost days: The number of days when labors cannot return to work within one day (including one day) after occupational injuries happen. The total labor days do not include the day when the injury happens and when the labor returns to work.

The injuries by gender for 2013 are as follows

Gender	2013 Injury Rate (IR)			2013 Lost Labor Days' Rate (LDR)		
	Whole Company	Taiwan	China	Whole Company	Taiwan	China
Male	0.18	0.24	0.14	37.85	2.11	65.20
Female	0.05	0.06	0.04	0.64	1.08	0.30
Total	0.14	0.18	0.11	25.45	1.77	43.57

◆ IR = Total of injuries / total of labor hours × 200,000*
 ◆ LDR= Total of lost days / total of labor hours × 200,000* (*the rate on the basis of 50 weeks per year, 40 labor hours per week, every 100 employees)
 Definition of Injuries: The cases where the labor cannot engage in daily work and thus be absent because of occupational accidents or occupational diseases.
 Total of lost days: The time (the number of days) where the labor cannot engage in daily work (and thus be absent) because of occupational accidents or occupational diseases. The temporary works and substitute workers are not defined as absence.

In addition, Unimicron's statistics on occupational diseases and the absence rates for the past three years are as follows:

	2011	2012	2013
Occupational Disease Rate (ODR)	0	0	0
Absent Rate (AR)	0.012	0.005	0.006

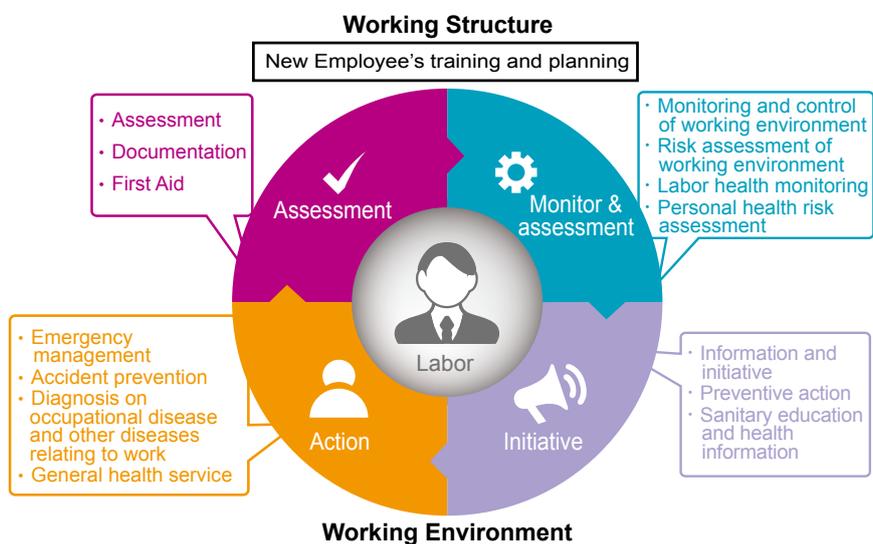
◆ ODR= Total of ODR / total of labor hours × 200,000* (* : the rate on the basis of 50 weeks per year, 40 labor hours per week, every 100 employees)
 ◆ Absent Rate (AR) = Total absent days / total of labor hours × 200,000* (* : the rate on the basis of 50 weeks per year, 40 labor hours per week, every 100 employees)
 ◆ Absence from duty : Employees' absence from duty (not caused by occupational injuries or occupational diseases), including sick leaves and personal leaves; not including permitted vacations, maternity leaves and funeral leaves.

☉ Employee Health Promotion

We value the health of our employees. In their personal health care, we regularly host all kinds of health diagnosis, set up their annual health management plans according to the results of their diagnosis and present the statements and reports in Labor Safety and Health Committee meetings each quarter.

We practice regular physical/ health examinations on new employees, general employees, top managers, and catering operators and analyze the diagnosis reports. By reviewing the items of top abnormal percentages on the reports, we then proceed to plan the following employees' health education courses or health campaigns. For the specific operation examinations, the appropriate health education plan and assessment will be implemented according to the category.

Meanwhile, we offer female employees free pap tests, middle-up aged employees colorectal cancer screening tests, free bone density tests, free breast cancer ultrasound exams, free eye examinations and eye care, free screening for oral cancer, free vaccination in preventing influenza. Totally 1,593 employees were vaccinated in 2013. We also invite professional physicians to station themselves on site to provide free medicine consulting services.



In respect of health education and information, besides regular health education seminars hosted by professional medical specialists, we periodically offer health issues seminars, interpersonal relationship programs, stress relief programs, and hold tobacco hazard prevention seminars to enhance the awareness of employees on their physical and mental health. Moreover, to foster the spirit of "Help others equals to help yourself", we host blood donation events each quarter and in 2013, we donated a total of 98 bags of blood.

We offer the interactive overseas information to employees on business trips, so that the employees themselves may check the information on the company internal website. Epidemic data is updated and reported to the directors by onsite nurses according to the website of Travelers Health, Center of Disease Control to avoid arranging business trips to the disease areas and protect employees' health and safety.

Besides, we provide our employees with updated medical information every week for their health consciousness. There were 165 pieces of health news provided in 2013.

With regard to medical service, currently 12 onsite nurses along with 5 professional physicians are allocated for each plant to provide employees with all kinds of medical consultation services. Each plant also features the health center, message services, nursery rooms, and health examinations to track and improve the health of our employees and provide employees with emergency medical services.

In addition, employees can interact with onsite physicians online through the email accounts of stationed physicians in the Outlook All Groups. We also reached agreements with neighboring hospitals to provide necessary referral or project based medical services. Since 2006, we started to offer long-termed employment to professional blind masseurs to provide convenient massage services to all employees at their plants and we support minorities in the society with employment opportunities and actions. In 2013, the total hours service provided by blind masseurs reached 1321 hours. Blind masseurs enjoy the same benefits as general employees.

According to the employee obesity survey conducted by the Bureau of Health Promotion in 2010, among all employees surveyed, 22.7% are overweight, and 11.8% are identified as obese. Our 2010 employee health examination result revealed that 23.5% of our employees are overweight while 20.7% have reached the obesity standard, and they all surpass the statistics published by the Bureau of Health Promotion. In view of this, we followed the "2011 Healthy and Energetic Taiwan" policy initiated by the Bureau of Health Promotion in 2011 and chose/set 2011 as our "Health and Weight Management Year". For the year of 2012 and 2013, we themed it as "Prevention of Metabolic Syndrome" and "Healthy 2013, Let's Get Fit", and held Metabolic syndrome seminars, physical fitness events and healthful stair climbing etc. in order to persistently promote employees' health and weight management. The champion of weight reduction for 2013 successfully lost 6 kilograms within the two-month campaign duration.

In 2012, Unimicron FPC Kunshan established a team for "Health Promotion Enterprise". Through sustainable improvement and activity launching, it honorably won the title "Provincial Health Promotion Model Enterprise in Jiangsu" in December 2013.



Human Rights



We value the labor rights, carry out humane treatment and respect all employees. Besides the forced labor forbiddance mechanism (grievance and communication channels) deployed at all operation sites, all of our suppliers are requested to sign the Business Ethics Compliance and Social Responsibility Acknowledgment (forced labor forbiddance clauses are included within. Please refer to "Supply Chain Management" for details) to reduce the risks of forced labor in the supply chain. Our position toward freedom of association and club participation is:

- ① Enhance employees health, encourage employees to join clubs, promote proper entertainment to enrich their choices of leisure activities, improve job efficiency, develop interpersonal awareness, foster the spirit of dedication, and enhance bonds with colleagues.
- ② Employees are entitled to freedom of speech, voting right, and right to stand for election.
- ③ Behaviors violating socially accepted norms, laws, and proper cultural demeanors are forbidden.

Meanwhile, to protect employee rights and ensure a workplace free from sexual harassment and gender discrimination, we established grievance procedures to help employees resolve discriminatory practices or practices violating their personal benefits and rights, to prevent sexual harassment and protect the benefits and rights of the victims.

A large number of foreign workers are employed at Unimicron. Besides communicating with them in their native language during the recruiting orientation sessions to eliminate language barriers and risk of information asymmetry, we make sure that they are not charged with unreasonable fees or treated as forced labor before they leave their countries. After their arrival, they will be provided with foreign worker employment manuals with information about internal and external reporting channels and employee consultations to ensure they are treated fairly. Additionally, foreign workers' passports and work permits are kept self-custody and forced savings or salary distraintment is prohibited. To ensure thorough care, we host a symposium each month to communicate with them. China plants also implement management policies regarding manpower agencies and regularly examine the policy compliance of every agency to decide whether to cooperate with them in the future.

Employment of child labors is strictly prohibited at Unimicron and we established child labor prevention procedures with clauses for hiring underage workers in the SOP: we shall reserve employee's right to work until he/she reaches the legally permitted age if it is verified that an employee is under the work- permitted age after being hired. The involved party can choose to return to custodian's home or stay in the company for training and complete mandatory education until he/she reaches the legal working age.

We support employment for people with disabilities and, until the end of 2013, a total of 89 employees with a disability were employed at Unimicron, which is short of 12 people. Not only do we ceaselessly improve our working environment, plan appropriate jobs and enthusiastically recruit the disabled, but the discrepant subsidy is also paid to the competent authority and used as the budget for the disabled.

© The Anti-Discrimination Clause is Indicated in Article 4 of the Work Rules, as Shown Below:

The company shall not discriminate against any job applicant due to his/her race, rank, language, thought, religion, political party, origin, birthplace, sex, sexual preference, age, marital status, look, facial features, disability status, former labor union membership during interview, recruitment, assignment, allocation, assessment or promotion (excluding positions requiring special characteristics).

"All employees must pass the interviews and examinations before they are hired". For personal background information such as gender, birthplace, age, marital status, status of disability, and medical history, job candidates can choose whether to reveal them in the employment application form.

For all employees of all ranks to gain a deeper understanding of human rights and relevant anti- discrimination details and mechanisms, we have added relevant topics into the basic training courses designed for employees at different levels. This measure was implemented plants including those in Taiwan and Unimicron Suzhou in China in 2013. Take the plants in Taiwan for example, three course, such as EICC/ Unimicron Technology Unimicron Code of Conduct, were opened for different participants. As many as 11,210 trainees completed the training. The course completion rates of Sexual Harassment Prevention Act /Gender Equality in Employment Act were the lowest so it will be opened for 5 sessions in 2014, compared with 2 sessions in 2013 and reminders of attendance will be sent to staff to solidify the according concept. The implementation in China during 2013 is as the following table:

Further, In respect of the training of security personnel on human rights, EICC/ Unimicron Technology Unimicron Code of Conduct will be conducted as soon as the security personnel in Taiwan plants assume office. The training in China plants will be launched.

Courses	Intended Audience	Taiwan			China		
		Duration / hours	Numbers of Participants Completed	Training Completion Rate	Duration / hours	Numbers of Participants Completed	Training Completion Rate
EICC/Unimicron Code of Conduct	All employees	0.5	10287	99%	0.5	8243	74%
Introduction of Labor Law	5~10 supervisors from all levels	4	465	56%	NA	NA	NA
Sexual Harassment Prevention Act/ Act of Gender Equality in Employment	IDL employees	2	458	19%	2	*1878	100%

◆ Note: * This data is from the execution record of Unimicron Suzhou in China.

Social Involvement



We faithfully follow the philosophy "Taking from the Society and Giving Back to the Society". From cultivating the local communities of branches across the world, contributing to cross-border charity events, to sponsoring social and charity development, we have seen increasing trends in our commitment over the years. Besides sponsoring R&D efforts in the academic community, talent cultivation and charity events, we further encourage our employee association to involve in our social participation initiatives to expand the scope of benefits and influences. We fulfill CSR and contribute to the society with specific actions. In the future, we promise to continuously consolidate our corporate, social and employee resources to support social charity events.

Major social involvement activities of Taiwan plants during 2013 were as follows:

◎ Employment and Workplace Experiencing

Employment for the youth became the most important social issue in Taiwan. We participate in campus recruiting fairs each year. This not only increases the employment opportunities for the youth, but also allows us to contribute to our responsibilities by offering the youth with on-the-job training and career development plans. There were a total of 18 University and College recruitment activities in 2013; in which a total of 1,199 graduates from University and above were hired, which accounts for 38% of the total hiring with an increasing rate year by year.

