

Editorial Principles

The TA YA Electric Wire & Cable Co., Ltd. is dedicated to establishing a fully environmental-friendly and safe system, supporting the lead-free cable movement and participating in environmental education and social welfare activities. In order to communicate the performance and results of our CSR to our mass stakeholders from a broader perspective, we vow to continue the issuance of the CSR Reports for better communication of our activities in the business, economy, social and environmental aspects, also our continuing efforts toward sustainable development.

In revealing our CSR performance to a broader range of stakeholders, the Reports will be simultaneously released on the TA YA official website. In considerations for the environment, the Reports will only be released in the format of PDF files from now on. We welcome all parties to download them from the TA YA official website at:

http://www.taya.com.tw/about_csr/index.php?cat_id=65



Reporting Period

2013 fiscal year (Jan 1st, 2013 – Dec 31st, 2013). For a full revelation, part of the contents will refer to the information from 2011 – 2012. This report presents the past performance, and also our visions for future developments. Except for the previous assumption, it is solely based on the situation when the actual report was issued and not a guarantee of future performance.

Reporting Cycle

Current Issue: Nov 2014

Next Issue: Jun 2015 (scheduled)

Boundaries and Scope of the Report

In order to fully reveal TA YA Group's influence on the topics of sustained development, the scope of information in this report fully covers topics from the three major areas, including economic, environmental, and social aspects. The boundaries of this report are also broader than previous versions: other than the TA YA Electric Wire & Cable Co., Ltd. (Guanmiao Factory and Dawan Factory), closely related affiliated enterprises of Taiwan are also added, including Cuprime Material Co., Ltd., Ta Heng Electric Wire & Cable Co., Ltd., TA HO Engineering Co., Ltd., and AD Engineering Co., Ltd. In the future, overseas factories will also be gradually added in.

Reference

This report is compiled in accordance with the GRI Sustainability Reporting Guidelines (G 3.1), verified by SGS-Taiwan and meets all the requirements of the G 3.1 B+ application level.

Contact

TA YA Electric Wire & Cable Co., Ltd.

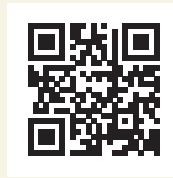
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Chairman's Statement

Looking back, the year 2013 is a lesson for all business owners. Major manufacturers were swayed by the issues of toxic starch and fake oil, and many businesses were also cited for the illegal discharge of waste waters. Short-sightedness and selfishness were not the only actions spurned by all, the neglect of responsibilities could also destroy a hard-earned reputation overnight and is punishable by imprisonment.

An enterprise cannot see itself apart from society, just as man must coexist with the environment. In order to have a harmonious and blissful life, the enterprise must take up its responsibilities for sustainable development and public health. An up-standing corporate citizen should not only reduce the usage of energy and resources, handle wastes and toxic substances with care, provide a healthy working environment for its employees, continue to create employment opportunities and promote economic growth. It must also have a fresh new take on the implementation and perspective of these ideals, to effectively fulfill the reasonable requirements of the stakeholders, including employees, shareholders, customers, suppliers and the general public, in order to defend our pristine homeland.

The TA YA Group integrates CSR into its innovative business development strategy in an effort to have enlightened employees, satisfied customers, positive shareholders and our pristine home. For its employees, we protect their rights, give a respectable job opportunity and will also promote employees into corporate volunteer service in the future to elevate their emotional wellbeing. For customers, we aim to transcend our industry peers, providing superior green products, and will promote more green products in the future, while also expanding the production of clean renewable energy. For shareholders, we stay on top of our industry peers by establishing an independent directorate, enhance the function of the board of directors, and will actively reflect upon the evaluation system of the company to earn the favor of investors. For our pristine home, in the past we strived to reduce the negative impact of our business operations on the environment. In the future, we will continue to adopt the "Green Inside Project" as the platform to cultivate environment-friendly green entrepreneurs to expand our influence.

Brand management is a hard long road and business transformation requires time and opportunity. The TA YA Group has been expanding itself in Taiwan, China and Vietnam for the last 60 years, working toward its promise on CSR. Utilizing the TA YA Pristine Homeland Foundation as a core to unify employees, customers, shareholders, the environment and communities, aided by the implementation of corporate ethics, we aim towards a sustainable management and bring forth the greatest benefits for the entire society. Let us devote ourselves with a prudent attitude in facing every kind of challenges and creating new opportunities.

沈 高 弘



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Positive Shareholders

The TA YA Group values the trust of its shareholders. We are committed to exercising good corporate governance and transparent financial information to protect the interests of our investors. We also focus greatly on our business, dedicated to the research and development of products in order to create value for a beneficial financial returns.

Other than stabilizing the existing markets and expanding global sales regions to promote the overall business performance, TA YA values internal control management. Regulating business operations and process management via written documents, prompt evaluations and optimizations are crucial to the long-term values of the corporation. They equip the company with prospective R&D capabilities, able to position the company in new markets, differentiate products, engage in short and long-term business strategy planning, and demonstrate TA YA's positive operations.

Company Profile

History

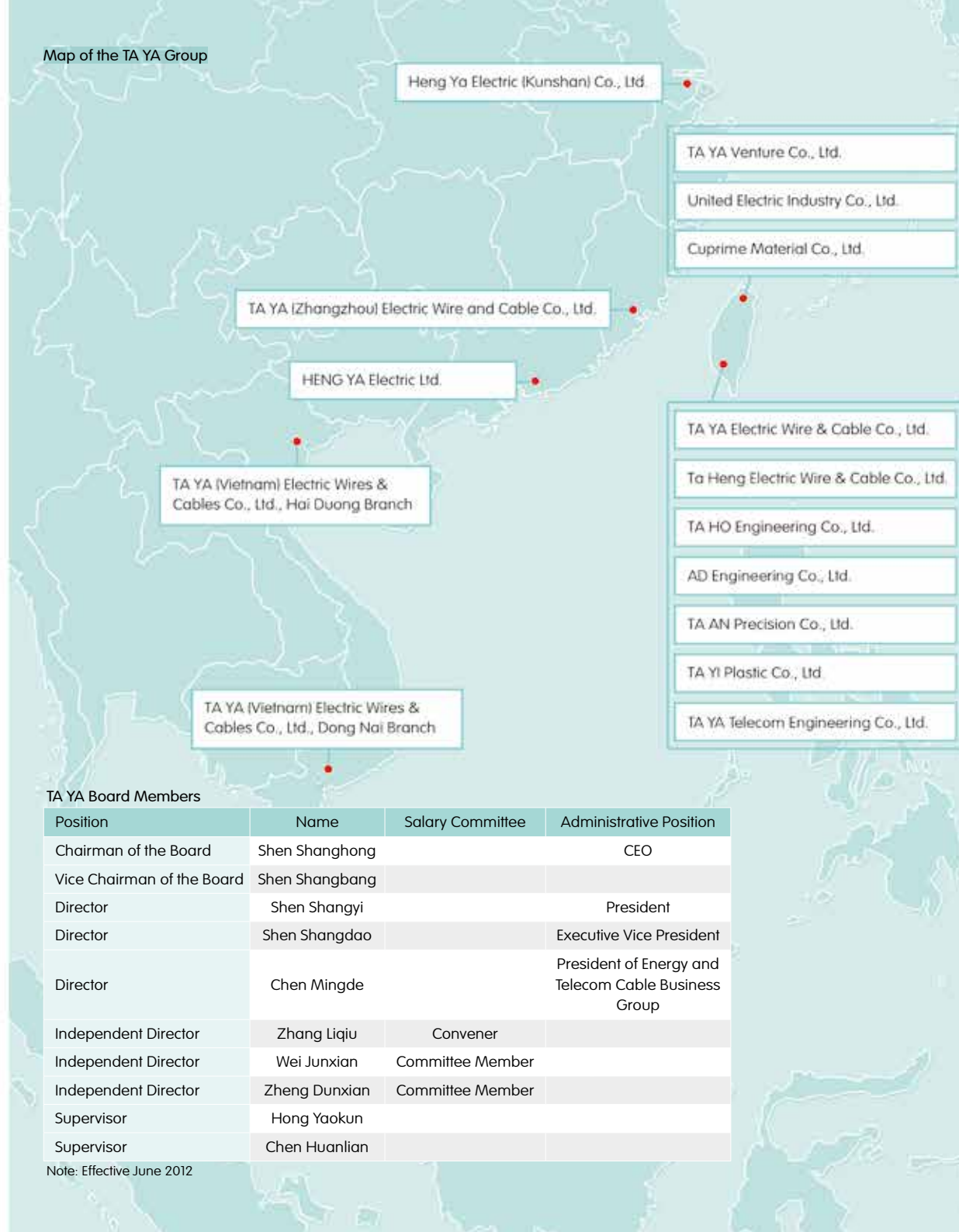
TA YA Industrial, the predecessor to our company, was founded in Tainan, 1955. The name was formally changed to TA YA Electric Wire & Cable Co., Ltd., in 1967. Other than the manufacture of rubber wires and cables, we were also engaged in the manufacturing of magnet wires. Our factory was moved to its current location near the Guanmiao in 1986 and we started to manufacture 69kV XLPE cables. Our company stocks were officially listed in the December 1988. We were certified by Taipower in the manufacture of 161kV XLPE cables and begun mass-production in 1994. In 2008, we had become the first domestic company to manufacture 345kV XLPE cables.

TA YA Electric Wire & Cable Co., Ltd., was founded in Taiwan, and had been gradually expanding its factories in China and Vietnam. For over 50 years, all employees strived together as a whole in creating new businesses, ushered the company toward business diversification and established a global sales network.

TA YA Electric Wire & Cable Co., Ltd. Organization Chart



Map of the TA YA Group



TA YA Board Members

Position	Name	Salary Committee	Administrative Position
Chairman of the Board	Shen Shanghong		CEO
Vice Chairman of the Board	Shen Shangbang		
Director	Shen Shangyi		President
Director	Shen Shangdao		Executive Vice President
Director	Chen Mingde		President of Energy and Telecom Cable Business Group
Independent Director	Zhang Liqiu	Convener	
Independent Director	Wei Junxian	Committee Member	
Independent Director	Zheng Dunxian	Committee Member	
Supervisor	Hong Yaokun		
Supervisor	Chen Huanlian		

Note: Effective June 2012

Core Values

Since TA YA Electric Wire & Cable Co., Ltd., was founded, transcendence and compatibility had been our corporate vision that we enforce on all colleges and business owners. For product service and business management, we are in constant pursuit of perfection and adopt "symbiosis" and "result sharing" as ideals to become a company trusted by our society. After the 21st century, the changes in the industry and natural environments became even more radical, and the social responsibilities of a corporate entity also became a necessity. We furthermore reminded ourselves the attitude of "prudence and innovation" and work together with our colleagues in achieving new corporate values and our mission to contribute to the society.

CSR is combined with innovative business development strategies in an effort to create enlightened employees, satisfied customers, positive shareholders and a pristine homeland.

For customers, we constantly ask ourselves to provide the most valuable (quality, cost, speed, deadline, flexibility) products and services via continuous research and development.

For employees, we promise to provide a healthy and safe workplace and establish a fair and open HR development system, in order to adequately utilize their talents while improving their sense of participation and ambition.

For shareholders, we insist to abide by an honest attitude, forward-looking business planning and strict business management, to fulfill our role as the asset manager and provide a stable growth in benefits for our many shareholders.

For the society, we believe in the ideal of "operating-result sharing" and vow to continue caring for the communities and the society. Also, through our expertise in development and manufacturing, continue to pay attention to the topics of environment and natural resources.

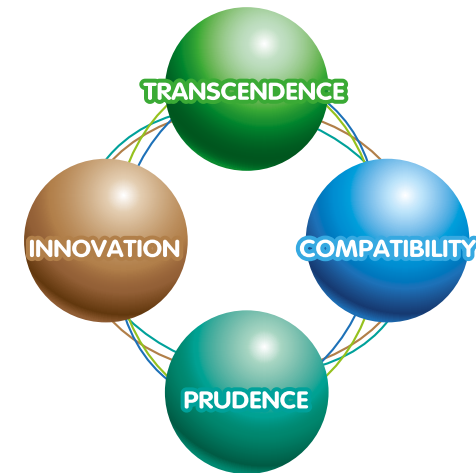
Mission:

Enlightened Employees | Satisfied Customers | Positive Shareholders | Pristine Homeland



To become the most trusted name in
TAIWAN'S WIRE & CABLE INDUSTRY by 2015

The Content of our basic MANAGEMENT PHILOSOPHY



- **TRANSCENDENCE** : Pro-actively seek for improvements and constant growth on professional capabilities, management system, and multi-tasking for all employees. The core values of continuously improving upon quality, process, technique, cost and service.
- **COMPATIBILITY** : Achieve the goal of sustainable management and operating-result sharing with all colleagues, customers, shareholders and business partners via mutual respect, cooperation and teamwork.
- **PRUDENCE** : Uphold the principle of honor and adopt a practical and task-seeking attitude. Emphasize performance, efficiency, details and implementation as the founding principles of all actions.
- **INNOVATION** : Innovation is the driving force for growth. Constantly reflect upon oneself, proceed with forward-looking planning, emphasize both on making changes and adapting to changes, and be responsible for the risks after careful assessments.

Business Development

Due to the fact that the domestic wire and cable industry is a mature industry with a stable growth, which primarily focuses on domestic sales with a secondary focus on foreign sales, hence the industry is closely related to the status of the domestic markets. On top of that, copper raw materials, the upstream materials for the wire and cable industry, are dependent upon foreign imports, which are subjected to frequent influences from international politics and economies, hence, the costs for the futures of copper are the primary factors in the loss of benefits for the traditional low margin wire and cable industry. Because the copper plants in China are expanding their production capacities, under a flat global economy, the supply of copper plates will out-weigh its needs. With the increase in mine productions, the price for copper will still be in a state of turbulence in 2014, which must be handled with care.

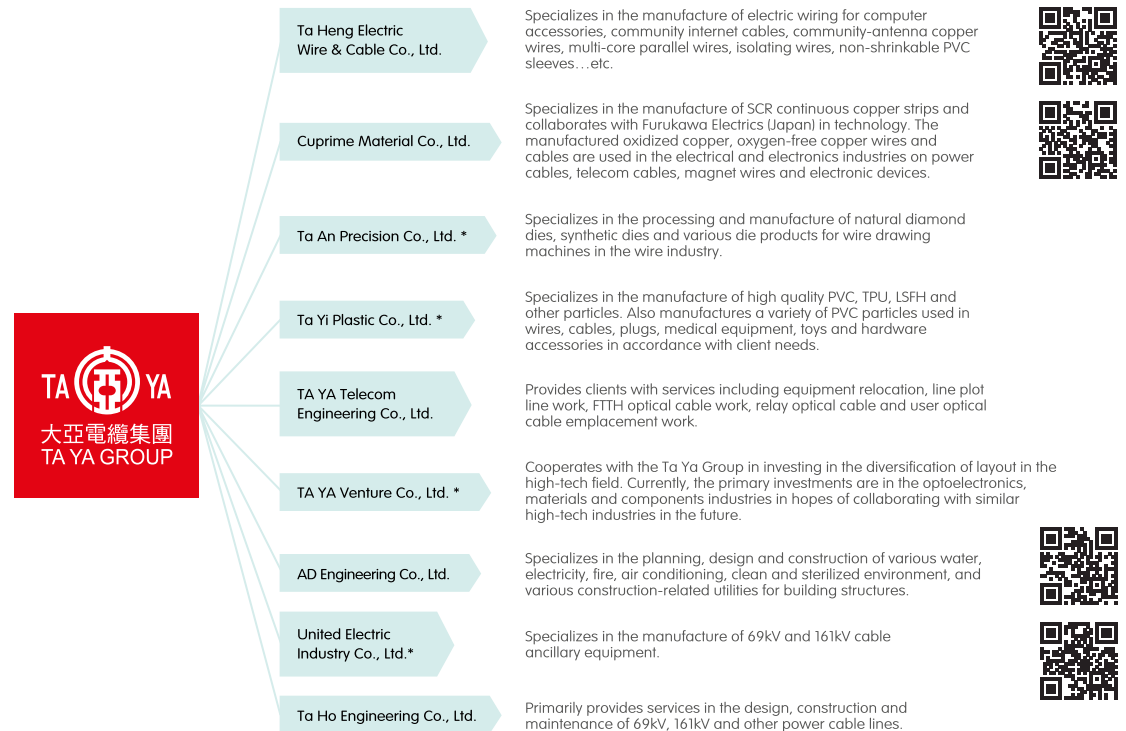
In the recent future years, the primary influences of the developments in the wire and cable industry of the Taiwan are: the commissioning of the Taipower 7-Transmission planning and engineering projects, the promotion of government public works and the economic recovery of the IT industry.

The wires and cable portion can be foreseen to benefit directly, but the telecom cable market will be greatly impacted from joining the WTO. Even though the government has been commissioning business opportunities in network constructions to enhance national infrastructure, it will still show a reduction in profits due to the imbalance in supply and demand, and fierce price competitions.

Magnet wire has not shown an increase in sales in the China regions due to EFCA factors, mainly because the supply exceeds the demands in the said regions. At the same time, the high pricing in copper greatly affects the profits of magnet wires, therefore TA YA will handle this situation with care in preventing the profits from magnet wires from being influenced by high copper pricing. Copper bonding wire: it's a trend for IC& LED packaging factories

to use pure bonding wires, pd-coated copper bonding wires or gold bonding wires to replace gold wires. Other than that, clients who are willing to use silver alloy wires as substitutes are showing an obvious increase and the competition among wire suppliers is becoming fiercer. TA YA is able to constantly improve upon and develop products that meet the demands of the clients due to its expertise in copper. The suppliers in the industry, including Japan, Korean, Germany, and China are showing an accelerated decline in their price curves, therefore would need to increase their product yields, ensure product stability and provide customized products with efficient services.

TA YA Group Affiliated Company Profiles



Note: * indicates items not included in the boundaries of this report.

Overseas Markets

In China, the fierce competition among local Taiwanese merchants has taken the place of incentive policies and the transformation of Taiwanese merchants is an urgent matter of survival. Because cross-strait trades are an essential part of Taiwan's foreign trade that cannot be ignored, other than exercising good risk-control and safety management, TA YA must also think on how to use ECFA to its fullest. The first phase of TA YA's Zhangzhou factory has been completed and put into service for local clients. In the future, TA YA Group's advantage of 6 factories in 3 regions will be integrated in engaging a global operation in marketing. TA YA has entered the market of Vietnam as early as 1995, and the TA YA Corporation (Vietnam) became listed in Feb, 2006. In the history of Vietnam securities trading, it is the first 100% foreign listed company in the manufacturing of plastic power cables, cross-linked PE power cables and bare copper wires.

On the side of export products, in 2013, the export products of TA YA accounted for 3.54%, out of which, magnet wires took the first place with 98.36%, with other wires and cables at 1.64%. The primary export markets are Hong Kong, China and the Southeast Asia regions, followed by India and other regions. 110kV HV cables also obtained KEMA international certification and will continue to develop in the ASEAN, Middle East, and Hong Kong markets.

In adapting to the relocation of electronic and electrical industries to China and Southeast Asia, the primary task of TA YA is to expand into new markets in order to increase its client base and also develop the market toward higher value-added value lines. Since 2011, TA YA has become the preferred overseas supplier and been designated as the long-term magnet wire supplier by many Japanese manufacturers. The new TILW products have successfully expanded their sales into China and India. The semiconductor packaging factories in Asia are primarily distributed in China, Philippines, Thailand and Malaysia. TA YA has also signed contracts through local dealers to gradually introduce NIC products to the client side for testing and accreditation.

Looking at 2014, China's blueprint for reform after the third plenary session, the US will gradually terminate the Quantitative Easing Monetary Policy (QE), Shinzo Abe will continue to lead Japan, the economy will recover and the euro-zone that was once in crisis will gradually move out of recession, therefore the global economic performance is expected to improve. We will be prudently watching this.

TA YA Main Product Items and Business Proportions

Items of Business	2011	2012	2013
Plastic Wires and Cables	12.93%	12.32%	11.86%
XLPE Power Cables	37.03%	40.55%	34.52%
Rubber Wires and Cables	0.04%	0.04%	0.25%
Bare Copper Wires	11.16%	10.06%	10.59%
Magnet Wires	30.53%	25.89%	30.05%
Telecom Cables and Optical Cables	3.83%	4.77%	6.86%
Construction, Planning, and Etc.	4.48%	6.37%	5.87%

Sales Regions for TA YA Main Products

Sales Region	Magnet Wires		Plastic Wires/Cables		XLPE Power Cables		Telecom Cables	
	Amount (thousand)	%	Amount (thousand)	%	Amount (thousand)	%	Amount (thousand)	%
Asia	417,681	16.84	3,748	0.38	10,999	0.39	673	0.12
Americas	2,167	0.08	-	-	-	-	-	-
Europe	109	0.01	-	-	-	-	-	-
India	114,966	4.64	-	-	-	-	-	-
Total Exports	534,923	21.57	3,748	0.38	10,999	0.39	673	0.12
Domestic	1,944,765	78.43	974,712	99.62	2,837,591	99.61	565,684	99.88
Total	2,479,688	100	978,460	100	2,848,590	100	566,357	100

Financial Performance

TA YA Group's consolidated revenues for 2013 was 16,904,845,000 dollars; net income 142,613,000, with a net profit margin of 0.8%. The consolidated revenues of the Group is 8.49% lesser than in 2012, but the net income increased by 3.12%.

Financial Performance of Recent 3 Years Unit: 1000 NTD

Year	Item	TA YA	Affiliated Company	Total
2011	Revenues	9,227,592	6,566,491	15,794,083
	Costs	8,855,969	6,535,668	15,391,637
	Income Tax	-38,252	-10,678	-48,930
	Net Income	295,165	-11,353	283,812
	Staff Salaries	293,993	129,407	423,400
	Health Care	1,811	118,936	120,747
	Donations	32,102	456	32,558
2012	Revenues	9,138,307	5,446,620	14,584,927
	Costs	8,501,087	5,288,228	13,789,315
	Income Tax	-29,110	-10,267	-39,377
	Net Income	138,294	39,718	178,012
	Staff Salaries	302,639	134,296	436,935
	Health Care	1,890	113,718	115,608
	Donations	4,526	365	4,891
2013	Revenues	8,252,634	4,692,337	12,944,971
	Costs	7,815,234	4,597,024	12,412,258
	Income Tax	-4,011	8,386	4,375
	Net Income	142,613	-19,840	122,773
	Staff Salaries	298,670	141,382	440,052
	Health Care	1,849	111,497	113,346
	Donations	3,550	390	3,940

Note: Health Care includes group insurance, employee accident condolences, community event subsidies

TA YA Sales Value Table (2013)

Item	Category	Quantity (tons)	Amount (thousand)
Plastic Wires and Cables	Domestic	5,356	974,712
	Foreign	19	3,748
XLPE Power Cables	Domestic	10,321	2,837,591
	Foreign	52	10,999
Rubber Wires and Cables	Domestic	83	20,633
	Foreign	0	0
Bare Copper Wires	Domestic	3,745	865,958
	Foreign	15	7,610
Magnet Wires	Domestic	7,326	1,944,765
	Foreign	1,773	534,923
Telecom Cables	Domestic	2,477	565,684
	Foreign	3	673
Construction, Planning Income	Domestic	0	3,589
Etc.	Domestic	2,685	481,749
	Foreign	0	0
Total	Domestic	31,993	7,694,681
	Foreign	1,862	557,953

Improve Corporate Governance

Functions of the Board

The Board of Directors is the highest managing body, charged with the task of electing and nominating top managers, also defining CSR and sustainable development strategies. Via an able and functioning Board, accompanied by the auditing unit, we engage in the auditing of the internal control system and promote corporate management issues.

We govern the company in accordance with the six principles provided by the "Code of Practice for Governance of Listed and OTC Corporate": A) Establish an effective governance structure. B) Protect the benefits of the shareholders. C) Enhance the functions of the Board. D) Effectively employ the functions of the supervisors. E) Respect the benefits of the stakeholders. F) Increase information transparency.

The TA YA Board is comprised of 5 directors, 3 independent directors and 2 supervisors. Each of them has extensive management experiences and professional backgrounds, dedicated to maximize the benefits of the shareholders. The Board defines the measure of proceedings in accordance with the "Procedures for Public Company Boards." For matters related to one's own interests and should there be a conflict with the benefits of the company, they could participate in commenting and answering, but neither in discussions nor voting, and must avoid situations to execute any other voting rights for any other Board members.