◎ Career Discovery Camp

During recent years, the development of "career capabilities" has been receiving significant global attention. The development of technology talents is an urgent issue. Therefore, Career Discovery Camp (CDC) was launched in 2008 to cultivate technology talents in accordance with the industrial trend with an aim to equipping them with career capabilities. Campers were arranged to visit Unimicron and understand our production process. This campaign embraces wide applause. Unimicron offered opportunities of being one-day factory directors to the best three campers, and it is the concrete way to attract excellent talents.

Unimicron and DuPont Taiwan have jointly sponsored the Sixth Career Discovery Camp (CDC) in 2013. Through referrals from schools and personal registration, the design team facilitated the 35 Masters and PhD candidates from 7 universities and colleges as selected campers. Throughout this elaborately devised experience campaign, participants were able to talk to business leaders and learn from successful models to manifest personal strength and advantages, search for the career path and lay the niche for being business elites in the future. During this four-day-two night event, participants got to not only further understand the industry updates and technology trends, but also advance personal competency through activities including case study, English communication and speeches, interview skill practice, the contest of innovative product presentation, social skill fortification, and teamwork, in order to shorten their exploratory period when they just start working.



◎ Support Physical Education

Unimicron Technology supported our national sport and sponsored Guei-Shan Township, where our headquarter is located, with the three-stage baseball system (junior league, senior league and big league baseball) Unimicron committed to support the baseball team with a five-year donation of NT\$1,500,000. Starting from 2011, we sponsored Taoyuan County Shou-Shan Senior High School Baseball Team NT\$300,000 a year and awarded each of two outstanding students NT\$30,000 scholarship a year for encouragement. This team not only performed excellently in domestic contests, but also won 2013 championship in BLWS Asia-Pacific series and the second place in 2013 BLWS world series.



▼ Shou-Shan Senior High School Baseball Team won 2013 championship in BLWS Asia-Pacific series and the second place in 2013 BLWS world series.



壽山高中棒球隊代表台灣參加 LLB 世界青棒賽榮獲亞太區冠軍

◎ The communication between cross-field enterprises sparks off the creativity and orientation of corporate social responsibilities.

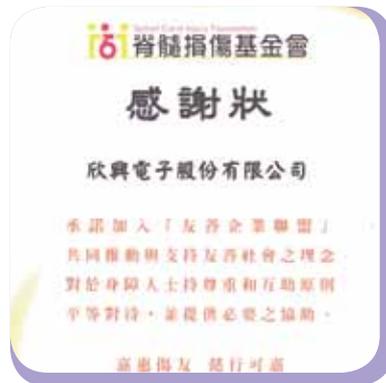
During recent years Unimicron has been hoping to express the direction which it deploys its corporate social responsibility through all types of its meetings and, in economic, environmental and social perspectives, fortify the width and depth of total CSR implementation – we think that it is essential for an enterprise which aims to carry out corporate social responsibilities to possess the determination to promote it comprehensively. In 2013 Human Resource Manager Annual Convention, we invited, Chin-Ming Tseng, Chief of CSR Division, Publish Affairs Department, Chonghwa Telecom as our special guest to share the CSR actions of Chonghwa Telecom after it was privatized. Chonghwa Telecom first reached common consensus among top management before it laid its foundation. Through total implementation and internalization, Chonghwa Telecom showed impressive performance in all kinds of evaluation. Through his experiences and talk, Chonghwa Telecom and Unimicron sparked off more creativities and ideas for CSR promoters in this cross-field communication. Hopefully there is a chance in the future to fame this know-out so that there are more world-class enterprises in Taiwan which care about environmental protection, pay attention to economic development and be concerned about charity.



◎ Care for Social Minorities and Charity Event Participation

With regards to our care and support for minorities, besides our actual material donations and cash donations, we spare no effort to education of children in disadvantaged families, including part-time jobs and, scholarship and assistantship to encourage them study diligently and develop their capabilities to assimilate themselves into the society. For example:

- Sponsor Private Chung-Hsin High School with Scholarship for Low-Income Students every year. In 2013, over NTD 219,000 was granted.
- Responding the campaign of Taoyuan County Government, the entire staff supported Taoyuan County Sheltered Workshop and ordered its products. The amount of our order was among that of the ten enterprises so we received a certificate of recognition from Taoyuan County Magistrate.
- Joined Friendly Enterprise League initiated by Spinal Cord Injury Foundation, provided career opportunities to people with spinal cord injuries and participated in events held by Spinal Cord Injury Foundation.
- Together with Chinese Youth Care Association, planned Unimicron Technology Sunrise Charity Convenience Store to provide single parents and dropouts career opportunities and to cultivate employee's concepts on charity. Accumulated in small amounts of daily consumption, the profit will be planned and used by Chinese Youth Care Association in hopes of helping more people in need. This charity convenience store was opened in April 2014.
- Founded on the plant factory (please refer to Other Environmental Protection Actions). We persistently promote the low-carbon vegetarian diet to internal parties and stakeholders, such as customers, suppliers, and neighbors etc. We not only provide non-toxic healthful meals to visitors and employee for free during gatherings, but also engage in overseas technical assistance and counseling. We expect to open a plant-themed fusion restaurant near our head office by the end of 2014. We not only aim to gradually promote this non-toxic healthful light cuisine from employees, suppliers and neighbors to Taiwan, China or even the whole world, but also strive to advocate bakeries and diners so that resources from schools and government offices can be combined to establish the sheltered workshop and provide jobs to students and minorities.



Through the advocacy of the Company and internal clubs, we also encourage our employees to engage in charity activities and events and spread love and care incessantly. For example, Green Giant Club aims to protect the Earth and participate in activities of environmental protection and industrial safety and therefore advocates environmental protection and awareness advancement; we also usually engage in education and counseling in middle and primary schools so that pupils are able to develop excellent awareness on safety and environmental protection from their childhood. Furthermore, we also advocate holding outdoor activities of environmental protection (such as beach cleanup, mountain cleanup and neighborhood environment examination etc.) in order to devote our effort to the Earth and minimize the social cost caused by pollution; Care Club initiated "Your Turn to Be Santa Claus ~ Send Warmth in Winter." in the fourth quarter. Care Club worked with World Vision Taiwan and invited employees to raise warm coats for children in the remote mountains as their Xmas gifts so these kids can feel joy on Xmas. Unimicron's employees enthusiastically participated in this activity. In 2013, more than 430 employees from clubs in Taiwan participated in 14 charitable activities.



Major social involvement activities of China plants during 2013 are as follows:

- Environmental Protection Actions of Unimicron Technology Kunshan to Advance Neighborhood Bonding. Invited chiefs and residents of the neighborhood to visit our plants and understand our philosophy and measures on environmental protection on the spot. It is hoped that residents in the adjacent neighborhoods have deeper understanding about us, acknowledge our environmental protection measures and feel satisfied with current management of Unimicron Technology Kunshan. Meanwhile, we also teach how to reuse waste materials and distribute pedometers to advance our bonding with the neighborhood.

▼ Visited the curing pond at the treated wastewater outlet and listened to the explanation on the rooftop emission treatment facilities.



▼ "Turned Waste into Treasure" together and produced handmade vases.



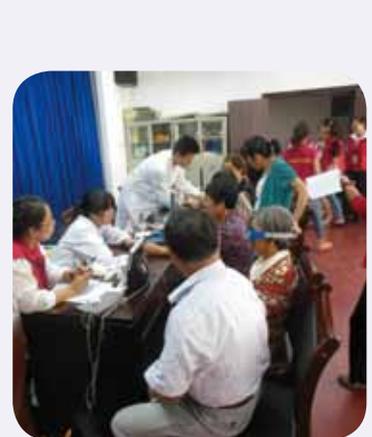
▼ Instructions to use a pedometer. The elderly in the neighborhood tried out the pedometers.



- The group volunteers of Unimicron Technology Kunshan organized the campaign "Four Sites for the Elder; Feel Warm from the Sunset" and celebrated the birthday for the elderly in Zhongda Community. We regularly hold tea parties to hold handcraft events, share thoughts and feelings with the elder and engage in physical exercises. We aim to provide a sociable platform for empty nesters and boost the sense of happiness that the elderly feel during their elder years.



- Group volunteers organized an event "In Kunshan You Settle, A Happy Life You Enjoy". The subjects are employees' families (families of three generations are the best). This event aims to provide a stable social life through activities and seminars for the elderly and a communicative and interactive platform between children and parents. Families with the same background can enjoy experience sharing and reference.



● In response to the advocacy of philanthropic gratuitous blood donation and glorify the love for life, Unimicron-FPC held twice the voluntary blood donations in 2013, “Under the Same Sky, Share the Same Touchingness of Life”. These blood donations reached a total of 110 person-times; while Unimicron Technology Shenzhen echoed the blood donation initiated by Shajing Chapter of Taiwan Merchant Association Shenzhen. A total of 113 people participated in this event.



● In April 2011, Unimicron Technology Shenzhen and Rong Hua Group Enterprises paid a visit to Dingxi City, Gansu Province. The rough education and living conditions called the executives' attention. In order to make a contribution to this impoverished area and strengthen the Company's social influence, we have been engaged in donation to Gansu since June 2011.

● Unimicron Technology Kunshan and Unimicron-FPC established a volunteer association, which consists of 64 volunteers from Unimicron Technology Kunshan and 38 from Unimicron-FPC and engages in activities including free community medical care and welfare houses visits.

▼ Free Community Medical Care



▼ Welfare Houses Visits



▼ Welfare Houses Visits



Besides social charity events, Unimicron also fully devotes to social public affairs. We hope to integrate government, enterprise and personal resources to contribute to Taiwanese society and relevant industries. We are very active in winning an opportunity to be a part of NGO activities in Taiwan and the world. We do our best to play the role of driving important policies. We hope to be a positive driving force utilizing enterprise and personal resources to advance social and industrial development.

© Union, Association and Non-for-Profit Organization Interaction List

Type	Region	Association / Organization	Role & Title
National Industrial Organization	Taiwan	Taiwan Printed Circuit Association (TPCA)	Member/Executive Committee
		Taiwan Electrical and Electronic Manufacturers' Association	Member
		Taiwan Surface Finishing Association	Member
		Taiwan Allied Association For Science Park Industries	Member
		Chinese Society of Mechanical Engineering	Sponsor
		Chinese Excellent Management Association	Member
		Industrial Technology Research Institute -AD-STAC	Member
Regional Association	Taiwan	The Institute of Internal Auditors, ROC (Taiwan)	Member
		Guishan Industrial Park Mutual Defense Group	President/ Member
		Zhongli Industrial Park Mutual Defense Group	Member
		Zhongli Industrial Park Association	Member
		Guishan Industrial Park Association	Member
	China	Hsinchu county Industrial Park Association	Member
		Taoyuan County Industrial Association	Member
		Chinese Human Resource Management Association	Member
		NeHR Northern Electrics HR Director Association	Member
		Kunshan Volunteer Association	Member
Environment Safety and Health Association	Taiwan	Taiwan Merchant Association Shenzhen	Member/ Executive Committee
		Taiwan Compatriot Investment Enterprises Association of Suzhou Industrial Park	Member
		Environmental Work Committee, Taiwan Printed Circuit Association	Chairman
		Taoyuan County Fire Protection Association	Consultant
		Hsinchu County Friends of Firefighter Association	Consultant
		North District Office, Taiwan Occupational Safety & Health Management System	Committee Member
		Taoyuan County Friends of Police Association	Vice President
		Taoyuan County Labor Safety and Health Family Group	Member
		Hsinchu County Union of Nurses' Association	Member
		Taoyuan County Union of Nurses' Association	Member
		Charity Organization	Taiwan
The Taiwan Fund for Children and Families in Taoyuan	Sponsor		
The Taiwan Fund for Children and Families in Hsinchu	Sponsor		
St. Francis's Children's Home	Sponsor		

Social Investment Status Donation of Unimicron for 2013 is as follows. In Taiwan, major investment fell in education while, in China, it fell in social welfare.