In the December of 2011, the TA YA Board established a compensation committee, and added 3 independent directors in the shareholder's meeting of June, 2012; the first company to establish independent directors in the wire and cable industry in Taiwan. The qualifications for the directors of the Board are in accordance with the relevant regulations of relevant competent authorities. The Article of Association of the company also stated that the election of directors and independent directors must adopt the nomination system. The

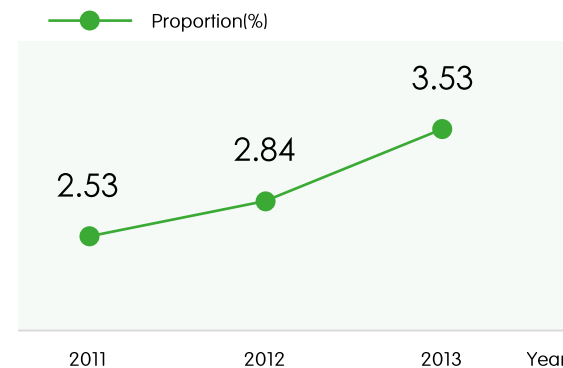
Compensation Committee is comprised of 3 independent directors, who periodically reviews the Articles and provide suggestions: define and reveal our policies, regulations, standards and structures on performance evaluation and salary for our directors, supervisors and managers; and periodically review the salary for our directors, supervisors, and managers. The TA YA Board met 6 times in 2013 with an attendance rate of 90%; the compensation committee met twice with an attendance rate of 100%.

2013 Board Meetings and Board Organizations Details of the TA YA Group

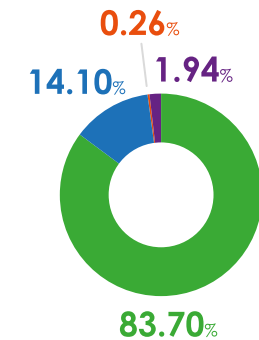
	Directors	Independent Directors	Supervisors	Meetings Held	Attendance Rate	Female Director Numbers and Positions
TA YA	5	3	2	6	93.33	None
Cuprime Material	7	0	2	4	96.43	None, but 1 supervisor
Ta Heng	7	0	2	1	100	None
TA HO	3	0	2	2	99.50	None
AD	7	0	2	5	78	1, 14.29%

Note: the average attendance rates indicate the average of the actual attendance rate of the holding company. Actual attendance rate is calculated by dividing the actual attendance by the number of board meetings held.

Proportion of Total Remuneration Net Income of TA YA Directors (including Independent Directors)



TA YA Shareholder Structure



- Personal
- Other Legal
- Financial Institution
- Foreign Institutions and Foreigners

Risk Management and Internal Control System

TA YA's major business policies, investment plans, acquisition or disposition of assets, endorsements and guarantees, loans, bank financing matters are assessed by relevant administrative units, and then implemented based on the resolutions from the Board of Directors. The auditing unit develops and executes audit plans in accordance with risk assessment results annually, implementing monitoring mechanics and risk management.

Internal control system is established in accordance with the "Internal Control System Establishment Guidelines for Public Companies." There are 4 main tasks for internal control:

1. Ensure the implementation of company policies and regulations.
2. Assess the performance of the departments as the basis for rewards and punishments.
3. Prevent waste, losses and inefficient use of assets.
4. Ensure the accuracy of accounting and business data.

The procedure designs the control points in accordance with the responsibilities of each department. The operating procedures must accompany implementing details. A self-evaluation questionnaire is compiled in December of every year in relationship with each point in the internal control system. The operating procedure is modified after discussions on the points in question and the audit plans for the following year are then put forward. After obtaining the agreement of the Board, it will be reported to the competent authority. If misconducts are found, they will become the points of correction for the following year.

In 2013, we audited 15 departments internally, accounting for 75% of the total internal departments. We also put in efforts on the supervision of our subsidiaries. 19 subsidiaries were planned to be audited and 17 were actually audited, accounting for 89% of total subsidiaries.

Code of Conduct and Anti-Corruption

TA YA upholds the business philosophy of integrity toward its employees, clients and suppliers. A "TA YA Employee's Code of Conduct" is required to be signed by all employees when reporting for duty to ensure all behavior are in accordance with the regulations, which include that employees may not accept any gifts, treatments or treats from any dealing manufacturers and clients. In addition, all employees are prohibited from engaging in transactions with individuals with records of dishonesty to protect the interests of TA YA and its stakeholders. An employee may not engage in activities that are in conflict with the interests of the corporation outside the company; may not engage in external activities that may counteract with one's responsibilities in TA YA; and may not engage in relevant TA YA transactions for one's own self interests.

Information Disclosure

TA YA values all comments and suggestions from stakeholders, due to the fact that it is the basis on which CSR is implemented upon. In terms of improving information transparency, including the holding of Investor Conferences, consolidating operations and financial-related information of the Group will be periodically released on the official website. In addition, detailed listings will be provided in the annual report regarding current operating status, future plans, strategy implementation and financial performances, in hopes that smooth communications will provide the investors with the best available service.

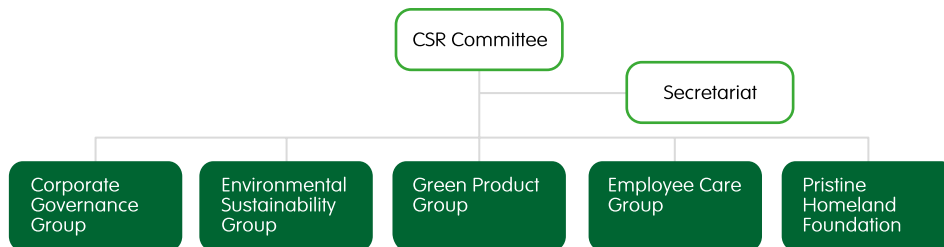
In order to allow a few shareholders' rights to be implemented without the constraints of space and time, the Investor's Conferences starting 2014 will adopt the method of electronic voting and vote-by-case.

In addition, all TA YA employees are entitled to the rights to organize trade unions and freedom of association by law. Employee representatives can provide the suggestions and comments of their colleges on specific topics via the laborer's conference.

Commitment to CSR

Stakeholders Engagement

The TA YA Group first issued the CSR report in 2012, but the scope of the report at the time was limited to TA YA Electric Wire & Cable Co., Ltd. In 2013, the CSR Report Editorial Committee expanded the membership to include representatives from Cuprime Material, Ta Heng, TA HO, and AD, and established the TA YA CSR Committee in 2014 with the president of the Head Office as the Chairman of the Committee. The CSR Committee meeting is to be held every season, with four task groups underneath: Corporate Governance Group, Environmental Sustainability Group, Green Product Group and Employee Care Group. Green Inside is also a member of the CSR Committee with a secretariat established to coordinate staff tasks.



TA YA believes that communicating with its stakeholders aids in understanding everyone's stand in relevant topics for proper responses and measures, which is the basis for the CSR implementation. Therefore, we identify and determine key TA YA CSR topics in the following steps, and evaluate the relevant topics from the stakeholders by industry experts and the various units.

Step 1: Identifying Topics

Reference benchmark corporations in combination with the current situation and determine the stakeholders needed to communicate with. Then collect comments and feedbacks through the interactions with the stakeholders.

Step 2: Prioritize

Evaluate and prioritize every topic in accordance with the "influence to the company" and the "degree of external concern." "Influence to the company" refers to the possible degree of influence that the issue has on our business operations, while "degree of external concern" refers to the possible degree of influence that the issue has on the corporate image and sales.

Step 3: Analyze Results

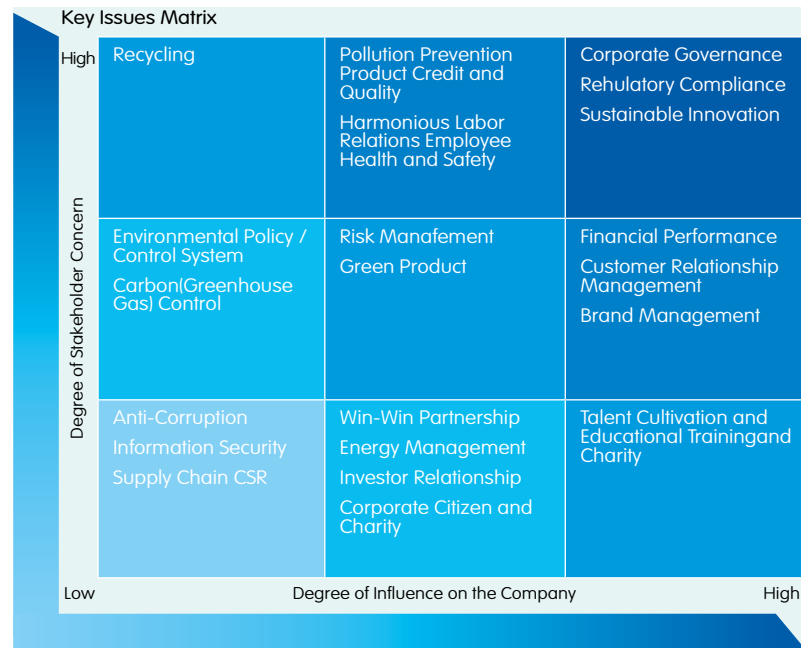
The top right area of the Key Topic Matrix is defined as the issues we should prioritize our efforts first and also the topic of our annual report.

Step 4: Continuous Improvements

Understand the public's satisfactory level on information disclosure, also develop, execute and evaluate every approach to implement continuous self-improvements.

Analysis of Materiality

The topic identification in this report is based on the statistics of “influence on the company” and “degree of stakeholder concern” compiled through the method of questionnaires by the entire CSR committee on all members done in the first quarter of 2014.



Stakeholders and Materiality

Stakeholder	Communication Methods and Frequency	Issues
Employee	E-Bulletin Board (1 per week) Employee mailbox (1 per day) Periodic Meeting (1 per month)	Salary Welfare Working Environment Educational Training
Shareholder	Investors’ Conference (2 per year) Shareholders’ Conference (1 per year)	Financial Status Risk Management Business Development
Supplier	Suppliers’ Conference (unscheduled) Audits (unscheduled)	Green Products Materials R&D Energy-saving Technology R&D CSR Strategy Communications
Client	Customer Support Line (according to demands) Project Manager (according to project amount)	Employee Rights Product Quality Product Safety
Union	Seminar Exchanges (2-3 per year) Energy-saving Technology Visits (2-3 per year)	Environmental Impact Green Product
Government Agency	Seminar Exchanges (2-3 per year) Various Exhibitions (2-3 per year) Accreditation of Green Products (1-2 per year) Environmental Awards (according to award amount)	Regulatory Compliance Degree Environmental Impact Social Impact
Community	Environmental Protection (2-3 per year) Social Welfare (2-3 per year)	Community Environment Community Safety Community Contribution

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Corporate Management	P.9
Regulatory Compliance	P.10
Sustainable Innovation	P.36
Financial Performance	P.8
Customer Relationship Management	P.30
Talent Attraction and Retention	P.25
Pollution Prevention	P.39
Product Credit and Quality	P.30
Harmonious Labor Relations	P.18
Employee Health and Safety	P.19

External Organization Involvement

For a long time, TA YA has been participating in many domestic industry unions and associations in hopes to obtain the up-to-date industrial news and development statuses of new technologies in order to raise the competitive strength of the industry, and improve sustainable strategies, for the enhancement of sustainable capabilities. TA YA believes that the partnership with external organizations is a major factor in implementing sustainable development and the exchange of topics could guide the industry which would then guide the industry toward upward developments.

The List of TA YA External Organizational Involvements

Organization	TA YA	Cuprime Material	Ta Heng	TA HO	AD
TEEMA	●				
Wire & Cable Association Synergy Development Center	●	●	●	●	
CED	●				
Tainan Industry Association	●				
TwnWEA	●				
TWTIA	●				
STGSTA	●				
Taiwan Electric Wire Association		●			
TNCIA	●		●		
TTECA					●
Taiwan Water Pipe Engineering Industries information Portal					●
Taiwan Refrigeration & Air-conditioning Engineering Association of R.O.C.					●
TTEIA					●
CAFP					●

1. TEEMA – Taiwan Electrical and Electronic Manufacturer's Association

Its mission is to act as the communicator between the government and the people, the promoter of rooting in Taiwan, the supporter of global businesses. It provides the members with global diversified services for mutual benefit and acts as the bridge between the industry and the government to foster economic growth. The executive director of TEEMA is the president Shen Shanghong of TA YA. The TEEMA has visited Vietnam many times before, with TA YA Electric Wire & Cable Co., Ltd. participating in the reception events, devoting itself to act as the bridge for economic trade exchanges between Taiwan and Vietnam.



2. Wire & Cable Association Synergy Development Center

The Wire & Cable Association Synergy Development Center expects to assist its members in broadening the internet perspective, create endless business opportunities and visions via the CSD. Other than providing important information on union activities, industry and exhibitions, it also devotes itself to providing members, both foreign and domestic, trader data, national industrial degree compilations and various information to promote industrial upgrades, improve product quality, lower production costs and improve the industrial competitive strength. President Shen Shanghong of TA YA has been acting as the Vice Chairman for The Wire & Cable Association Synergy Development Center since 2002 and is devoted to promote association business.



3. CED – Electric-Electronic & Environmental Technology Development Association of R.O.C.

The mission of the CED is to promote the development of electric and electronic products and their overall technical standards, also to protect consumer rights and safety, and to promote the rationalization of the management of electronic devices. TA YA Electric Wire & Cable Co., Ltd. obtained the ISO9000 · ISO14000 · OHSAS18000, TOSHMS, ISO/IEC17025 certifications with the guidance from the CED, improving the quality of their products.



4. Tainan Industry Association

The Tainan Industry Association assists in the communication between local enterprises and the local government, and to foster better understanding of the laws and regulations posed by the government. President Shen Shanghong of TA YA also acts as the executive director for the Tainan Industry Association. We hope to become a trusted business partner for enterprises, also the pivot that connects the Tainan local government and private industries to provide clients in the Tainan region the best available service.



5. TwnWEA – Taiwan Wind Energy Association

Primarily combines relevant agencies and personnel in the field of wind power generation to promote the domestic application and development of wind energy. Through the wind power generation technology development and service platform, we established a mutually supportive cooperative system to enhance the promotion and application of wind energy.



6. TWTIA – Taiwan Wind Turbine Industry Association

The mission of TWTIA is to combine personnel from the industry, academe and research fields to promote Taiwan's development strategy for industrialized wind power generation, to provide information, technical exchanges and pro-actively promote vertical and horizontal industrial integration, in order to improve the domestic competitive strength of wind power generation on the international stage.



7. STGSTA – Southern Taiwan Green Science & Technology Association

The STGSTA sets out to promote environmental concerns, aims to integrate the resources from industrial, governmental, academic, educational and research fields to care for both the economical development and ecological balance in order to lead the STGSTA manufacturers in fostering innovative developments.



8. TNCIA – Tainan County Industrial Association

TNCIA's mission is to coordinate the relationship between industry peers and improve the mutual benefits of the peers. Therefore, TNCIA establishes relevant training services, provides members with a diversity of services, and helps in fostering harmonious labor relations in order to build a better environment and future.



Sustainability Index of Taiwan

The Financial Supervisory Committee R.O.C. issued a 5-year “Blueprint for Corporate Governance Enhancements” in December 2013. The implementation of corporation governance evaluation is listed as a primary goal for 2014. The reason for its promotion is to utilize the comparison of results of the overall corporate governance in the market, to assist investors and enterprises in understanding the positive effects of corporate governance, so it can promote healthy competitions in the industry and improve the corporate governance standards, to further shape and improve the corporate governance culture.

TA YA will actively respond to the corporate governance evaluation, and also pro-actively establish self-supervising measures beyond the requirements of the law, in order to become an example for other companies and serve as a benchmark. After the establishment of the sustainability index system in Taiwan, TA YA will then compete to be listed in the index.



Enlightened Employees

Employees are the most valued assets of TA YA. TA YA understands that only happy and healthy employees can provide TA YA with a driving force to improve, and competitive strength comes from the innovations of its employees, but only happy and healthy employees would have that endless energy for innovations. We value the relationship between our employees more than mere contract relationships. We see our employees as family members, so we take the initiative to care for their work environment. Harmonious labor relations are the cornerstones of our continued growth.

TA YA proactively promotes every kind of welfare measures for its employees: the established trade union and laborers' conference effectively serve as the channel of communication between the two sides; we periodically hold educational trainings and professional skill evaluations for the staff. We also encourage our employees to serve as corporate volunteers for TA YA, promoting inner and outer growth. Our goal for happy employees is to assist them employees in obtaining a good balance between work and life. Only a happy lifestyle could bring forth a continuous quality work performance.

Employee Profiles

Provide employment opportunities

The employees of TA YA, Cuprime Material, Ta Ho and AD are all Taiwanese and only Ta Heng has 7 Thai laborers (accounting for 8.86%) employed. The total number of employees of the five companies are 844 people in 2013, slightly more than in 2012, and out of which, 597 are TA YA employees. Due to the high physical strength nature of the job, also the hot and stuffy workplace environment, the factory requires shift rotations 24 hours a day. Therefore, the employment rate of males is higher than that of females at 87% and 13%, respectively. The female management staff of TA YA is at 14%, about the same ratio as our female employees. Our starting salary standards do not vary with gender and all staff mobilizations, promotions, and talent cultivation measures are all done in accordance with personal abilities. If overseas personnel are required, we will discuss the opportunities beforehand and also provide rewards such as salary raises and promotions after their return.

The Total Number of Employees

2011		TA YA		Affiliated Company	
		Number of People	Percentage	Number of People	Percentage
Irregular Agreement	Male	481	84%	207	78%
	Female	64	11%	51	19%
Regular Contract	Male	25	4%	7	3%
	Female	2	0%	0	0%
2012		TA YA		Affiliated Company	
		Number of People	Percentage	Number of People	Percentage
Irregular Agreement	Male	481	84%	203	76%
	Female	76	13%	52	20%
Regular Contract	Male	10	2%	11	4%
	Female	0	0%	0	0%
2013		TA YA		Affiliated Company	
		Number of People	Percentage	Number of People	Percentage
Irregular Agreement	Male	486	85%	188	76%
	Female	77	13%	51	21%
Regular Contract	Male	31	5%	8	3%
	Female	3	1%	0	0%

TA YA supports disability employment. There were 5 statutory positions for the disabled, and we have 7 currently employed, which is 1.4 times higher than the figure set by that law. In addition, the statutory positions for aborigines were 5 and we currently have 5 employed.

Employment Liquidity

	2011		2012		2013	
	Male	Female	Male	Female	Male	Female
TA YA						
New Employees	136	13	105	18	101	14
New Employee Resignations	38	2	26	3	23	3
Turnover Rate	12.42%	7.94%	12.63%	8.45%	12.54%	11.25%
New Employee Ratio	26.88%	19.70%	21.34%	23.68%	19.69%	16.67%
Resignation Ratio	11.86%	7.58%	12.80%	7.89%	12.28%	10.71%
Cuprime Material						
New Employees	3	0	1	0	5	0
New Employee Resignations	1	0	0	0	4	0
Turnover Rate	7.92%	0.00%	8.25%	0.00%	32.94%	6.06%
New Employee Ratio	6.00%	0.00%	2.13%	0.00%	13.16%	0.00%
Resignation Ratio	8.00%	0.00%	8.51%	0.00%	36.84%	6.25%
Ta Heng						
New Employees	40	4	9	1	16	1
New Employee Resignations	27	1	1	1	14	0
Turnover Rate	91.80%	7.27%	7.94%	11.32%	50.00%	7.55%
New Employee Ratio	66.67%	14.81%	13.64%	3.85%	27.59%	3.70%
Resignation Ratio	93.33%	7.41%	7.58%	11.54%	53.45%	7.41%
Ta Ho						
New Employees	2	1	5	2	0	0
New Employee Resignations	0	0	0	0	1	0
Turnover Rate	0.00%	0.00%	0.00%	0.00%	2.90%	0.00%
New Employee Ratio	6.67%	33.33%	14.29%	40.00%	0.00%	0.00%
Resignation Ratio	0.00%	0.00%	0.00%	0.00%	2.94%	0.00%
AD						
New Employees	17	15	13	6	7	3
New Employee Resignations	3	4	6	5	6	2
Turnover Rate	21.21%	25.40%	22.54%	24.24%	31.43%	12.70%
New Employee Ratio	44.74%	42.86%	34.21%	18.75%	21.21%	9.68%
Resignation Ratio	18.42%	22.86%	21.05%	25.00%	33.33%	12.90%

Note: Turnover Rate = (Resigned Employees) / ((Employees at the beginning of the year + Employees at the end of the year) / 2). New employee ratio = New employee number / Employees at the end of the year. Resignation Ratio = Resigned employees / employees at the end of the year

Gender Ratio of Management Staff

		TA YA				Affiliated Company				TA YA				Affiliated Company					
		2011		2012		2013		2011		2012		2013		2011		2012		2013	
(Deputy) Department Heads	Male	25	34%	22	40%	27	35%	21	37%	29	37%	21	35%						
	Female	6	8%	7	13%	8	10%	8	14%	8	10%	7	12%						
(Assistant) Managers	Male	23	32%	14	25%	24	31%	10	18%	22	28%	13	22%						
	Female	2	3%	2	4%	2	3%	3	5%	2	3%	3	5%						
Associates	Male	3	4%	2	4%	4	5%	7	12%	5	6%	8	13%						
	Female	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%						
Vice Presidents or above	Male	13	18%	8	15%	12	15%	8	14%	12	15%	8	13%						
	Female	1	1%	0	0%	1	1%	0	0%	1	1%	0	0%						
Sub-total		73		55		78		57		79		60							

TA YA Employment Care Expenditure

Item / Annual Amount	2011	2012	2013
Group Insurance (dollars)	1,715,226	1,798,975	1,741,768
Employee Accident Condolences (dollars)	13,200	16,000	47,000
Club Activity Subsidy (dollars)	82,800	84,400	55,800
Domestic Travels (dollars)	1,644,000	1,137,446	979,887
Total	3,455,226	3,036,821	2,824,455

Supporting Disability Employment

	TA YA	Affiliated Company	Total
Required Employment	5	2	7
Actual Employment	7	1	8

Welfare and Care

TA YA and Cuprime Material have Welfare Committees and their responsibilities include: the evaluation, promotion, and supervision of welfare activities; the planning, keeping, and use of the employee welfare fund; the allocation, audit and financial report of the employee welfare fund; and other welfare-related management issues. TA YA has 21 committee representatives, out of which, excluding 1 ex-officio member appointed by the employer, 6 are elected by the employees, 14 are elected by the union and 1 chairman is elected from the members of the committee. The duration of office, with the exception of the ex-officio member, is 3 years and can be re-elected. A welfare conference is held every 3 months.

The TA YA Group's employee welfare includes year-end bonus, profit-sharing bonus, long-employment bonus, uniforms and safety shoes, marriage/funeral cash gifts/celebratory curtains/garlands applications, educational training subsidy, language subsidy, lunch subsidy, employee travel subsidy, Labor Day, Dragon Boat Festival, Mid-Autumn Festival, Spring Festival gifts, parties and dinner (organized by the welfare committee), club activity subsidy, birthday gifts, employee insurance (extended to employee family members, paid by the members at a discounted price), and employee accident condolences. The company also holds physical examinations annually, organized by the Occupational Safety & Health Office. In addition, employees have voluntary marriage/funeral/celebration subsidies and employee mutual assistance fund on the death of the employee, family members, spouse, and children.

All Group members are included in the retirement welfare plans. We held an employee retirement benefits conference when the previous retirement pension system was amended; the ones who adopted the new system would be uniformly 6%; ones moving from the old to the new would receive a maximum range of 4%-15% of the gross salary. At the same time, we enlisted pension actuaries to do the accounts on the status of the retirement reserve funds.