Region	Donator	Subject	Donation Subject	Type	Currency	Donation Amount of 2013
Taiwan	Employee	External	The Taiwan Fund for Children and Families in Taoyuan	Social Welfare	NT	170,660
	Employee	External	The Taiwan Fund for Children and Families in Hsinchu	Social Welfare	NT	170,480
	Company	External	Baseball Team of Shou-Shan Senior High School	Social Welfare	NT	360,000
	Company	External	Taoyuan County Seaside Leisure Association	Social Welfare	NT	20,000
	Company	External	Scholarship for Low-Income Students, Private Chung-Hsin High School N.P.O	Education	NT	219,000
	Company	External	Hsinchu County Government	Social Welfare	NT	110,000
	Company	External	Chinese Excellent Management Association	Education	NT	631,086
	Company	External	Hsinchu County Friends of Firefighter Association	Social Welfare	NT	120,000
	Company	External	Taoyuan County Friends of Police Association	Social Welfare	NT	1,000,000
	Company	External	Colleges and Universities	Education	NT	170,000
	Company	External	Chung-hsin Foundation	Education	NT	1,944,000
	Company	External	Chinese Society of Mechanical Engineering	Education	NT	100,000
	Company	External	Supply Management Institute, Taiwan	Education	NT	20,000
	Company	External	Chinese Society for Quality	Education	NT	50,000
	Company	External	Taiwan International Invention Award Winners Association	Education	NT	120,000
	Company	External	Career Discovery Camp	Education	NT	285,750
	Employee Welfare Committee	Internal	Internal Employee In-Service Study Scholarship	Education	NT	232,000
	Employee Welfare Committee	Internal	Club Fund Subsidy	Social Welfare	NT	335,400
	China	Company	External	Consolation fund to foreign workers for Super Typhoon HAIYAN striking Philippine	Disaster	NT
Company		External	Tzu Chi Kunshan Environmental Education Center	Education	RMB	80,000
Company		External	Grace Charity Foundation	Social Welfare	RMB	115,750
	Company	External	Zhoushi/ Yushan Homes for the Aged in Kunshan	Social Welfare	RMB	10,150
	Total				NT	6,115,876
					RMB	205,900

◆ Note: The aforementioned amounts are in either New Taiwan (NT) Dollars or in Renminbi (RMB) and totaled at the bottom of the columns respectively.

5 ***Cherish the Planet***

Protect It with Love

We fully understand the importance of sustainable environment and have been striving for green production. We feel grateful for the land, which nurtures our growth. Protect it is our everlasting obligation and mission.

The Sustainability Megaforces of climate change, water resources, biodiversity, deforestation, resource shortage, are closely related to the Earth, which hinges on our survival. Nowadays, environmental issues are abundant and complicated so our views on the environment have to be broader: Look at both Taiwan and China/ the globe; Look into both ourselves and our value chain; look at both risks and opportunities. This chapter first presents the comprehensive environmental policies of Unimicron and its performance on production before explains our responsibility for products and environment and the recognitions which Unimicron won in 2013.



Sustainable Environment



Unimicron Technology specializes in Printed Circuit Boards (PCB) and IC Carriers. This business is energy intensive and the characteristics of its wastewater are complicated. Unimicron officially included the environmental sustainability development strategy into our management system to instantly precisely track dynamic environmental issues such as energy and climate change, carbon trading and improving resource efficiency, and controlling pollutant emissions. We expect to fulfill our commitment to environmental sustainability through our routine products and activities to alleviate the impacts on environments, to contribute to the society development and quality life, as well as to win the stakeholders' trust.

© Development of Environmental Policies and Highlights

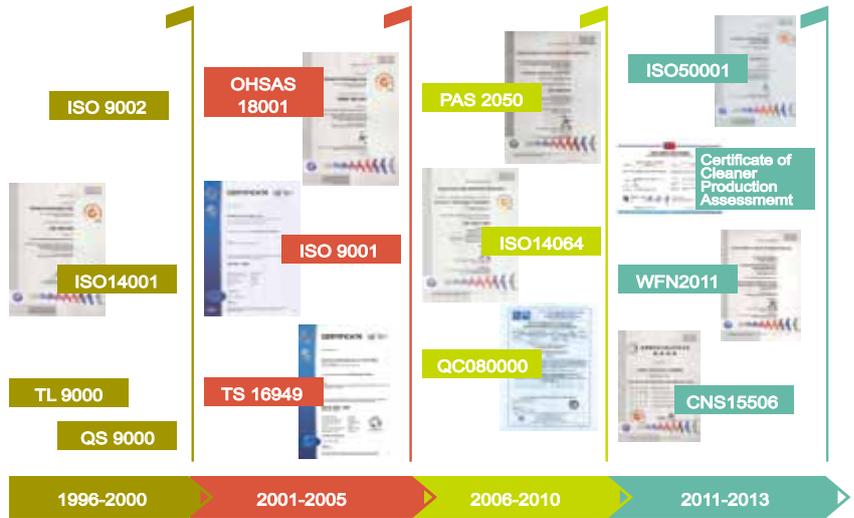
Our environmental policy incorporates concerns over safety and health management. We are committed to all green actions, conserving resources, enforcing pollution prevention ensures, and building a safe and comfortable working environment. With sustainability and environmental development as our long term goal, we have set the following policies on occupational safety and health, environmental protection and energy:

- 01 Abide by government regulations and customers' requirements. Build a safe and comfortable working environment.
- 02 All managers are committed to implement and improve daily environmental protection, energy, occupational safety and health management. Educate all employees and relevant stakeholders the mutual responsibilities of treasuring energy, natural resources and meeting the safety goal of "zero incident".
- 03 Employees have sufficient time and adequate resources to participate in the operation of safety and health management systems in order to achieve the purpose of full participation and consultation purposes.
- 04 Practice continuous improvement. Prevention of pollution, injury and unhealthy factors to reduce risk management cost, and support green procurement.
- 05 Voluntarily enforce GHG (Green House Gas) inventory audit, control, and reduction. Promote material reduction, recycling and reuse. Setting energy targets, regular self-assessment.
- 06 Establish and provide resources to maintain the management and operation systems for environmental, energy, occupational safety and health, and improve those performance to achieve goals.
- 07 Open to the public.

All of Unimicron plants are established in the industrial zones in accordance with regulations. Not only was the evaluation of environmental impact completed, but Unimicron also has been complying with our commitment to environmental evaluation and regulatory requirements and persistently conducting self-monitoring. To deliver our promise on environment sustainability, we have deployed a highly effective environmental management approach with clearly defined responsibilities. Since the first plant established in 1990, we have factored in all possible impacts of our production activities on the environment as well as relevant risks into plant designs. With the development of sustainability and the environment trend, our focus turned from ISO14001 environmental management system in the beginning to the inventories of ISO14064-1 greenhouse gas verification, PAS2050 product carbon footprint verification, and the WFN product water footprint verification system.

Through aforementioned verification on carbon footprint and water footprint, we understand during which phase of the product life cycle Unimicron products impact water resources and greenhouse gas emission and are able to proceed to according management and planning. Meanwhile, Luchu II Plant in Taiwan acquired the certificate of ISO50001 Energy Management System in 2013 so that the management will undergo external review and audit every year in order to ensure our efficiency on energy management. This won recognition from numerous customers of ours. The carbon emission of Unimicron Technology Shenzhen in China passed the verification in 2013. In 2014, (as required by Shenzhen Municipal Government), carbon trading mechanism of Shenzhen was incorporated in 2014 along with Shenzhen Low Carbon Technology Innovation Alliance to contribute to carbon reduction.

“Shenzhen Low Carbon Technology Innovation Alliance” is jointly founded by such government institutes as Shenzhen Institute of Standards and Technology and Shenzhen Academy of Metrology and Quality Inspection, Carbon Resource Audit Consulting Service and prestigious enterprises to be dedicated to the integration of low carbon technologies from multiple sources and functions as a cooperation platform among industries, government and research institutes.



◎ **Management Mechanism**

Currently at Unimicron, the basic policies regarding environment sustainability affairs are set by the Environment, Health & Safety Subcommittee under the CSR Management Committee and implemented by plant affairs, safety and environmental planning, and plant establishment units. We expect that through stringent management mechanisms, all employees can follow the PDCA cycle to carry out environmental and sustainable actions which Unimicron is committed to.

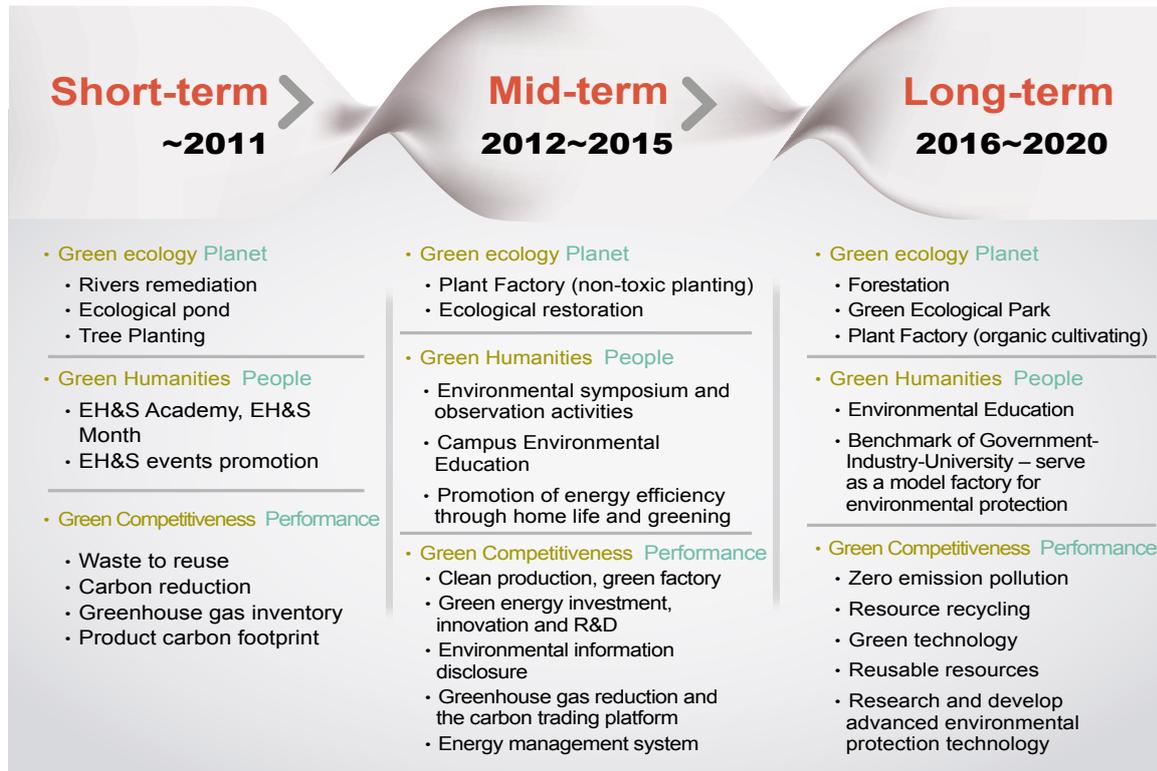


Because Unimicron established plants both in Taiwan and China, it has to comply with the environment trend and regulations related to China's 12th five-year plan. Consequently, EH&S Office is set both in Taiwan and China plants with plants in Taiwan taking charge of coordination. The whole corporate group takes the unanimous management platform.