Human Rights Protection

Work Dignity

The TA YA Group has the “Human Rights Policy Statement” defined in accordance with “The Universal Declaration of Humans Rights,” “United Nations Global Compact,” and “ILO Conventions on Core Labor Standards” in order for everyone inside and outside the company to receive a fair and respectable treatment. We promise that:

1. We support and respect the protection of human rights and ensure that our business partners and suppliers also uphold the same standards.
2. We ensure that ourselves and our partners and suppliers will not make use of illegal child labor or prisoners in its business operations and will also not engage in forced labor and corporal punishment.
3. We respect the rights of the employees to participate in collective labor negotiations in accordance with local laws and customary union regulations.
4. We tolerate all cultural characteristics of all employees, and will not discriminate against any employees protected by the law for their diversity of cultural characteristics, including: gender, color, race, ethnicity, nationality, religion, age, marital status, sexual orientation, gender identity and expression, disability, pregnancy, veteran status or political stance.
5. We comply with the Safety Policy and will promptly correct or report any possible threats.
6. We will not conduct any behavior with disrespect, hostility, violence, threat or harassment.
7. We promote the establishment of a harassment-free environment. We will not tolerate any sexual harassments, including any undesirable flirting, sexual exchange for benefits or any other unwelcomed suggestive language or physical behavior.
8. We protect the personal information of our current and past employees, board members, clients, job seekers and partners. The acquisition and use of personal information is limited to legitimate business purposes.

In order to implement gender equality, we have defined the “Complaints and Disciplinary Measures for the Prevention of Sexual harassments in the Workplace” and engage in periodic promotions. The balance between work and life is one of the most important TA YA values. We provide flexible choices for the employees such as parental leaves, family leaves and childbirth leaves.

To protect the working interests of all employees, we strictly comply with government regulations to clearly state the deadline to inform labor changes in the labor contract. In case of radical changes in business operations that may affect labor rights, to inform employees who served with the company for more than 3 month but less than a year, 10 days ahead of time; to inform employees who served with the company for more than 1 year but less than 3 years, 20 days ahead of time; and to inform employees who served with the company for more than 3 years, 30 days ahead of time.

Harmonious Labor Relations

Harmonious labor relations are the cornerstone for our continuous growth. The personal management regulations are defined and implemented in accordance with relevant laws and pro-actively engage in all welfare measures for the employees. Other than TA YA and Cuprime Material which have their own industrial unions, all other companies hold the labor’s conference periodically with the goal of communication. There have been no labor disputes currently.



In order to assist in relieving the pressure from work for the employees, creating bonds between associates, Ta Ya established diverse clubs. Left: AD, Right: TA YA.

Occupational Safety and Health

Management Measures

Our factories are spacious, well-lit and have good air circulation, providing our staff with a comfortable work environment. Though the manufacturing processes have no environmental pollution issues, we still value the environmental protection measures of our factories. They have environmental protection groups and security and health offices responsible of promoting environmental protection and employee safety for the enhancement of internal environmental protections in order to achieve the goal of zero-pollution.

Based on the emphasis on employee safety and health during the manufacturing phase, TA YA first obtained the ISO14001 environmental management system certification in 2005 and also passed the OHSAS18001/TOHSMS occupational health and safety management system accreditation in 2009. While the audit verification of the external verification units and replacement procedures of the three verifications were conducted in the November of 2013, we also acquired the ISO 14001, OHSAS 18001, and CNS 15506 certifications. We establish a safe, healthy work environment; implement the identification and evaluation of potential risks in the work environment, to further control and take preventative measures against them.

The functions of the labor safety committee of TA YA Guanmiao Factory are to act as the unit responsible for reviewing, coordinating and advising on labor safety and health relevant matters. Its organizational system is superior than the one defined by the law: One head of committee (4.55%), filled by the executive vice president; 1 executive secretary (4.55%), filled by the Safety and Health Manager of the Safety and Health Office; 7 committee members (31.82%), filled by acting representatives from General Affairs, HR, Business Office, Telecom Business, Telecom Manufacturing, Telecom QA, Magnet Wire Business, and Magnet Wire Manufacturing departments; 9 labor representatives (40.91%), filled by the executive director and directors of our industrial unions; and 4 labor safety staff (18.18%).

The practices of other affiliated companies are as follows:

● Cuprime Material

The functions of the labor safety committee of Cuprime Material is to act as the unit responsible for reviewing, coordinating, and advising on labor safety and health relevant matters. Organizational composition: 1 Safety and Health Chairman (9.09%), 8 Safety and Health Committee member (72.73%), 2 labor safety staff (18.18%). Its compositional details are as follows: the factory director acts as the Safety and Health Chairman; department heads as the Safety and Health Committee members; labor safety staff: 2 labor safety and health business managers.

● AD

In order to implement a labor safety and health system, and to comply with the Occupational Safety and Health Act and relevant regulations to protect the physical wellbeing of the laborers work environments, health and a hygienic environment, a Labor Safety Office is established. Its organizational members are: 1 department head, 1 commissioner, 2 department staff; each is stationed at a different site to engage in the maintenance and promotion of labor safety activities.



The protective equipments and unscheduled audits could reduce the chance for accidents. Left: Ta Ho, Right: TA YA.

Prevention of Occupational Hazards

The process of manufacturing wires and cables involves approximately 100 kinds of chemical substances, therefore we practice checkpoint inspection and gather statistics on the usage of emission quantities and implement control procedures on the chemical substances that do not affect the eco system or cause pollutions. We also exercise control on the source; obtaining the IECQ / QC 080000 certification in 2007, implementing green procurement for materials not do not contain any harmful substances. Other than caring for the health of the employees, we also provide safeguards for the consumers.

For the dust processing of the PVC plastic pellet manufacturing process, we installed dust-collecting equipment on site where the dust occurs and limit the spread to the compartments. We provide employees with personal protective masks, make the PVC wires available commercially totally lead-free by changing the formula with non-lead-based stabilizing agents to prevent contact with Trace Lead, and reduce the harm caused to the employees.

The raw materials for magnet wires other than copper wires also include a variety of coatings, and the main ingredients of the coatings are "organic solvents." In order to protect employee health and cause no harm to the environment, we have adopted the use of "catalysts" a step before our peers, to make the organic solvents into water and CO2 via high temperature combustions, which do not affect the bodies of our employees and cause no harm to the environment. The bonding wire and PV ribbon products have no adverse effects on safety and health, but the safety of the annealing process for copper bonding wires and both the calendaring and annealing process of PV ribbons must be given special attention.

In addition, based on the safety of the work environment and the safety of the workers, our factory is completely a n smoking area. A periodic maintenance is scheduled for the office air conditioning system and the cooling water towers to protect the health of our office personnel. A periodic maintenance and check-up is performed on the lighting system

of the factory and offices; the lighting maintains a value above 300 lm for the employees who are performing visual operations. Furthermore, periodic physical check-ups and follow-ups are also performed for our general operations staff, noise operations staff, dust operations staff, and lead operations staff. To further improve the work place and its safety, TA YA established specialized environmental protection units, and safety and health units. Other than discussing about work place environment, safety and health related issues in the health and safety committee conference every season, we also implement safety education and safety drills.

Occupational Hazard Key Indicators

Year	Item	TA YA	Affiliated Co.	Total
2011	Injury Rate	2.00	1.94	3.94
	Occupational Disease Rate	0.00	0.00	0.00
	Loss of and Delay Rate	27.76	18.56	46.32
	Absence Rate	0.00	0.02	0.02
2012	Injury Rate	1.78	7.27	9.05
	Occupational Disease Rate	0.00	0.00	0.00
	Loss and Delay Rate	5.16	24.61	29.77
	Absence Rate	0.00	0.03	0.03
2013	Injury Rate	1.35	12.44	13.79
	Occupational Disease Rate	0.00	0.00	0.00
	Loss of and Delay Rate	12.95	83.23	96.18
	Absence Rate	0.00	0.01	0.01

Note: Injury Rate (IR) = Injury Total / Total working hours * 200,000. Occupational Disease Rate (ODR) = Occupational Disease Total / Total working hours * 200,000. Loss and Delay Rate (LDR) = Loss and Delay Total / Total working hours * 200,000. Absence Rate (AR) = Absence dates total during report / total working hours during report; Loss and Delay Total includes tardiness, early leaves, personal leaves, sick leaves (half -day) and absences.



For high-risk environments, we conducted protective measures. Left: Cuprime Material, Right: Ta Heng.

Health Care

In accordance with the employee age and work environment, TA YA provides adequate health plans and check-ups for early detection of potential health hazards and virulent factors. Special medical personnel are sent to implement annual physical check-ups, also conduct evaluations of items needing improvement according to abnormal proportions, annual trends and ethnic trends screening of the employees. We prioritize items requiring improvement in accordance to urgency, plan full intervention programs, understand individual needs, assist in follow-up check-ups at the hospitals, engage in health care tracking, and provide complete health care measures.

According to the annual health check-up result analysis, BMI, cholesterol, blood pressure, waist circumference, blood glucose are among the top 5 abnormal rankings. Most of the colleagues belong to the shift-work group, which is prone to irregular work and rest, unbalanced diets and lack of exercise; therefore the following improvement plans are suggested:

- **Beetle nut and smoke-free healthy work place:** Starting in June 1st, 2008, all factories prohibit the chewing of beetle nut and smoking; relevant punishments are defined and signs are established at prominent locations throughout the factories.
- **In cooperation with NHI in promoting the "Taiwan 102 Health Care" event:** The 367 Healthy Diet Class is established with electronic bulletin boards and bulletin boards to release relevant information for the colleagues.
- **Health promotion health conferences:** Established metabolic syndrome, hypertension, diabetes, smoke-quitting, and AIDS conferences
- **Established sports clubs:** Yoga club, Motor Bike Club, Badminton Club, Hiking Club, Cultural Studies Club and held events periodically.
- **Set up signs in stair cases that encourage the employees to use the stairs, creating a healthy work place.**
- **Periodically go to each unit for blood pressure check-ups:** Give health education counseling, health concept promotion, blood pressure tracking and development of healthy self-care habits.

- **Set up the TA YA Hiking Track:** Plans a 0.9 km hiking track. Encourage colleagues to walk ten thousand steps every day to prevent and improve chronic diseases.
- **Blood glucose check-up events:** In accordance with health check-up results, provide health education for colleagues with high blood glucose values and place them under the tracking and caring list.
- **Promote health exercises:** Unit instructs in performing health exercises to develop regular exercise habits.
- **Healthy diets:** Set up an employee cafeteria in the factory, and provide calorie indications on main meals for the colleagues to refer to.

In 2013, TA YA held 6 Health Promotion Conferences with 451 participants in total, reaching a participation rate of 90%. 129 people joined the Healthy Diet Class, and lost 144.5 kg in accumulated total. The TA YA Guanmiao factory goes to the unit for periodic blood pressure checkups for early detection and early treatment, achieving the goal of an 85% participation rate. Plans the hiking track and promotes the health exercise to develop a periodic exercising habit, and people working out periodically increased by 20% according to the verbal and visual analysis. Cuprime Material and Ta Heng also provide the employees with annual health check-ups and relevant health welfare measures.



We encourage colleagues to do exercise and provide annual health check-ups.
Left: TA YA, Right: Cuprime Material.

Educational Training

The Educational Training System

Human resources are the key factors in the sustained development or transformation of a corporation. In order to make the inner training programs for the employees more systematic, also successfully implemented with efficient implementation results to improve corporate competitive strength, Ta Ya officially started the promotion of the "TTQS Taiwan Training Quality System Certified Curriculum Plan" in 2012 to improve the results of educational training programs.



Our internal educational training system implements training in accordance with the type of professions. Their contents include: management skills, general skills, professional skills and self-motivation. Different business groups provide the annual training requirement lists for the next year at the end of each previous year for job training such as management skills and general skills. HR then compiles the training requirements list into the annual execution plan. Professional skill training requirements are issued by each business groups in accordance with business strategy plans or current situations. HR then collects relevant training classes and lecturer lists for reference and compiles the training requirement lists for each business group.

On the topic of new employee trainings, training courses are prepared by HR and the lecturers are provided by each business groups for training sessions. The contents of the trainings emphasize organization overview, history, business philosophy, personnel system, benefits, insurance, salary, work safety, labor health and safety, ISO system, quality policies and field internships.

TA YA is devoted to cultivating talents. Because international business communication is required for operations, TA YA released the "Application of Foreign Language Job Training for Employees" in 2010. Other than

providing subsidies for the training, we also provide salary increases in accordance to learning results, and also take language abilities as a priority in promotions and mobilizations. In 2011, we further defined the even more complete "Employee Job Training Application," covering all tuition fees for Master's and Doctorate students-employees who chose to pursue management-related studies or studies that have a potential future development in the company.