◎ **Goals of Environmental Sustainability**

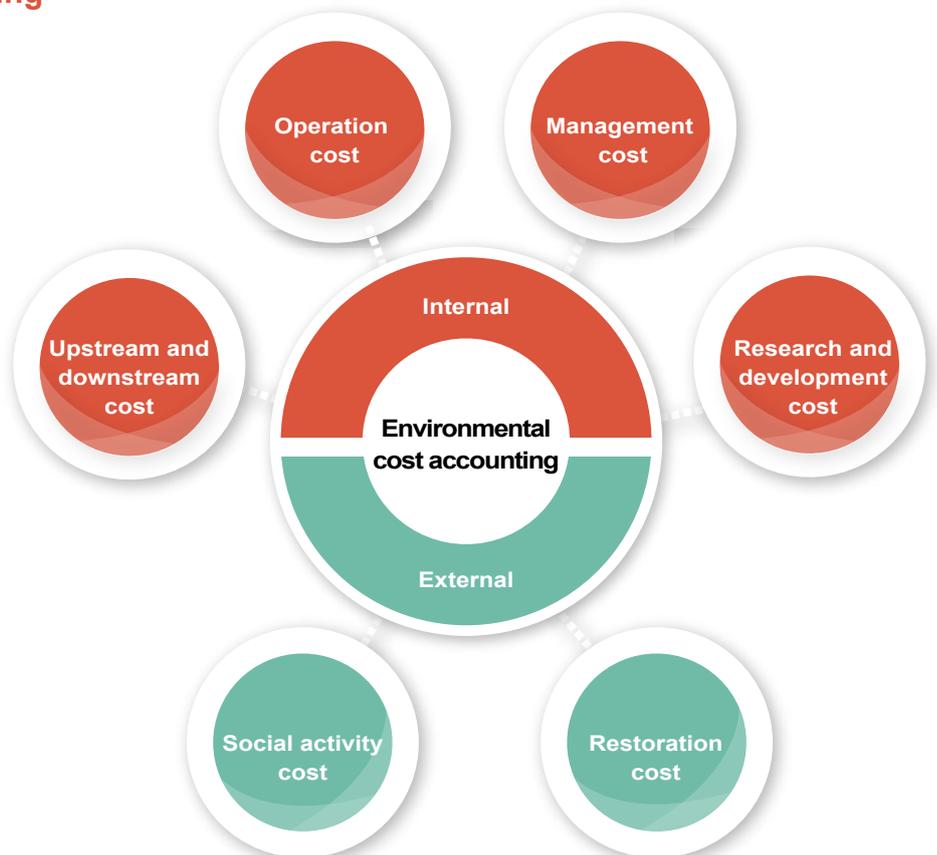
To properly design environmental sustainable projects, we established the following short, mid and long term environmental sustainability goals. The three key cares of Unimicron's corporate social responsibilities, "Emphasize Performance, Respect for People, Cherish the Planet", are comprehensively integrated as the basis before 2020 on which we carry out all action plans and set goals for all environmental issues. Starting from perfecting the environmental and energy management systems, we expect to gradually advance toward low pollution and high energy efficiency and finally achieve the ultimate goals of environmental sustainability – environmental symbiosis,

and zero pollution. The execution highlights and performance of goals for environmental sustainability are illustrated as follows:



◎ Environmental Accounting

Adopting the Environmental Accounting Guideline published by the Environmental Protection Administration, Executive Yuan, Unimicron has set up environmental accounting codes and the following six categories are included (as illustrated in the diagram below): operation cost, management cost, research and development cost, restoration cost, social activity cost, and upstream and downstream cost (as showed in the following.)



With environmental accounting data as the reference for us to make environmental decisions and systematically analyze the relationship between costs and benefits, we can gain a deep understanding into investment distribution and their implication to improve our investment strategies. In 2013, the expenditure on environmental protection in Taiwan totaled NTD 299 million with operation cost and management cost accounting for over 99% of total environment cost.

Category (Year/ Million)	2011	2012	2013
Operation Cost	200	487	127
Management Cost	232	299	170
Restoration Cost	55	13	0.29
Upstream and Downstream Cost	0.4	4	0.0004
Social Activity Cost	0.6	3	0.33
Research and Development Cost	0	180	0.78
Total	487	986	298.7004

◆ For Taiwan only. Data of China to be included for 2014.

During recent years, some overseas enterprises have been evaluating the impact of products on the external environment from the product perspective and calculating its true cost or Environmental P&L. It is hoped to reflect how much the environment is impacted through the values of currency as the management basis for enterprises to deploy its investment and reduce external environment cost. We will also actively probe into its derivation with current environmental accounting and evaluate how to maximize the benefit of the current system.

Energy and Climate Change



Energy and climate change now are critical issues which every country and enterprise across the world have to confront together. Unimicron also deeply understands greenhouse gas emission produced by human activities. With regard to significant influence and impact caused by climate, the environment and ecology, the risk of climate changes against Unimicron can be divided into physical risk (such as operation interruption of Unimicron or key suppliers which results from the flood or blizzard caused by extreme weather conditions), regulatory risk (such as carbon tax or greenhouse gas emission cap) and image risk (such as the failure to develop energy-conserving and carbon-reducing measures or to understand the carbon footprint of products) – climate changes are not merely an environmental issue, but also a clear risk which may truly and severely strike our daily operation and future growth. Consequently, we have coordinated our domestic and overseas partners of the supply chain with the needs of our global clients to actively conduct reviews on and manage energy and resource inventory and engage in all GHG reduction initiatives. Meanwhile, the parent company was invited by TCPA to establish Product Category Rules (PCR) for the PCB industry. Plants in China either cooperated with local governments or joined the industry alliance contributed to the initiative of carbon reduction for the industry.

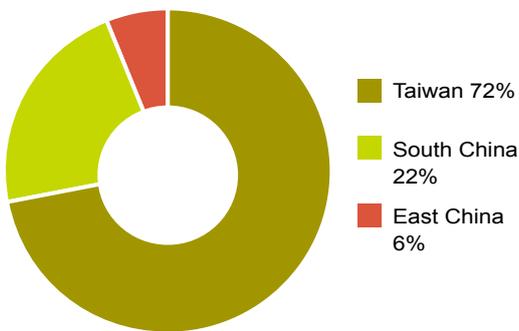
⊙ Introduced Energy Management System

Many international enterprises have conducted green procurement regulations to request their supply chains to comply with the green market demands. Energy plays an important role. When confronted with impacts of Low-Carbon Economy, energy cost reduction and GHG emission management have become the necessary strategy for enterprise sustainability.

In 2013, Luchu II Plant in Taiwan was designated as the model plant of Unimicron, acquired the subsidy from Industrial Development Bureau, Ministry of Economic Affairs and became the first plant which obtained the certificate of ISO 50001 Energy Management System. Functions across all departments will be integrated to escalate the awareness and transparency of energy, spot the root cause and maximize energy use efficiency. Energy utilization can be therefore continuously improved to minimize energy cost. CO₂e emission can be reduced by 951.4 tons. It is expected to horizontally spread to other plants in 2015.



◎ Green House Gas Emission



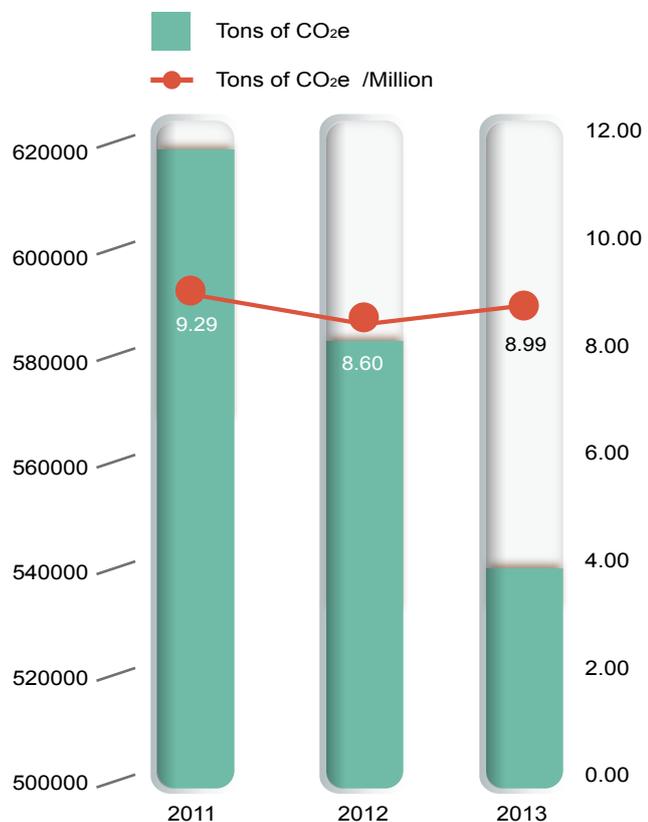
Taiwan plants, East China plants (Unimicron-FPC) and South China plants (Unimicron Shenzhen) of Unimicron emitted 538,835 tons of CO₂e in total as greenhouse gas during 2013 (only scope 1 and scope 2 emission from each plant is included), which was lower than 580,597 tons of CO₂e in 2012 and 614,221 tons of CO₂e in 2011. Emission from all Taiwan plants accounted for 72%, followed by 22% from South China plants (Unimicron Shenzhen) and then 6% from East China plants (Unimicron-FPC). The actual carbon emission of Unimicron Technology Shenzhen during 2013 was verified through Shenzhen carbon trading mechanism to be 118,375 tons of CO₂e, lower than the quota of 134,853 tons of CO₂e - the remaining can be sold to companies exceeding the limit or reserved for next one or two years.

Nevertheless, according to the tendency of Green house Gas Emission Indicator (total greenhouse emission/ revenue in million), 8.99 tons CO₂e/ Million NTD in 2013 hiked from 8.60 tons CO₂e/ Million NTD for 2012, which indicates that, when the revenue decreased 2013, the management efficiency of greenhouse gas emission declined. It is expected to complete the systems of the plants in East China and other undisclosed plants in 2014.

Because externally purchased electricity is the primary source of GHG emissions and, thus, our GHG reduction strategy was implemented with the emphasis on management of electricity consumption and electricity conservation – to boost emission efficiency, such strategies must be coupled with energy/ electricity consumption management.

Regarding alternative energy, solar energy is used in the dormitory and partial lightings. Meanwhile, it is planned to replace heavy oil with natural gas in Shanying Plant for 2014 in order to minimize the emission of greenhouse gas.

- ◆ Taiwan: 2012 Emission Coefficient of Taiwan Power Company
- ◆ East China: Source of FPC Emission Coefficient IPCC2007 AR4 ; IPCC2013 AR5 is expected to be adopted for SUZ this year.
- ◆ South China: Z9—2012 Specification With Guidance At The Organization Level For Quantification And Reporting Of Greenhouse Gas Emissions And Removals



In regard to calculation and disclosure of SCOPE 3 (not directly emitted from the plant or non-electricity related), Corporate Value Chain (Scope 3) Accounting and Reporting Standard issued by GHG Protocol is currently referable to help enterprises evaluate the impact caused by GHG emission of the entire value chain and identify the most effective approach to emission reduction. We still possess limited knowledge in the disclosure and management of this aspect and will incessantly study, analyze the collection of related data, plan the introduction of this system and boost our overall managerial and controlling ability over greenhouse gas examination.

◎ **Use of Electricity and Alternative Energy**

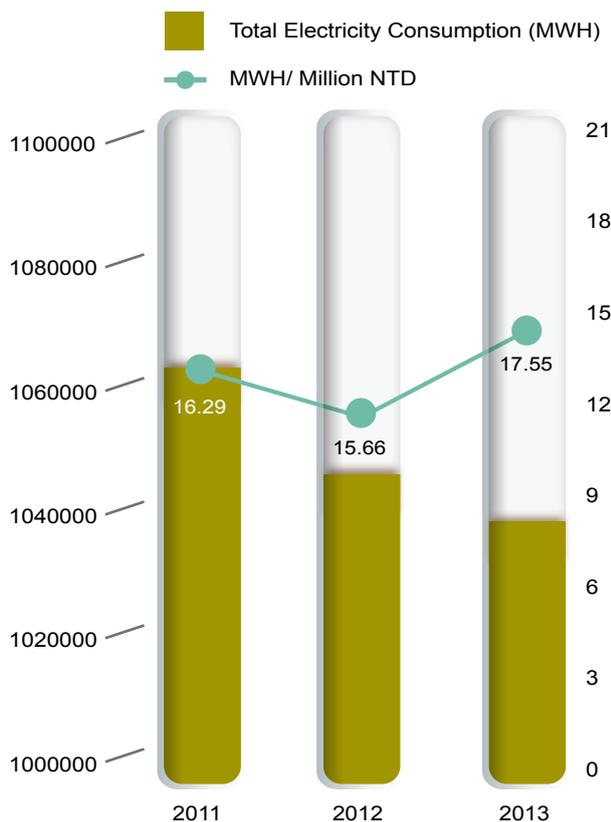
The total electricity consumption of Unimicron plants in Taiwan in 2013 and China amounted to 1,051,947 Mwh (milliwatt hour), slightly lower than 1,057,041 Mwh in 2012 and 1,077,800 Mwh in 2011. All Taiwan plants consumed 66% of electricity while the 10% consumed by South China plants (Unimicron Technology Shenzhen) differed little from the 24% by three plants in East China. Nevertheless, according to the tendency of Energy Use Intensity Index (total electricity consumption/ revenue in million), 17.55Mwh/ Million NTD in 2013 hiked from 15.66 Mwh/ Million NTD for 2012 and is the highest during the past three years. This indicates that, when the revenue dropped in 2013, the management efficiency on electricity consumption in 2013 weakened greatly from 2011 and 2012. The possible factors are forecasted to be:

- ◆ Chingtsai II Plant and Hejiang II Plant was completely founded and mostly used for sample design and testing, a reason for the failure to generate revenue.
- ◆ A drop in revenue. Electricity consumption results from two major areas- the equipment end and the plant affair end. Revenue and the equipment end share a positive correlation but the power consumption of the plant affair end and productivity cannot show this positive correlation.