In addition, we also have aboard-studies, salary-retained studies, successor projects and salary reward measures that are under discussion. Our internal educational training system implements trainings in accordance to profession types. Their contents include: management skills, general skills, professional skills and self-motivation. Different business groups provide annual training requirement lists for the next year at the end of each previous year for job training programs such as management skills and general skills, then HR compiles the training requirements list into the annual execution plan. Professional skills training requirements are issued by each business group in accordance to business strategy plans or current situations. HR then collects relevant training classes and lecturer's lists for reference, and compiles the training requirement lists for each business group.

The Educational Training System of TA YA

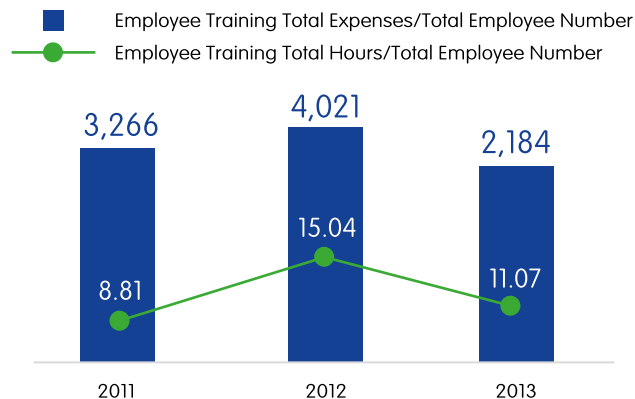
Class	Management Skills	General Skills	Professional Skills	Self-Motivation
Manager (included) and above	Strategic Planning Advanced Communication and Coordination Advanced Problem Analysis Advanced Leadership Middle and Top Executive Seminar	Skill Training Basic Labor Safety Knowledge Employee-Career Management Innovation & Improvement Full Quality Execution and Tracking	Manufacturing Technique Sales HR R&D Financial Accounting Info Tech Environmental Safety License General Procurement Quality System Internal Lecturer Project Management	Grad School College Institute Job Training Foreign Language Job Training (English/Japanese)
Managers below Department Head including group leaders	Basic Communication and Coordination Basic Problem Analysis Basic Leadership Basic Manager Seminar	V	V	V
Professional personnel	X	V	V	V

All affiliated companies value the educational training of its employees. In order to improve the specialized skills and quality of the employees, job training applications are set up; additional job training applications are also provided for new employee orientations, foreign language trainings and professional skills training. In order to encourage employees to engage in job trainings, additional reward standards are also established to improve competitive strength in the employee's workplace.

Educational Training of TA YA (by Gender)

TA YA	Female			Male			Total Average Time
	Training Hours	Total Employee Number	Average Training Hours	Training Hours	Total Employee Number	Average Training Hours	
2011	992	66	15.03	4045	506	7.99	8.81
2012	1456	76	19.16	7070	491	14.40	15.04
2013	1699	80	21.24	4907	517	9.49	11.07

Educational Training of TA YA (by Hours and Expenses)



The Educational Training System of Affiliated Co.

Class	Management Skills	General Skills	Professional Skills	Self-Development
Managers and above	Strategic Planning Environment Building Effective Decision	General Skills Training Employee Career Planning Change Management Responsibility Awareness	Customer Service Procurement and Commissioning Engineering Project Management System Pipeline Planning and Design Human Resources General Affairs Information Control Audit Management Financial Accounting Project Management	College Grad School or Job Certification Course Engineering Certification Internet University Digital Learning Book Club
Managers below Department Head (including organizers)	Staff Cultivation Management Cycle Execution Problem Analysis and Solving	V	V	V
General Staff	X	V	V	V

Educational Training of Affiliated Co. (by Gender)

	Female			Male			Total Average Time
	Training Hours	Total Employee Number	Average Training Hours	Training Hours	Total Employee Number	Average Training Hours	
2011	72.5	78	0.93	661.5	183	3.61	2.81
2012	1,394	78	17.87	1584	190	8.34	11.11
2013	1,429	78	18.31	2544	166	15.33	16.28



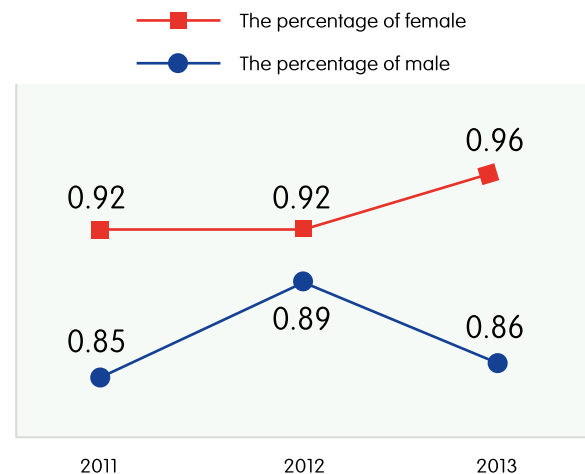
The Safety and Health Training and Quality-Related Training. Left: AD, Right: Ta Ho.

Performance Evaluation

The TA YA Group has a competitive overall remuneration system, which include the base salary, performance bonuses and profit-sharing bonuses. Every employee's overall remuneration is defined in accordance to his professional knowledge and skills, duties and performance, and combined with the operational goals of the company. It will not differ based on gender, religion, race, nationality and faction preferences. Our starting salary meets the minimum wage provisions.

TA YA amended the "Annual Employee Performance Evaluation Procedure" in 2013 to evaluate an employee's contribution and performance based on fair and reasonable regulations. The goal is combined with performance, and when the chief evaluator is evaluating the performance and setting up goals, he should engage in interviews with the employee. For low-performing employees, the manager must assist the employees in establishing an improvement counseling program; the manager should provide assistance, counseling and prompt advice to achieve the goal of the performance evaluations. In 2013, out of the total number of 597 employees in the head office, 77 female employees and 445 male employees accepted official performance evaluations, representing 87.44%.

TA YA Employee Accepting Periodic Performance Evaluations(%)



Cuprime Material does not have a periodic evaluation mechanism; the practices of other affiliated companies are as follows:

- Ta Heng holds a performance evaluation once per half a year for the employees, objectively evaluating the work performance and work quality of each employee to reward outstanding employees. It is the positive function of this evaluation to gradually improve and encourage low-performing employees.
- Ta Ho periodically employs an interview assessment, obtaining the chances of improvement via two-way communications and suggestions between the managers and the employees.
- AD engages performance evaluations in April and October of every year in accordance to "Annual Promotion Evaluation Procedure." It is first evaluated by the employee himself/herself in accordance with the work handbook, competency inventory and KPI indicator, then evaluated by unit managers in accordance to the employee's performance. The results of the evaluation are categorized into O, S, I and U levels. O: Outstanding, S: Successful, I: Improvement Needed, U: Unacceptable. Employees that qualified for promotions will be openly notified afterwards and be commended in the monthly conferences.



We use a fair and reasonable performance evaluation to motivate employees.
Left: Ta Heng, Right: AD.

Corporate Volunteers

TA YA Cable and Wire Safety Education Volunteers

The TA YA Cable and wire Safety Education Volunteers was established in 2013, integrating TA YA’s expertise in cables and wires with the local fire department in conducting electricity safety promotions, fostering relationships between local residents and TA YA, with a multitude of successes:

Chief of Village	Fire Department
Providing neighborhood residents services, promoting community safety, effectively using corporate resources on the community.	Using corporate resources on the community, improving community safety, establishing a good relationship with the local residents.
TA YA	Employees
Establishing a corporate image, improving team capabilities, improving morale and solidarity.	Cultivating self-growth, creating opportunities to interact with other department staff outside of work, improve team spirit, improving confidence and social skills.



TA YA Volunteers conducted electricity safety promotions in local communities.

TA YA Pristine Homeland Foundation Corporate Volunteers

Starting from the latter half of 2013, volunteer trainings were held in accordance with the “Volunteer Service Act” in order to improve the quality of the volunteer service, and to protect the rights of the benefactors of the service. A total of 23 personnel completed the basic and special training programs, and obtained the “Volunteer Service Record”. Starting from 2014, it was renamed the TA YA Pristine Homeland Foundation Corporate Volunteers, and developed diverse service models, inviting corporate employees and their families to join the volunteers in order to promote the ideal of the Pristine Homeland to every corner of the world.



Successor Plan

It has been sixty years since Ta Ya was founded. The question of how to cultivate quality successors for the sake of sustainable development has always been the question. Allowing Ta Ya to be better, employees having a good family and work, fight together with Ta Ya, become happy employees, will better the society and foster stability and development. The Successor Plan is primarily built on the “Shift-Rotation System” and “Learning Passport”:

Shift-Rotation System

- Corresponding with the long-term plans and reserve personnel of the company, through the actual practice of rotation, to understand the work details of each department that is to be managed in the future; by systemizing projects, allowing manpower allocation to be more systematic in order to complete the horizontal experience and to develop vertically to improve organizational efficiency, competitive strength and cultivate future talents.

Learning Passport

- Through the ability analysis required for the job, establish learning modules, plan the successor “Learning Passport” and establish the basics for learning evaluations for assessment, which content is to be discussed with the current job holder and the successors.
- The contents of the plan should adopt job-related abilities of the employee as the basis to find the direction of learning. Results of the execution should factor in the performance evaluations for discussion and feedbacks for effective control and reduce the divide.

- Management is needed for evaluations: Direct-supervisor ability survey performed by subordinates. Managers that fall below the average score will be admitted into the personal management ability improvement project. For a lack of management abilities, more training hours should be scheduled.





Satisfied Customers

TA YA believes that superior product service is the basis on which to support satisfied customers. We carefully choose the upstream factory for our materials and adequately implement local procurement. To the environmental responsibilities of the products, we choose to reduce environmental impact and consumption of natural resources in the course of our manufacturing procedures. Also, to protect public health and safety, we adopt the laws on environmental protection as the basis for assessing the possible environmental impact of our manufacturing process could cause prior to their implementation.

The environmental friendly 600V wire that obtained the environmental-friendly seal and exceeded the European RoHS standards is the best choice for consumers. In response to the international movement to reduce the impacts of climate change and promote energy-saving and carbon-reduction, TA YA is the first in the industry to obtain "Carbon Footprint Certification" for its "161kV XLPE Power Cables" and "Triple Insulation Layers Wire (TILW) (0.6~1.0mm)" products. TA YA promotes the customer satisfactory survey to find out topics of public attention and expectations.

Products and Business Groups

Four Major Business Groups Overview

TA YA is divided into the Energy and Telecom Cable Business Group, Magnet Wire Business Group, New Business Development, Investment and Copper Management Business Group, and Construction Business Group. Descriptions are as follows:

1 Energy and Telecom Cable Business Group

The primary products include: power cables, communication cables and optical cables which are all crucial elements in modern life. Power cables are suitable for use in power transmission and distribution systems, ranging from 600V to 345kV. We are the first domestic power cable company to successfully develop and obtain the commission from Taipower for the manufacturing of 345kV power cables.

Communication cables are primarily used in a variety of communications and information transmissions, including telecommunication, information network, cable television and wireless communication systems. In order to fulfill the goal of digitalizing the subscriber loop, also the need for communication services from the information society, we introduced the microcomputer nitrogen triple-insulated foam extrusion machine, auto-storage and other integrated computer manufacturing systems from foreign professional technical factories. We implemented various quality assurance systems and also technically cooperated with foreign professional manufactures to provide high quality products manufactured through high-quality processes for both the domestic and foreign markets, in the pursuit for the best communication quality for the clients.

With the increase in the requirements for speed and bandwidth of the internet, only optical cables could adequately satisfy the need. In adapting to this trend, our Power Communication Group responded with efficiency and devoted a large amount of resources into the R&D

of optical cables, successfully produced optical cables that meet the requirements of Chunghwa Telecom, fixed-line companies and cable TV operators. The optical cables produced by TA YA all meet ITU and IEC standards. The low-smoke non-toxic optical cables and fire-resistant cables usable between buildings were successfully developed in 2002, providing a complete telecommunication product service.