It is expected to conduct the evaluation with two indicators, the electricity consumption / revenue and electricity consumption / storage.

Statistics on Electricity Consumption across Plants

Year	2013				
	Taiwan	Unimicron-FPC	East China Unimicron Kunshan	Unimicron Suzhou	South China Unimicron Shenzhen
Total Electricity Consumption (MWH)	692,282	36,029	154,153	59,019	110,464



Concerning other uses of fossil fuel, diesel oil is mostly used in Taiwan with 3,064 kilolitres consumed in 2013. 1,116 kilolitres of heavy oil was used. The cleaner natural gas is also consumed mostly in Taiwan, but decreasingly. In 2013, over 2270 thousand cubic meters was used in Taiwan, 780 thousand cubic meters in South China plants and 1760 thousand cubic meters in East China.

It is planned to replace heavy oil with natural gas in Shanying Plant, Taiwan.

◎ Energy Saving Action

During recent years, it has been foreseeable that the energy (oil and electricity) prices will ascend. Unimicron believes that energy conservation can not only alleviate greenhouse effects but also effectively boost production efficiency and lower production costs.

Therefore, we performed energy management and proactively implemented energy conservation initiatives across all sites. Part of improvement projects are as follows:

- ★ Waste heat recycle of manufacturing machinery
- ★ Centralized the production to minimize the production devices in operation.
- ★ Water and power saving equipment for man-machine interfaces and improvement projects on chillers and air compressors' energy conservations
- ★ Installed the energy savor for the oven.
- ★ Waste gas flue to wind power generation and solar energy generation(not included in the calculation of energy-saving effect)
- ★ Lightings were switched from fluorescent light to LED.
- ★ Dust collection/ heat removal devices were grid-connected to reduce the devices turned on.
- ★ Applied variable frequency and energy saving technology to motors and pumps.

The aforementioned energy-saving approaches saved Taiwan, South China and East China plants 24,764 Mwh of electricity during 2013, which is equivalent to 6% of total electricity consumption of the year or 13,175 tons of CO₂e for reduced GHG emission.

Meanwhile, in 2013, we tried out renewable energy projects, such as the solar power system and the wind power system on a small scale. In 2013, wastewater from the Biological treatment center was utilized to establish small-sized hydraulic power equipment.

Hydraulic Power Case

The kinetic energy of falling water is converted into the mechanical energy of the water axis. This mechanical energy then drives the generator to generate electricity.

Currently total discharged wastewater from three plants in Shanying Plant (PCB Shanying Plant, Chingtsai I Plant, Chingtsai III Plant) amounted to 11,060CMD. The wastewater in the filtrate surge tank after being biotreated in Biocenter can generate pollution-free electricity without damaging the environment when the topography of water level difference from gravity flow to the discharge tank, Fluid Mechanic and Mechanical Physics are well utilized. In 2013, this 1kw highly efficient brushless special hydraulic generator was installed. With its generating efficiency of 70~80% and annual energy output of 5,475 Kwh, it reduced 2.9 tons of CO₂e.

◎ Water Resource Management

When plants in Taiwan were just established, water resources, including waste discharge at the back end, were confirmed. With regard to responsive procedures to drought, standardized water resource management was conducted to divide water shortage into three levels. Different levels are responded to differently. Sources of water include running water, well water and so on while running water accounts for the highest proportion.

Plants of Unimicron in China are located in Kunshan, Suzhou and Shenzhen. The water of Kunshan and Suzhou comes from Yangcheng Lake, Lake Tai. Water shortage has never been witnessed. There is no large-sized body of water or reservoir inside the area of Shenzhen so its water detention capability is week. Over 70% of water is infused from Dongjiang outside Shenzheng. Our plant (Unimicron Technology Shenzhen) is located in Shajing with the water source from Wuzhipa Reservoir, Songhang. There has never been short of water. We endeavor to boost the water recycling efficiency in order to reduce the depletion of running water. The performance is detailed subsequently.

The total water consumption of plants of Unimicron in Taiwan as well as four plants in East and South China amounted to approximately 13,495,763 M³ in 2013, higher than 10,995,242 M³ in 2012 and 12,974,591 M³ in 2011. All of the water consumed in Taiwan plants accounted for 59%. 12% of water was consumed by South China plant (Unimicron Technology Shenzhen), an amount differing little from 29% by three plants in East China. However,

Nevertheless, according to the tendency of Water Use Intensity Index (total water consumption/ revenue in million), 225 M³/ Million NTD in 2013 hiked from 163 M³/ Million NTD for 2012 and is the highest during the past three years. This indicates that, when the revenue dropped in 2013, the management efficiency on water consumption in 2013 fell from 2012. The possible factors are forecasted to be:

- ◆ Chingtsai II Plant and Hejiang II Plant was completely founded and mostly used for sample design and testing, a reason for the failure to generate revenue.
- ◆ The on-site usage mechanism of water type was re-confirmed in 2014 and the water-conserving plumbing fixtures for top-ten water-consuming production devices.

Regarding water resources, our core conservation philosophy is 3R : "Reduction, Recycle and Reuse". Currently, we rely on running water as our primary water source and partially on groundwater. With all water conservation measures enforced, we have gradually increased the percentages of water recycle and reuse.

Water-Conservation Percentage by Area

Item	Unit	2013				
		Taiwan	East China		South China	
Area/ Item/ Unit			Unimicon-FPC	Unimicon Kunshan	Unimicon Suzhou	Unimicon Shenzhen
Running water consumed	M ³ / Year	6,292,836	752,420	1,417,900	891,000	1,271,432
Total water reduced/ recycled/ reused	M ³ / Year	1,602,335	210,000	684,562	82,000	291,278
Total water reduced/ recycled/ reused as a percentage of water consumed	%	20%	22%	33%	8.4%	18%

◆ Note: Running water and recycled water are the basis for calculation of total water consumption.

☉ Rainwater Collection Promotion Strategies

Unimicon appreciates the rare water resource and realize that running water comes from expensive and complicated treatment process. Therefore, Unimicon has achieved conservation and efficiency of water resource by applying rainwater collection to replace some of the running water consumption. Rainwater collection and application provide multifunction such as easy access to water resource, conservation of wastewater and water resource deployment, whereas the collection tanks can also provide the advantages of flood detention, flood storage, disaster prevention, and landscaping. The collected rainwater storage tank is mainly utilized mostly for landscape watering. Unimicon had owned two 20-ton rainwater collection tanks, mainly used for landscape plants watering.

In 2013, the capacity of rainwater harvesting facilities in Taiwan and East China plants grew largely, an increase from 50 tons in 2012 to 730 tons.



Rainwater Recycling Plan of Permeable bricks of the Outdoor Parking Lot
 Aside from rainwater recycling, Unimicon Technology also widely paved grass bricks. They protect slopes and conserve water and soil. Their hollow shape protects grass during its growth and, because of their large area of bearing, they can undertake heavy weight and effectively prevent soil from being washed away by heavy rain and the lawn from dying. Unimicon will successively paved grass bricks on the parking lot inside the plant in order to retain the moisture and lower the environmental temperature. By doing so, we will be able to effectively boost water and soil conservation and the performance of environmental protection.



In addition, the gray water reclamation system is installed both in East China and South China plants.

South China Plant:

Two sets of gray water reclamation equipment are set, i.e. Building C Gray Water Reclamation System and Building D Gray Water Reclamation System. The gray water reclamation rate reached 60%. The major uses fall into the gas emission treatment and cooling and the sanitation and ecology. 24,273 tons of gray water can be reclaimed monthly.



East China Plant:

DF+RO film technology is employed for waste water treatment to reduce conductivity of wastewater, meet the quality requirement for reclaimed water and replace industrial water.

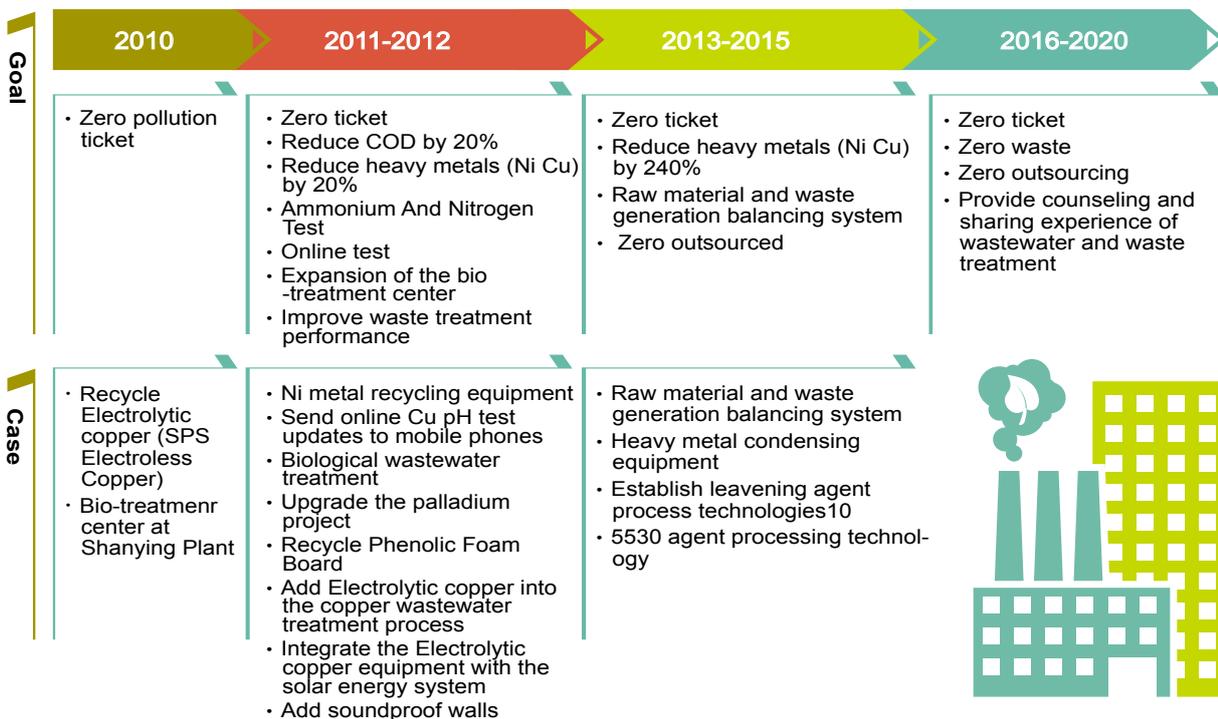


Pollution Prevention



Besides compliance of regulations to install all pollution prevention equipment, The philosophy of Unimicron's pollution prevention factored in possible environmental impacts and work related risks generated from production activities in the early plant designs.

In 2010, we designed a pollution reduction blueprint for the next ten years and have implemented all pollution prevention projects and enforced relevant measures accordingly. All of our pollution prevention systems adopted a satellite based design and waste is first collected through conduits and treated with equipment at the plants. Dangerous gases are first cooled off and washed with water by onsite equipment near the manufacturing process areas to lower their concentration levels before they are transported to other pollution prevention facilities for subsequent treatment processes.



After completing thorough assessments, we have invested in relevant systems including the wastewater collection and treatment system, air pollution control equipment, and central acid supply systems. We even conducted R&D and improvements on the patented pollution prevention equipment and technologies such as dust control washing tower, gas-liquid separation equipment and liquid waste disposal. Besides the above improvements on equipment and technology, we have focused on the establishment of all relevant SOPs to minimize human errors caused by unfamiliarity with operational procedures with devastating consequences to the environment.

Control and Monitor

The EH&S department will conduct self-tests and monitor performance of air pollution and wastewater equipment on a daily basis and has set a small lab to research and research, analyze and improve wastewater quality.

The EH&S departments will outsource the water quality test.

The wastewater diffuent process was adopted to adequately process wastewater from all manufacturing processes and trained and qualified staff members are specially appointed to manage and operate the systems to comply with the effluent standards.

Discharge Management

Air Pollution Prevention

Besides basic air pollution and prevention facilities, Unimicron further focuses on relevant R&D activities to ramp up air pollution prevention efficiency and has filed for patent applications. In 2013, there were three patents on New Air Emission Reduction technology in total in response to improve the front end of the acid washing tower. The empirical result indicated that the sulfuric acid mist removal efficiency can reach 75-96% and the hydrochloric acid mist removal efficiency can go as high as 91-98%.



Nitrogen oxides (NOx) and sulfur oxides (SOx) were emitted from all areas while VOC was emitted only in Taiwan plants with a small amount from South China and East China.

Air Pollution Prevention	Unit	2013				
		Taiwan	East China	South China		
Area		Unimicron – FPC	Unimicron Kunshan	Unimicron Suzhou	Unimicron Shenzhen	
NOx emitted	kg /year	21381	230	970	900	4860
SOx emitted	kg /year	12343	1320	436	710	2780
VOC emitted	kg /year	64420	0	85	230	99

Note: The data is converted with raw material times coefficients for Taiwan and with tested data times days for China.

The New Model of Gas-liquid Separator

The dust collection theorem of the cyclone separator is utilized and complemented with the condensing tube and the expansion tank in order to provide enough residence time for emission to be mixed with peripheral cold air and lower the kinetic energy and velocity of gas molecules. The goals are to greatly remove the waste liquid discharged from the equipment end and lower the total air emission of the washing tower at the final end.

The empirical result indicates that the sulfur acid mist removal efficiency can reach 75-96% and the hydrochloric acid mist removal efficiency can go as high as 91-98%.



Wastewater Treatment

When discharging wastewater, Unimicron follows local regulations of environmental protection and policies of local competent authorities. In terms of wastewater treatment, we adopt the chemical coagulation and diffluent methods to lower/ reduce the chemical oxygen demand (COD) and heavy metal content in wastewater. To reduce the possibility of wastewater pollution, chemical consumption in the chemical coagulation process and to improve the performance of wastewater discharge controls, Taiwan plants built a biological treatment center in 2009 to reduce total wastewater emitted. In 2013, two additional wastewater Biological treatment center (Luchu Plant and Hsingpong Plant) were founded.

Taiwan plants discharged a total of 1,555 kWh/M³ of wastewater in 2013 and are categorized as the self-discharge plant. Such wastewater was discharged into Nankan River, Dongmen River and Degui River (which are all Type C Water Body).

East China plants discharged a total of 304 kWh/M³ of wastewater in 2013 while the total discharged wastewater in South China amounted to 131 kWh/M³. Both were influent discharge (as in Type IV Water Body).



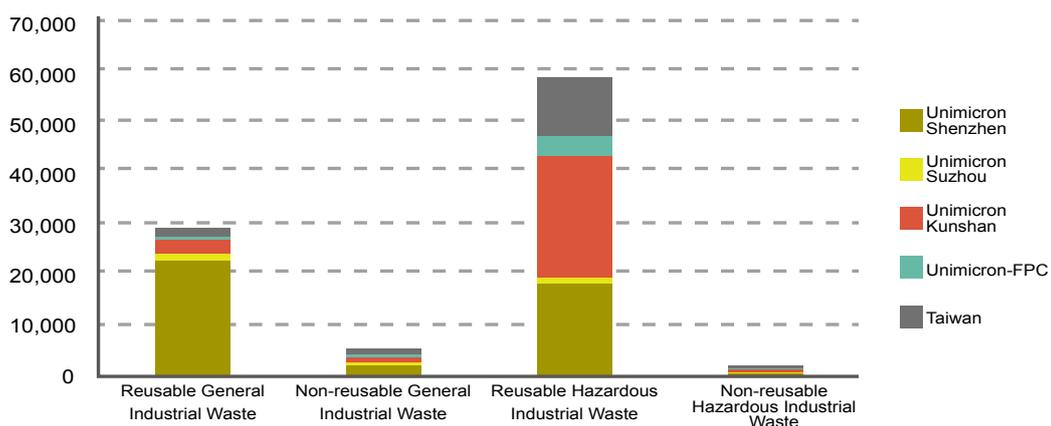
Despite stringent environment protection measures, we still conduct extensive reviews on the overall wastewater pollution prevention system. After improvement, the water quality is stable and 30% higher than the effluent standard required by law.

In the future, we will emphasize reaching higher standards instead of complying with regulatory requirements. In order to more effectively mitigate environmental impacts and meet future environmental standards, we plan to replace or add more effective equipment to existing infrastructure in a phased manner, such as electro less copper systems or a biological treatment center to effectively improve wastewater treatment performance. We established the biological indicator pond both in Taiwan and China to ensure the effluent quality.



Waste Management

In terms of waste management, we focus on quality and quantity balance. We also implemented reduction projects, including reduction for ordinary garbage and recycling of palladium and copper.



Description	Classification	Process	Unit	Taiwan	East China			South China
					Unimicron-FPC	Unimicron Kunshan	Unimicron Suzhou	Unimicron Shenzhen
General industrial waste	Reusable	Processed by methods other than the incineration and burial methods	ton/year	22,749	1,012	2,721	976	1,620
	Non-reusable	Processed with incineration and burial methods	ton/year	2,535	462	1,460	117	1,407
Subtotal				25,283	1,474	4,181	1,093	3,027
Hazard industrial waste	Reusable	Processed by methods other than the incineration and burial methods	ton/year	17,886	1,899	23,241	3,854	11,054
	Non-reusable	Processed with incineration and burial methods.	ton/year	225	106	760	367	788
Subtotal				18,111	2,005	24,001	4,221	11,842
Total				43,394	3,478	28,182	5,313	14,869

◆ The Recycling Percentage of Every Area in 2013 Taiwan: The recycling percentage rose from 90% in 2011 to 94%. South China: The recycling percentage rose from 77% in 2011 to 85%. East China: The recycling percentage rose from 82% in 2011 to 86%. Non-recyclable waste is either incinerated or buried.

Replace the water-making coarse salt with the derivative (NaCl) produced from recycling wasted trihydroxy chloride liquid.

If hydrogen peroxide solution is replaced with sodium chlorite, the product at the back-end is still treated as valuable metal inside the plant and requires outsourced treatment. However, at the outsourced end, NaCl is generated in addition to copper monoxide and it is a derived product during the production of waste disposal firms.

Because NaCl is needed for soft water regeneration when making water in the plant, we followed our 6R philosophy and revised our engineering process. NaCl is introduced after treated with sodium chloride and distilled to replace NaCl extracted by Taiyen Biotech. The replacement rate is 100%.

◎ Environmental Protection Tickets:

In Taiwan and China, as of 2013, Unimicron paid a total fine of NTD 1,210,000 because violating environmental protection regulations. The types of the flaws are compiled as follows:

Company	Description	Amount of Fine (in NTD thousand)	Improvement and Future Responsive Measures
Unimicron Technology	<ul style="list-style-type: none"> » According to The Industrial Waste Disposal Plan, the waste generated during production must be outsourced for cleaning and treatment. Self treatment inside the plant is inconsistent with The Industrial Waste Disposal Plan. » The storage labels of scrap boards, dust and waste liquid were unclear. 	120	Revision of The Industrial Waste Disposal Plan and relabeling were completed and, on April 15th, the improvement was recognized completed after re-examined by Environmental Protection Bureau, Hsinchu County.
	<ul style="list-style-type: none"> » A009 Washing Tower was newly constructed without prior permission of establishment. » The replacement frequencies and the operating parameters are inconsistent with the permit. 	100	Revised Air Emission Establishment Permit and operate according to the regulation. On April 8th, the improvement was recognized completed after re-examined by Environmental Protection Bureau, Taoyuan County.
	<ul style="list-style-type: none"> » Factory noise measured did not comply with Type III Nighttime Factory Noise Control Standards. 	24	The improvement of the according construction at NTD 15,000,000 was completed. After measured by the third party, the noise complied with Type III Nighttime Factory Noise Control Standards and, on March 22nd 2014, the said improvement was reported to Environmental Protection Bureau, Taoyuan County, for future reference and recognized completed.
Unimicron Shenzhen	<ul style="list-style-type: none"> » The main body of the wastewater collection pool was eroded and the wastewater permeated into the sewer, which violated Environmental Protection Act. 	966	Restoration and the sewerage cleaning projects were finished on that day. This case is under administrative reconsideration. Currently the said plant is closed according to the corporate plan.

The expenditures and items that the Company and its subsidiaries will engage in according to the existing plans (including new construction) in the future will include: (1) the new installation and renovation of the installed wastewater system for NTD 395,633,000; (2) expansion and improvement of the water-making system for NTD 242,702,000; (3) new installment and repairmen of the air pollution system for NTD 293,519,000 and (4) the acid supply system for NTD 205,336,000; these projects will help improve the operating environment and effectively boost our environmental protection ability.

Other Environmental Protection Actions

◎ Diverse Activities of SH&E Month

To encourage the employees to participate in the safe health and environment protection events, improve the knowledge of disaster prevention and environment and develop the SH&E culture to the employees, we have held the events for the SH&E month regularly in every third season of the year. The area covers plants in China and until 2013, it have promoted for 10 years since 2004. Recently, the "SH&E Month", "Cost Month", "Quality Month" are now three thematic events in Unimicron. The employees participate in those abundant events and acknowledge the activity contents.

During "SH&E Month " of each year, the headquarter will analyze the items that the group needs to strengthen on in the SH&E field through SWOT. Each factory will drive the promotion events related to the improvement of SH&E work in the way of declaration, promotion, guidance, education training, etc in the lively way. We will recognize the suitable improvement performance in a series of events and formulate the management standard for SH&E. Then, it will carry it out to all the facilities in Unimicron to expect to promote the SH&E level and awareness of employees.



01 All the staffs and stockholders involve in it.

02 In coordination with company policy, we promote the zero -disaster and low pollution environment.

03 Have clear topic and create high-quality SH&E culture.

04 Proclaim the outstanding units and personnel.

05 Offer the best practical level to all the facilities in Unimicron.

06 Brainstorming contest creates the benchmarking.

07 The President leads the executive managers to take full part in.

◎ Aggressively Promote an Paperless Environment

We strive to reduce paper consumption and actively implement a paperless office. In 2013, we have established three e-systems to reduce paper usage. In 2013, a total of 21,922 pieces of paper were saved in Taiwan and 13,482 in China.

◎ Advocate Car-Pooling

To reduce GHG emissions and offer convenient transportation services for employees, we introduced carpooling for employees to share a ride on their business trips and prepared 7 company vehicles for employees from the Taoyuan and Hsinchu sites to visit the Zaoqiao in Miao Li, Er-mei in Hsinchu and Taoyuan areas. In 2013, about 179,301 person-times used this service to reduced GHG emission; we have saved 710,459 tons CO₂e/ year (Note).

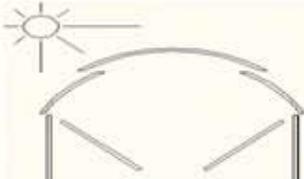
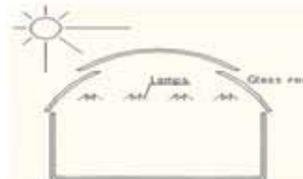
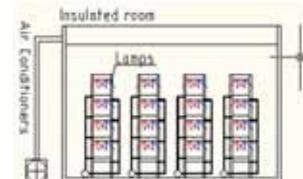
Note: Please refer to the Eco Life website for fuel consumption per kilometer and the GHG emission factor for gasoline.

Additionally, a remote search system is deployed and allows employees to search for needed information without coming back to the office. These initiatives saved 960 liters of gasoline. The reduced GHG emission is forecasted to be 2.17 tons of CO₂e/ year.