TA YA focuses on product innovation and quality improvement and developed the 161kV and 345kV XLPE Power Cables ahead of its peers. On the other hand, TA YA also infuses its caring for people and the environment in its product designs and developed a series of low-smoke halogen-free cables, heat/fire-resistant cables, low-smoke non-toxic optical cables...etc. Out of these, the 600V Green Wire that exceeded the RoHS standards and obtained the first domestic EPA Green Mark, is also a demonstration of our superiority over our rivals. TA YA Green Wire will not impact on the environment and will not have any adverse effects on human health, providing the best and safest choice for the consumers.



The first "Taiwan Green Model Award" – Green Wire

2

Magnet Wire Business Group

Our own manufacturing "Twin Dragon" magnet wires have been in circulation in the world for more than 40 years. From our long-term manufacturing experience, we were able to develop magnet wires, flat wires, and TILWs of different characteristics, widely applicable in the industrial, consumer, automotive and electrical and electronics industries. We also provide customized product services to fulfill the demands of the clients for high quality products.

TA YA is the largest domestic manufacturer of magnetic wires. Other than introducing the cutting-edge IN-LINE automatic magnet wire manufacturing equipment from Europe ahead of our rivals, we have also become a ISO/TS16949 certified magnetic wire manufacturer in 2005, taking a leading position in the electronic, electric and automotive industries around the world. In order to maintain the competitive edge in our products, we adopted a variety of precision computer testing equipment in implementing strict online quality control operations. Our products achieved the goal of being "high-quality, light, high-temp resistant, nano-tech, and nontoxic" as recognized by both the consumers and the industry.

In response to the demands for miniaturization of electronic components, we developed SILW and TILW applicable to the new transforming components, able to effectively reduce the volume and weight of the transformers, also the materials for inter-layer insulation boards and tubes. Our superior-quality products have received the American UL, German VDE and EIS isolation system international certificates among others, offering the best choice of all-spectrum temperature-level products for electronics factories, both domestic and foreign.

3

New Business Development, Investment and Copper Management Business Group

This business group specializes in the sales of bare copper wires and bonding wires and also the new development of businesses. Other than providing domestic and foreign middle and lower stream wire drawing factories with high-quality raw bare copper wires, we also devote ourselves to the R&D of bonding copper wires in 2003. Our primary products include: tinned copper wires, bare copper wires, copper bonding wires and pd-coated copper wires applicable for various IC encapsulation, solar power cell, thin film solar module and other green industries.

TA YA have fully mastered the manufacturing technique and characteristics of copper materials. We adopt the line-drawing equipment, eye mode and line-drawing oil from major European factories, certified by ISO9001, ISO14000 and ISO/TS16949 standards. We maintain strict process control over the materials and labor to meet the demands for various copper and stranded wires, providing clients with stable and trustworthy products. In addition, in the view of the development trend of high value-added products, TA YA also expanded into the materials manufacturing for the electronics industries. We devoted our R&D in the field in 2003, integrating the technical resources of the academe and successfully developed copper wires specially suited for the intensive-pitch encapsulation industries. Our technical quality and strength are comparable to the major factories in Switzerland, Japan and Korea, and is the only unit able to pass the 25 μ m copper wire full reliability test of ASE Kaohsiung.



Copper bonding wires

4

Construction Business Group

For Taiwan, our primary business is the re-programming of non-primary manufacturing idle assets, such as land rental of idle factories, renting or selling of excess offices from self-developed cases, or using the assets mentioned before in urban renewal and reclassifying public or private offices for the development of new assets that are more worthwhile. We obtained suitable land properties via open bidding or brokerage agencies and self-developed new cases. Additionally, in Vietnam, our business group also provides services for Taiwanese merchants or foreign property owners, such as planning and construction of factories, offices, dormitories and provides engineering supervision services.

Customer Relationship Management

Product Information Labeling

The products of the TA YA Group are all clearly labeled in accordance with client demands or relevant regulations:

Energy and Telecom Cable Business Group: Label contents include: corporation info, such as company name, address, client name; product info, such as wire type (purpose, material, composition), size, quantity (length, weight), manufacturing date; product certifications, such as CNS seal, Twin Dragon logo, Bureau of Commodity Inspection, Green Mark, OHSAS18001, ISO14001, and TOSHMS.

Magnetic Wire Business Group: Other than occupational safety and health system logos, such as OHSAS18001, ISO14001, and TOSHMS, on the quality assurance side, there are RoHS, "Electronic Information Pollution Control Measures" which indicate that the product does not contain harmful elements or substances and is recyclable, and "e." Also in accordance with client or country requirements, product certification system info will be labeled on the packaging, such as quality control system ISO9001, testing lab system ISO/IEC 17025, automotive quality control system TS 16949, hazardous substance management system IECQCC080000, and Sony GB (ID: 0762).

New Business Development, Investment and Copper Management Business Group: Different products will have different TA YA Cable logo, wire type, length, quantity, manufacturing date, expiry date...etc. The outer packaging will also be labeled with the ISO9001, occupational safety OHSAS18001, environmental ISO14001, and TOSHMS information in accordance with the requirements.

Cuprime Material: Information label contains Cuprime Material Wire logo, wire type, length, weight, manufacturing date, stock number, and evaluation seal, also ROHS seal in accordance with client and country requirements.

Ta Heng: Solar wires passed the German TUV and American UL certification. The products are manufactured in compliance with the relevant regulations stated in the international hazardous substance management system and labeled with RoHS, REACH, and various other relevant information.

Quality Assurance

We uphold the "quality first, client first, speedy service" spirit and attitude in providing the best service for our clients. Ta Ya Energy and Telecom Cable Business Group owns various kinds of cutting-edge precision testing equipment in the world, which include: HAEFELY lightning voltage analog testing equipment, high pressure (EHV) power system switch surge simulation equipment, AC-DC high voltage damage test equipment, prolonged (high voltage, high current, high temperature) accelerated aging test equipment, partial discharge non-destructive testing equipment, high pressure test site, network analyzer, communication cable near/far-end cross talk high frequency testers, various fiber optic cable property test equipment (such as optical-time domain reflecto-meter OTDR, polarization mode dispersion analyzer PMD, geometric characteristics meter), low-smoke and non-toxic laboratory, a variety of heat/flame-resistant testing equipment. We are the first manufacturer to be certified by the ISO/IEC 17025 E001 ROC electric field testing laboratory from among our peers. Combined with professional knowledge and continuing to enhance the assessment technique, we are able to achieve the goal of reducing the product malfunctioning rate, expand cable lifespan and improve electrical safety.

The magnetic wire and TILW of the Magnetic Wire Group have obtained ISO 9001, ISO/TS16949, IECQCC080000, SONY GREEN PARTNER, SONY GREEN BOOK (No.0762), and various domestic and foreign quality product safety certifications. Ta Ya is also the first domestic wire and cable manufacturer to obtain the ISO/TS 16949, IECQCC080000, and the TILW Carbon Footprint Certification, also the first company to pass the ROC laboratory certification system ISO/IEC 17025 laboratory testing among our rivals.

Cuprime Material implements its quality assurance system in accordance with ISO 9001 2008 and has passed IECQ QC 080000 RoHS II certification, meeting the demands of our clients.



Customer Satisfactory Survey

The TA YA Group upholds the business philosophy of honesty and trust, and complies with client demands and contracts to protect customer rights and provide satisfactory services. In order to better listen to the clients, and adjust our business direction, all units are to perform the customer satisfactory survey individually to understand the demands of the clients.

- **Energy and Telecom Cable:**

There are 5 categories for the survey, including service, quality, manufacturing, customer evaluation and competitive benchmarking. On the side of stability and durability, the satisfactory levels increased by 0.61% and 0.36%, respectively in 2013, which demonstrated that the TA YA Brand and its product quality are highly recognized by the clients via the efforts of its business groups. On the delivery achievement rates, this goal of 2013 is 88% with a customer satisfaction level of 90.73%. In comparison with the previous year's data (89.5%), this indicates that the corporation has considerably improved on its delivery achievement rates, which also proved that last year's improvement program was effective.

- **Magnetic Wire:**

Customer satisfaction surveys on the previous season are held in January, April, July, and September of every year. Its contents contain quality, product, non-harmful substances, service, and delivery dates for the customers to fill out. In addition, the customer satisfaction survey for the whole year is held every December, picking clients with the top 30 shipment quantity as survey subjects with detailed survey items. A complete annual customer satisfaction report is presented to define new strategies and direction for improvement. The 2013 report showed that the score for all categories ranged from 94 - 97, the overall scoring criteria ranged from acceptable (85) – satisfied (100).

- **NIC:**

The customer satisfaction survey was not implemented in 2011 – 2012 and was only implemented since the bottom half year of 2013. Currently, due to the lack of clients, there are lesser sample survey data,

but issues presented through client feedbacks will be presented in the NIC business operation management meeting for discussions and problem-solving.

- **Cuprime Material:**

Customer satisfaction surveys are performed every season. Its survey categories include service, quality, delivery and others with a total of 20 categories. If the scoring does not reach the annual target set, "Correction and Prevention Measure List" is issued to the relevant units immediately for improvement and prevention in compliance with correction and prevention management measures.

- **Ta Heng:**

Customer satisfaction surveys are performed every October on major customers. This will be the basis for improvements made on the products and service items provided by the company. According to the average scores of the 2013 survey, the customers reported being satisfied in all categories of the survey.

- **Ta Ho:**

Customer satisfaction surveys are performed after the conclusion of each project. Survey categories include product, quality, safety, service, delivery dates...etc. to understand customer demands. The issues reflected in the customer feedback will be handled with adequate response strategies after internal discussions. The survey results for 2011 was 100, 2012 was 92, and 2013 was 90.

- **AD:**

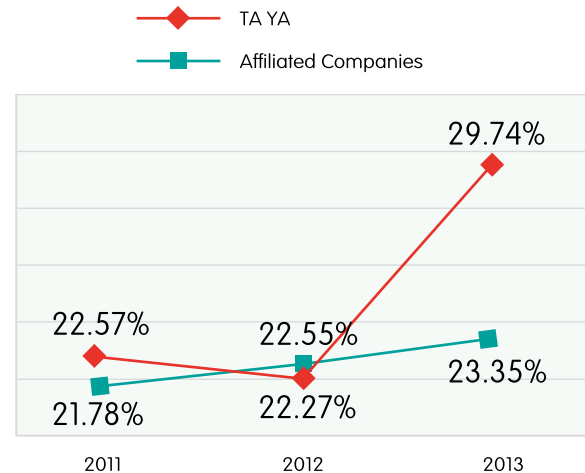
From January to August of 2013, the customer satisfaction survey was performed by internal personnel with a sampling of 1 – 2 clients each month, targeted at business owners, supervision and construction companies. The survey covered: construction quality, project progress, labor safety and health, and cooperating attitudes of the workers. Customer demands and expectations are revealed through client feedback, inadequacies will be discussed internally and responded to and tracked. The 2013 survey report indicated that the customers were satisfied in all categories.

Supplier Management

Green Policy

The Green Policy of the TA YA Group is: A – In compliance to Sony GB standards; B – Non-harmful substance supplier. Some raw materials are not produced in Taiwan, and can only be procured from overseas. In 2013, the top three countries of TA YA's procurement are Japan, Taiwan and Chile respectively. Most of the raw electrolytic copper plates used by Cuprime Material need to be procured from overseas. The local procurement policy of the Group prioritizes Taiwan first in expectations to support domestic industries and reduce environmental impact. The domestic Taiwan procurement in 2013 reached 3.8 billion dollars.

Proportion of Procurement in Taiwan



Supplier Audits

The TA YA Group exercises supplier management in accordance with the "Procurement Management Procedures," "Third-party Management Procedures," "Special Product Procurement and Evaluation Management Procedures" and "Procurement Plan and Monitoring Management Procedures." We also strictly implement the supplier evaluation mechanism (including quality, delivery, service, delivery date and face-to-face discussion on major issues), such as pro-actively requiring the suppliers to meet the environmental standards in the emission of waste water and waste gasses. Procurement would not be engaged if the supplier has major environmental issues. The supplier audit adopts an evaluation mechanism; a supplier will lose its eligibility if the score does not reach the standards. All major suppliers in 2013 met the evaluation standards.