◎ **Unimicron Plant Factory**

Vegetable is one necessity in our daily life and one critical source for us to get nutrition. Traditional agriculture causes such problem as pests, damages from birds and weeds. In order to maintain and productivity and quality, farmers cannot avoid employing pesticides, which results in concerns about health and overuse of fertilizers. Our environment is consequently impacted.

Unimicron Plant Factory adopted the philosophy of the cleanroom of high-tech factories to construct an environment free from external disturbance. It is guaranteed not to use pesticides and appropriate nutrients are used so that there is no health concern. The multi-level cultivation under LED lighting source is employed to greatly advance the yield per unit. This appropriate is extremely suitable for the urban area and can shorten food miles to effectively reduce carbon footprint. Meanwhile, we replace part of commercial electricity with solar power. Also, the hydroponic system depletes 95% less of water than traditional agriculture.

Factory Type	Total Sunlight	Hybrid Light	Unimicron Plant Factory
Cultural Facilities (Diagram)			
Cultural Medium	Soil Culture	Soil Culture or Water Culture	Water Culture
Environmental Control	Medium	Medium	High
Specific Yield	Low	Medium	High
Water Depletion (Specific Yield)	High	Soil culture: high Water culture: 10% of soil culture	Save 95% of water, compared to soil culture.

◆ Note: Produce Crops in Vegetable Factories and Research and Development of the Green Energy Industry, Prof. Wei Fang, National Taiwan University http://www.nanobiolight.com/global_1.html



◎ **Trial Ecological Farm, Shanying Plant**

Natural Ecological Farm in Shanying Plant, converted from an vacant lot, is provided for employees to adopt and plant vegetable and fruit and used as the training site for internal and external organic education and promotion. In 2013, the 5,000 employees of this plant produced over 36,000 kg of leftovers. Consequently, we hired agriculture advisors to instruct employees on the application of the ecological cycle and the utilization of leftovers to produce fertilizers through bio-fermentation. The rainwater harvesting ecological pond was also integrated for irrigation. Unimicron aims to fully realize "Cradle to Cradle" and create a self-contained environment with ecological balance of the region.



◎ Future Critical Base of the Group: Eco-Plan for the Early Phase of Yangmei Base

Yangmei is an important base for future expansion and living. We planted an extensive area of trees in the shelterbelt.

Goats and geese are naturally pastured on vacant lots of the living area for land restoration. Meanwhile, 4000 ping of a loach pond is rented to provide employees an optional site for leisure and major events. The effective module of Trial Ecological Farm in Shanying Plant, after implemented, will be promoted to Yangmei Base later.



◎ Tree Planting

To promote energy saving, carbon reduction and reforestation, we initiated carbon reducing tree planting events within the company in 2010 and planted autumn maple trees and camphor trees. All trees were cultivated from their seeds and were planted throughout Taiwan plant sites. To develop the Yang Mei Ecological Park, we have started to plant the needle pin trees as the base of environment protection based reforestation. Other than promoted and planted the trees in the factory, we also plant tree seedlings. After they mature, trees are transferred to suppliers. Suppliers are invited to join the event with us. We also planted cherry blossom trees and fruit trees around Yangmei Farm.

Until the end of 2013, a total of 25,503 trees have been planted in Taiwan plants, 635 trees in South China plants and 1,791 trees in East China plants and will continue to make the factories green with the plants onwards.

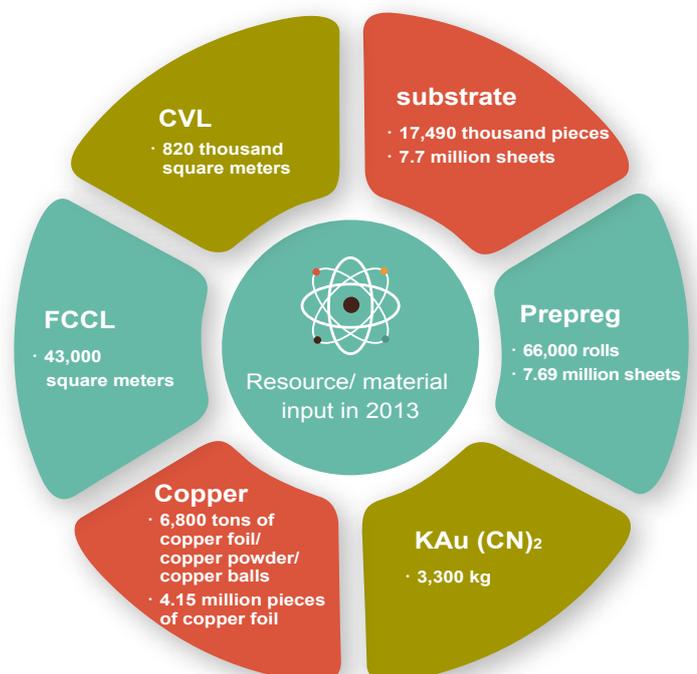
Product Stewardship



To supply high quality and environmental friendly products to our customers around the world, our material procurement guideline is focused on environmental friendliness as its key consideration. Besides necessary raw materials to maintain the quality of our products (including safety and health concerns), we choose only environmental friendly raw materials to alleviate the impact on the environment.

In terms of the percentage of the purchase amount (in New Taiwan Dollars), the top three raw material which we purchased in 2013 were substrates (17%), prepreg (13%) and KAu (CN)₂(13%) respectively. The amounts of these materials and other materials for major resources put into production are as shown below:

- ◆ Note 1: The units of resource and material statistics were not uniform for 2013 (for example, preprages at different part numbers are measured in “roll” or “sheet”). The 2014 report will attempt to be presented in the uniform weight unit.
- ◆ Note 2: Because of the product features, no reusable material is used.



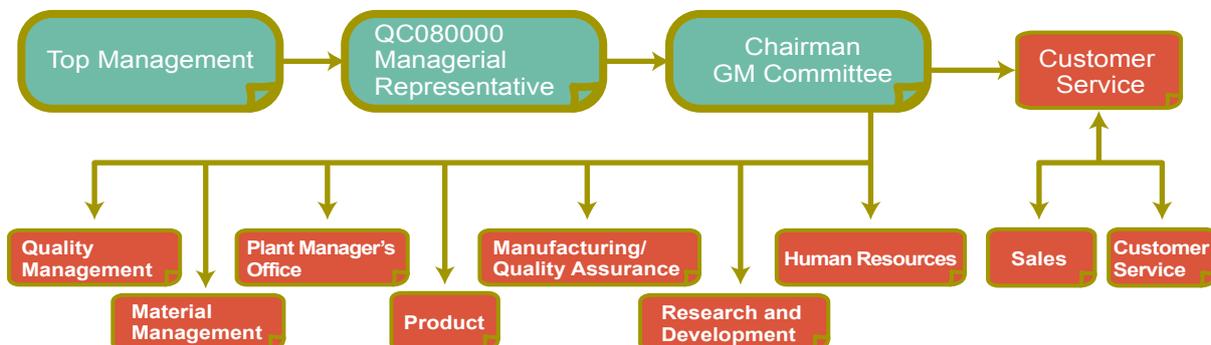
The tray used on the delivery of carriers is the primary reused product packing material of Unimicron. The reuse cycle starts when Unimicron delivers products with trays to customers. Then suppliers of Unimicron go to the customers and collect trays. In order to minimize depleted resources, Unimicron, when making purchase, prioritizes reusable trays, which account for 73.2% of the use.

Unimicron established the Green Material Committee based on the QC080000 (Hazardous Substance Process Management, HSPM) system. In order to furnish excellent Hazardous Substances Free (HSF) quality, reasonable product prices and competitive delivery dates and services to satisfy customers, we developed HSF quality policies and goals.

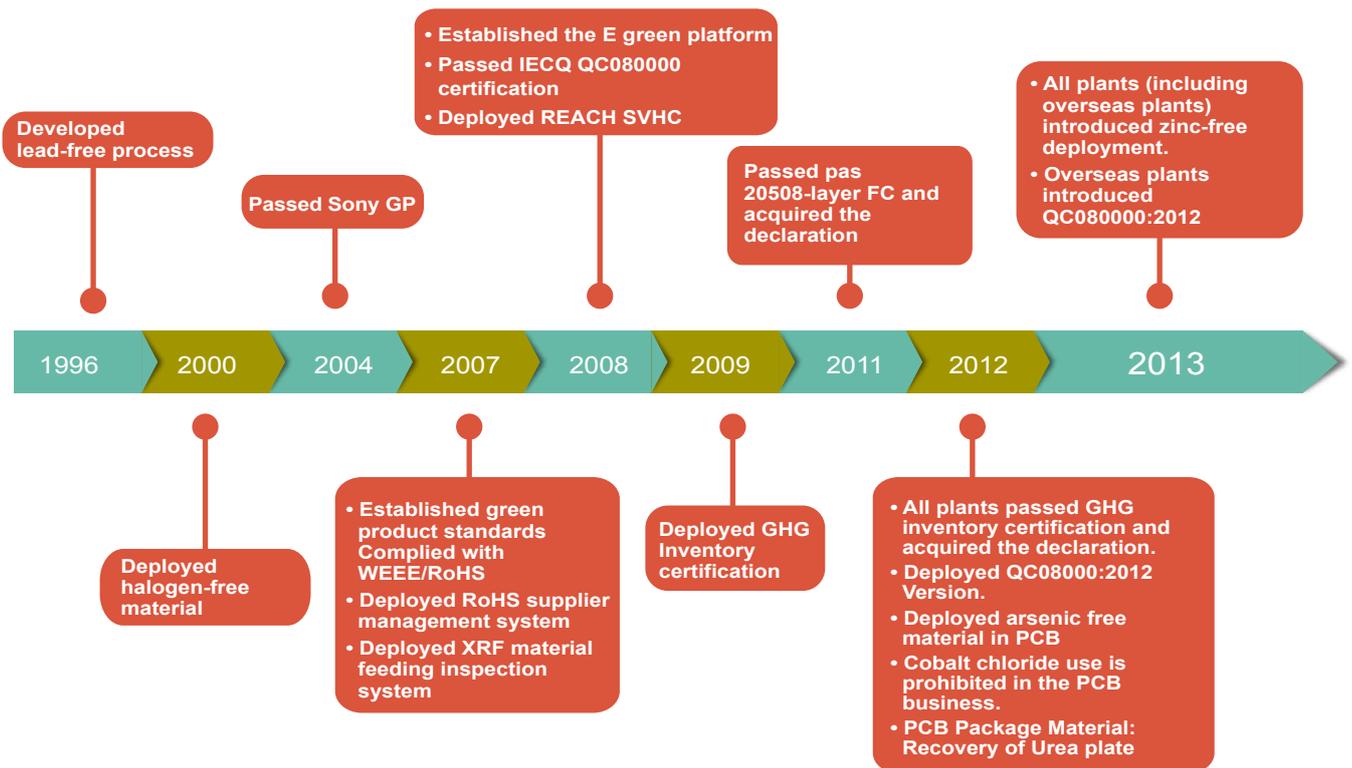
Four principles of Unimicron HSF Quality Policy:



Goals of HSF quality can be further divided for every department in the following Green Material Committee Organization Chart to completely carry out the objectives of green products and continuous improvement.



Under the procurement guidelines for purchasing green raw materials, we constructed E-Pr, a platform to instantly supervise all suppliers of Unimicron Technology. Suppliers can instantly receive and execute the green policies of Unimicron. We can manage supplier's material delivery at the source in order to produce green products which meet regulations (such as RoHS and REACH) and customers' requirements. All materials that are directly relevant to environment qualities, such as Copper Clad Laminate, Prepreg, FCCL, Copper Foil, and Ink meet RoHS and REACH requirements.



⊙ Deployed arsenic free material in PCB

We apply hazardous material as to the product related to copper foil in the PCB Business. However, In the SVHC list announced by the ECHA, As_2O_3 and arsenic oxide are the compound of arsenic so we plan to deploy the requirement arsenic free in 2013 to fulfill the promise of zero hazardous material and response to the future environmental trend on our own.

Unimicron, as one of leaders in the global PCB industry, devotes all of its efforts to general environmental sustainability of the industry. We not only are the chairman of the EHS Group of TCPA, but also played a leading role in establishing Product Category Rules (PCR) of the PCB industry in order to contribute to carbon reduction for the industry.





ASSURANCE STATEMENT

SGS TAIWAN'S INDEPENDENT ASSURANCE REPORT ON SUSTAINABILITY ACTIVITIES IN THE UNIMICRON TECHNOLOGY CORP'S CORPORATE SOCIAL RESPONSIBILITY REPORT FOR 2013

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by UNIMICRON TECHNOLOGY CORP. (hereinafter referred to as UNIMICRON) to conduct an independent assurance of the Corporate Social Responsibility Report of 2013. The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and data in accompanying tables, contained in this report.

The information in the UNIMICRON's Corporate Social Responsibility Report of 2013 and its presentation are the responsibility of the superintendents, CSR committee and the management of UNIMICRON. SGS has not been involved in the preparation of any of the material included in the UNIMICRON's Corporate Social Responsibility Report of 2013.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification set out below with the intention to inform all UNIMICRON's stakeholders.

The SGS Group has developed a set of protocols for the Assurance of Sustainability Reports based on current best practice guidance provided in the Global Reporting Initiative Sustainability Reporting Guidelines and the AA1000 Assurance Standard (2008). These protocols follow differing options for Assurance depending the reporting history and capabilities of the Reporting Organisation.

This report has been assured using our protocols for:

- evaluation of content veracity at a moderate level of scrutiny;
- evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2008); and
- evaluation of the report against the Global Reporting Initiative Sustainability Reporting Guidelines (G3.1 2011).

The assurance comprised a combination of pre-assurance research; interviews with relevant employees at headquarter of UNIMICRON in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant. Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirms our independence from UNIMICRON, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with QMS, EMS, SMS, EnMS, GPMS, SA 8000, GHG Verification Lead Auditors and experience on the SRA Assurance service provisions.

VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within UNIMICRON's Corporate Social Responsibility Report of 2013 verified is accurate, reliable and provides a fair and balanced representation of UNIMICRON sustainability activities in 01/01/2013 to 12/31/2013.

The assurance team is of the opinion that the report can be used by the Reporting Organisation's Stakeholders. We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting. The report is the third to be assured by an independent assurance team and UNIMICRON has taken a bold step by offering the report to evaluation against both Global Reporting Initiative's G3.1 guidelines and the AA1000 Assurance standard. This shows a deserved confidence in their reporting process.

In our opinion, the contents of the report meet the requirements of Global Reporting Initiative G3.1 Application Level A⁺ and AA1000 Assurance Standard (2008) type 1, moderate level.

AA1000 ACCOUNTABILITY PRINCIPLES (2008) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**Inclusivity**

UNIMICRON has demonstrated a strong commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, consumers, investors, local communities, suppliers, media, NGOs and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. It is recommended to consider having direct involvement with stakeholders during future engagement..

Materiality

UNIMICRON has established and implemented appropriate process for determining issues that are material to the organization. The report has addressed the great majority of UNIMICRON's material issues at an appropriate level to reflect their importance and priority to the stakeholders. UNIMICRON may consider direct engagement with its stakeholders and formalized the engagement process as well as documented in future reporting.

Responsiveness

The report covered responsive to stakeholders and their concerns. Future reporting may focus on how the contribution is made to sustainable development outcomes.

GLOBAL REPORTING INITIATIVE REPORTING GUIDELINES (2006) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**Principles, Standard Disclosures and Indicators**

The report, UNIMICRON's Corporate Social Responsibility Report of 2013, is adequately in line with the Global Reporting Initiative G3.1 application level A+. Contents of Disclosure on Management Approach may have more clearly defined policies and goals for each aspect. It is also recommended to have more disclosure on the performance of supplier chain management, sustainability strategy and material impacts.

Signed:

For and on behalf of SGS Taiwan Ltd.



Dennis Yang, Chief Operating Officer
 Taipei, Taiwan
 24 June, 2014
 WWW.SGS.COM



AA1000
 Licensed Assurance Provider
 000-8

GRI 3.1	Items of Disclosures	Page
Strategy and Analysis	1.1 Statement on the sustainability of organization and strategy from the most senior decisionmaker of the organization.	5
	1.2 Description of key impacts, risks, and opportunities.	5, 10
Organization Introduction	2.1 Name of the organization.	6
	2.2 Primary brands, products, and/or services.	6-7
	2.3 Operational structure of the organization.	7
	2.4 Location of organization's headquarters.	6
	2.5 Location of organization's headquarters.	8
	2.6 Nature of ownership and legal form.	6-7
	2.7 Markets served.	8-9
	2.8 Scale of the reporting organization.	9, 29
	2.9 Significant changes during the reporting period regarding size, structure, or ownership.	10
	2.10 Awards received in the reporting period.	5, 10-11, 25, 41, 49-50, 52, 79
Report Parameters	3.1 Reporting period for information provided.	1
	3.2 Date of most recent previous report.	1
	3.3 Reporting cycle.	1
	3.4 Contact point for questions regarding the report or its contents.	1
	3.5 Process for defining report content.	15
	3.6 Boundary of the report.	1
	3.7 State any specific limitations on the scope or boundary of the report.	1
	3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities.	None
	3.9 Data measurement techniques and the bases of calculations – please see other chapters.	Please refer to descriptions in according sections.
	3.10 Explanation of the effect of any re-statements of information provided in earlier reports.	Please refer to descriptions in according sections.
	3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Please refer to descriptions in according sections.
	3.12 Table identifying the location of the Standard Disclosures in the report.	82-85
	3.13 Policy and current practice with regard to seeking external assurance for the report.	1

GRI 3.1	Items of Disclosures	Page
Governance, Commitment and Engagement	4.1 Governance structure of the organization.	19-20
	4.2 Indicate whether the Chair of the highest governance body is also an executive officer.	19
	4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	19
	4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	16, 20
	4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives.	19
	4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.	19, 21
	4.7 Processes in place for the highest governance body to ensure conflicts of interest are avoided.	12-14
	4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	7, 21
	4.9 Procedures and frequencies of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance.	12-16
	4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	14, 19
	4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization.	22
	4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	13
	4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	61
	4.14 List of stakeholder groups engaged by the organization.	15-16
	4.15 Basis for identification and selection of stakeholders with whom to engage.	15-16
	4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	15-16
	4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	15-16

Economic Indicators	Items of Disclosures	Page
Management Guidelines		5-10
Economic Performance	EC1 Direct economic value generated and distributed.	9, 61
	EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change.	22, 66-69
	EC3 Coverage of the organization's defined pension plan obligations.	41
	EC4 Significant financial assistance received from government.	24
Market Position	EC5 Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	41
	EC6 Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	26-27
	EC7 Procedures for local hiring from the local community at significant locations of operation.	29-31
Indirect Economic Impact	EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	56-61
	EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts.	56-57, 61

Environmental Indicators		Items of Disclosures	Page
Management Guidelines			13, 63-65
Raw Materials	EN1	Materials used by weight or volume.	77
	EN2	Percentage of materials used that are recycled input materials.	None during 2013
Energy	EN3	Direct energy consumption by primary energy source.	68
	EN4	Direct energy consumption by primary energy source.	67-68
	EN5	Energy saved due to conservation and efficiency improvements.	69
	EN6	Initiatives to provide energy - efficient or renewable energy based products and services.	69
	EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	69
Water	EN8	Total water depletion by source.	69
	EN9	Water sources significantly affected by pumping water.	None during 2013
	EN10	Percentage and total volume of water recycled and reused.	69-71
Biodiversity	EN11	Property owned in, or adjacent to, protected areas and areas of high biodiversity value.	All the plants are located in industrial areas
	EN12	The significant impacts on ecological environment protected areas by activities, products and services.	None
	EN13	Habitats protected or restored.	All the plants are located in industrial areas
	EN14	Strategies for managing impacts on biodiversity.	75-77
	EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	None
Discharges, Wastewater and Disposals	EN16	Total direct and indirect greenhouse gas emissions by weight.	67-68
	EN17	Other relevant indirect greenhouse gas emissions by weight.	68
	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	66-67, 69
	EN19	Emissions of ozone-depleting substances by weight.	None
	EN20	NOx, SOx, and other significant air emissions by type and weight.	72
	EN21	Total water discharge by quality and destination.	73
	EN22	Total weight of waste by type and disposal method.	73-74
	EN23	Total number and volume of significant spills.	None during 2013
	EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII.	None
	EN25	Water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	None during 2013
Products and Services	EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	69-79
	EN27	The percentage of packaging materials for sold products and those which are recycled by types.	78
Compliance with Laws and Regulations	EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	74
Transportation	EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	75
Overall Status	EN30	Total environmental protection expenditures and investments by type.	65-66

Labor Indicators		Items of Disclosures	Page
Management Guidelines			13, 32
Employment	LA1	Total workforce by employment type, employment contract, and region, and specified by gender.	29-32
	LA2	Total number and rate of employee turnover by age group, gender, and region and supplemented with the number and rate of employee turnover for the new hiring employees.	30-31
	LA3	Benefits provided to full-time employees that are not provided to temporary or parttime employees, by major operation locations.	41-45
	LA15	The resumption rate and retention rate after Parental leave by gender.	42
Industrial Relations	LA4	Percentage of employees covered by collective bargaining agreements.	No labor union is set up in the Company.
	LA5	Minimum notice period(s) regarding specific operational changes, including whether it is specified in collective agreements.	No labor union is set up in the Company ; Minimum notice periods regarding specific operational changes are subject to the local regulations.
Occupational Health	LA6	Percentage of total workforce represented in formal health and safety committees that help monitor and advise on occupational health and safety programs. (in percentage)	50
	LA7	Numbers of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and gender.	52-53
	LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	53-54
	LA9	Health and safety topics covered in formal agreements with unions.	No labor union is set up in the Company.
Training and Education	LA10	Health and safety topics covered in formal agreements with unions.	48-49
	LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	46-48
Diversity and Equality	LA12	Percentage of employees receiving regular performance and career development reviews by gender.	48-49
	LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	29-31
Equal Remuneration for Men and Women Workers	LA14	Ratio of basic salary of men to women by operation location, employee category and gender.	55 No significant difference (Under 2%)

Human Rights		Items of Disclosures	Page
Investment and Procurement			13, 55
Investment and Procurement	HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Before the Company' s investment in plant establishment, local locations, infrastructure, labor cost, labor regulations, labor unions, and customer' s markets are all factors for consideration.
	HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	26
	HR3	Employee training on policies and procedures concerning aspects of human rights.	55
Anti-discrimination	HR4	Total number of incidents of discrimination and actions taken.	None during 2013

Human Rights		Items of Disclosures	Page
Association and Collective Bargaining	HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	26-27, 55
Child Labor	HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	26-27, 55
Safety Measures	HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	26-27, 55
Safety Measures	HR8	Security personnel training concerning aspects of human rights.	55
Local Employees	HR9	Total number of incidents of violations involving rights of local employees and actions taken.	None during 2013
Assessment	HR10	Total number of incidents of violations involving rights of local employees and actions taken.	32, 55
Corrective Measures	HR11	The numbers of filed, handled and solved cases through formal mechanism of appealing.	None during 2013

Social Indicators		Items of Disclosures	Page
Management Guidelines			13, 56
Community	SO1	The percentage of executing "Engagement dialogue, impact assessment and development plan".	57-61, 64
	SO9	The operations that have significant potential or actual negative impacts on local community.	None
	SO10	The preventive and mitigative measures for significant potential or actual negative impacts on local community.	None
Bribery	SO2	Percentage and total number of business units analyzed for risks related to corruption.	21
	SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	55
	SO4	Actions taken in response to incidents of corruption.	None
Public Policy	SO5	Public policy positions and participation in public policy development and lobbying.	60, 64
	SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	None
Anti-Competitive Behavior	SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	None
Compliance with Laws and Regulations	SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	None



Product Indicators	Items of Disclosures	Page
Management Guidelines		13, 23-24
Customer Health and Safety	PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services.	77-79
	PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle.	None
Product and Service labelling	PR3 Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	63-64
	PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling.	None
	PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	25
Marketing Communication	PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications.	Not Applicable
	PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications.	Not Applicable
Customer Privacy	PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	25
Compliance with Laws and Regulations	PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	25





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