In order to promote and enhance the supplier awareness for CSR, TA YA listed relevant issues in the supplier evaluation criteria since the fourth quarter of 2012, such as respecting and maintaining human rights, the responsibility to provide a safe environment, prohibiting employment discrimination, complying with the statutory regulations of normal working hours and delays, pro-actively be responsible for the environment, putting effort in preventing all kinds of corruption. Currently, the audited suppliers are the suppliers for raw materials, but do not include engineering contract outsourcers and equipment parts suppliers. Other affiliated companies will induce supplier social responsibility audits in the new future.

Number of TA YA Suppliers meeting CSR Requirements

Year	2011	2012	2013
Qualified Suppliers	0	9	25
Total Audited Supplier	28	28	26
Percentage of Qualified Suppliers(%)	0	32	96

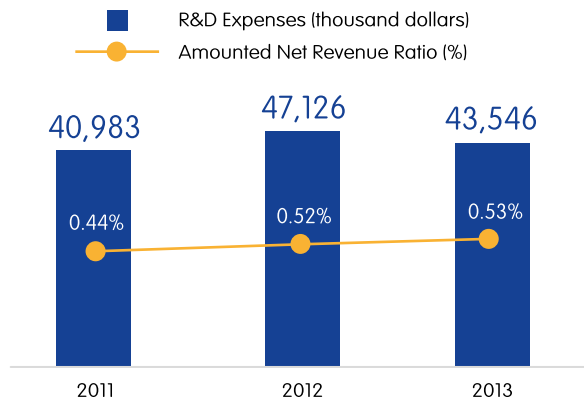
Innovation and R&D

Primary Achievements



The domestic wire and cable industry is a mature industry with a stable growth. The market structure is primarily focused on domestic sales, supported by foreign sales and there is a intimate relationship between the wire and cable industry and the status of domestic markets. Copper is an upstream material for the wire and cable industry, and most domestic copper materials are imported from foreign countries. In this situation, the price of copper is prone to the fluctuations of international prices of copper, influencing the profits of the downstream products of the wire and cable industry.

In response to the competition and impact of the open market, we actively improved the R&D processes of various products to enhance our competitive strength. The R&D funding for the past 3 years is as follows:

TA YA R&D Funding



Our R&D results in recent years are as follows:

- 1. Refined Manufacturing of Copper Conductors:** Integrates copper conductors into wire for improvement in hopes of increasing the competitive strength of the product.
- 2. Lead-free PVC Coating Improvement Formula:** All 600V, PVC wires, PVC cables, XLPE power cables and medium-voltage XLPE power cables have gone through lead-free PVC coating modification and mass production. The materials for the formula have also been improved to increase product competitive strength.
- 3. Armored Cable:** The superior compression performance of the armored cables allow them to be applicable to direct underground employment. The sturdy steel-strip material is able to resist rodent bites, effectively becoming mice-proof. It has currently finished development and accepts contracts for mass production.
- 4. Self-bonding TILW:** In order to meet the diverse-processing and heat-resisting demands of the clients, our company other than providing heat/alcohol-bonding type single/multiple insulated layers wires, also finished the development of the self-bonding TILWs with various heat-resistant levels, increasing the range of products to satisfy the large market. 
- 5. Stranded Magnetic Wire:** The stranded magnetic wire is able to reduce the high-frequency power losses caused by the skin effect. It has a good impedance stability, applicable to the design of high Q circuits. It has entered the mass production and sales phase. 
- 6. Single/Multiple Isolated Layers Wire:** In response to the trend of miniaturization, the TILW is directly applicable to transformers without the need for an inter-layer tape, which reduces its size and the cost for materials, and can be soldered without removing the outer inter-layer tape. It has entered the mass production and sales phase.

7. Anti-surge Magnetic Wire: In response to the common application of inverters, we developed the anti-surge magnetic wires for the industry. The anti-surge magnetic wire has a longer lifespan than its traditional counterparts in high-temp or harsh electrical environments, providing better anti-surge capability, and high-frequency stability.



8. IC Encapsulation Material: Pure copper wire and pd-coated bonding wire products have passed domestic IC encapsulation factory testing and started mass production and shipping, which have also started to be certified and adopted by foreign IC encapsulation clients. The newly developed gold-coated bonding wire is being accredited by several clients currently. Initial testing reports that it is functioning well and is estimated to begin mass production and shipping this year.

9. Flat Magnetic Wire: Developed in response to the miniaturization of electronic equipment which guide transformers and inductors toward high-frequency developments and also have a larger effective volume ratio.



10. Silk Copper Wire: Multiple Stranded Silk Copper Wire, which enables conductors to increase surface area with the same diameter in order to reduce the skin effects, lower the high-frequency equivalent resistance and increase the Q value.



11. Conductive Wire: The minimization and weight reduction of electronic equipment guided the transformers toward high-frequency developments. Energy is lost during the transformation between electrical and magnetic energy, and even more so in high-frequency situations. The conductive wire our company developed uses magnetic interference from the materials or guiding magnetic lines to overcome the proximity effect and skin effect in conductive wires, and reduces high-frequency AC resistance which effectively conserves energy.



12. Copper-coated Aluminum Magnetic Wire: Adopting the cutting-edge coated-welding manufacturing technology to coat the high-quality copper tape on the surface of the aluminum rod using the same axis, this facilitates the metallurgical bonding between atoms and between the copper layer and the wire core. The two different metallic materials are integrated into one inseparable body, which can be processed with line-drawing or annealing like single-metal wires. The copper-coated aluminum wire that our company has successfully developed in response to the era of high copper pricing has merits such as lightweight, high DC conductivity, high solderability and low costs.



Looking toward the future, our planned new products include: wire development for car compartments, micro-burial wire, low-friction fiber optics, single trench cable, slipper magnetic wire, IC encapsulation materials and other metal bonding wires.

Tax Reliefs from the Government

TA YA applied for a total of \$40,980,000 tax relief in 2011, \$46,460,000 in 2012; the approval amounts for both have not yet been given. We also received grants from the Ministry of Economic Affairs for the R&D of 400KV conductors, fiber composites and lead wires/cables: \$660,000 in 2011, 6640,000 in 2012. Ta Heng also applied for a total of \$15,500,000 tax relief in 2011 and was granted \$1,080,000, with no other financial support.

Green Products

Green Wire: Energy and Telecom Cable Business Group is devoted to development projects that comply with the First EPA Green Mark standards. The selection and development of materials, and the design for the manufacturing process is a difficult task in the development stage; other than strictly prohibiting the use of materials containing halogen and heavy metals, we also work with our material suppliers in developing materials like phthalates, which has the lowest amount of plasticizers. The material used for Green Wire is LSZH (EVA and PE based) and not PVC. One of the characteristics of the green cables is that they have high flame retardancy because they do not use halogen-containing plastics, hence they have low-smoke emissions in combustions and will not produce harmful substances such as dioxin or halogen gasses. Because there are no endocrine disruptors, it prevents micro chemicals from entering the body through food chains such as water and become pseudo-hormones, disrupts endocrine mechanisms, and reduces risks to the biological chain. This property allowed the green cable to pass the First EPA Green Mark testing in 2008, and it was commended with the honor of the Taiwan Green Development Award in October of 2011.

Lead-free PVC Wires and Cables: We completed the establishment of lead-free PVC wires and cables in 2011. Copper conductors adopted single or stranded wires that do not contain heavy metals such as lead, cadmium, and mercury. Insulators or coating bodies have substituted the leaded stabilizers to stabilizers not containing lead, cadmium, or mercury in PVC materials. The formula ratio has also been adjusted to make the properties of wire materials in compliance with CNS679 and C2012 regulations. This greatly reduces the harm to the employee, environment, and human body. Even if the cost is increased, the pricing remains the same.

Termite-resistant Cables: The cables are resistant to damages via physical means in substitution for the highly effective, but short-termed chemical termite control measures which may also contaminate the environment. The 69KV Cross-linked PE Termite-resistant cables have been qualified by the Taipower Categorization Testing Evaluations, becoming the first Taipower Categorization Test accredited supplier in Taiwan in 2010.

The performance of other plans to reduce the environmental impacts from our products and services include: the development of halogen-free green cables; this product has high flame retardancy to reduce the spread of disaster, low-smoke emissions in combustions, and will not produce harmful substances such as dioxin or halogen gasses. This increases the evacuation time and safety of public facilities and public transportations, and reduces the spread and risk of disasters in high-tech factories. In addition, in recent years, Ta Heng has been devoting its efforts to green materials, and achieving its goal of a lead-free factory. It evaluates and replaces old machine equipment annually in hopes to take another step in improving production efficiency, reducing energy consumption, and providing a low-noise management.

Product Carbon Footprint

TA YA leads the Taiwan wire and cable industry by obtaining the product "Carbon Footprint Certification" ahead of its peers. The product footprint for "161kV XLPE Power Cable" of 2009 is 5.515kgCO₂e/Kg. We participated in the Carbon Footprint Guidance and Promotion Program held by the Industrial Development Bureau in 2010 to aide ourselves in establishing the basic product carbon footprint analysis skills. The guidance program adopted a central satellite factory mode, with the guidance system establishing the product carbon footprint management mechanics, and provided carbon footprint management via integrating the up, middle, and downstream supply chain in order to assist the industry businesses in meeting the strict environmental requirements of major international procurement manufacturers. In 2011, the "TILW (0.6-1.0mm)" also obtained its product "Carbon Footprint Certification," and it was 9.083kgCO₂e.

In 2012, "161kV XLPE Power Cable" went through the product carbon footprint accreditation again, and the result was reduced to 5.357(kgCO₂e/Kg). The total annual production capacity for 2013 was 973,476Kg, assisted in reducing 153 tons of carbon.



Helping Hands to Green Products

Electricity is the basis for all industries. With the rapid increase of environmental issues, green energy has long become the industry every country is devoting efforts of development into. TA YA provides high-quality basic materials for the green energy industry, and developed many green products, establishing itself as a true outstanding corporate citizen of Green Inside.

Taking the most commonly known solar cells as an example, whether it is the tin-coated PV ribbons or bare PV ribbons produced by TA YA, they are all of the best quality in the industry on either tensile strength, yield strength, or elongation. For wind turbine generators, electric car motors, or inverter motors, TA YA also developed the anti-surge magnet wire products. As a special note, TA YA introduced the cutting-edge in-line production line to manufacture magnet wire products, and it is the first wire and cable manufacturer in Taiwan to obtain the ISO/TS 16949 certification.

On the side of energy conservation, TA YA developed 161kV and 345kV XLPE power cable ahead of its rivals, which assists in reducing the consumption of electricity during transmissions. In addition, in response to the increasing demands for internet speed and bandwidth, TA YA successfully developed a complete series of fiber optic cables, reducing the energy required in data transmissions. Looking toward the future, TA YA will expand its efforts into clean renewable energy in response to the "Solar panels on all rooftops, wind turbines on seas and lands" policy objectives of the government, doing its part for our pristine homeland.



Pristine Homeland

The concept of the Pristine Homeland originated from the four management philosophies: "transcendence, compatibility, prudence, innovation." TA YA believes that a Pristine Homeland is the basis to business operations, and through the vows to CSR, we introduce the concepts of CSR to promote the green nerve, in a pursuit for the sustainable development the environment, society, and economy. In order to achieve the vision of a Pristine Homeland, we reduce the impacts of the product manufacturing process has on the environment via good management policies. In addition, it is our duty as a citizen of Earth in mitigating the effects of global warming through proactive carbon management to reduce carbon emissions.

Through the green inside blog and Green Inside Project, TA YA hopes to influence internal colleges and the public and to further promote green thinking. In the trend of the green thinking of a friendly environment, we founded the Pristine Homeland Foundation to cultivate local society and friendly environmental issues to demonstrate a long term commitment to the society, that are in accordance with the sustainable development of the economy, social welfare, and environmental protection.

Usage of Energy Resources

The TA YA Group is primarily in the business of manufacturing wires and cables, and our main raw materials include copper, PVC powder, XLPE particles, plasticizers, varnishes, and fiber optic wire. Our main materials also include iron shafts, wooden shafts, sealing plates, plastic shafts, cartons, and stack boards. The copper comes from Chile, Peru, Japan, South Africa, Indonesia and other regions, and copper plates are commissioned to Cuprime Material to be processed into 8 mm copper wires after being imported. XLPE particles cannot be manufactured in Taiwan due to material properties, and must be imported from the US, Switzerland, and Korea. Fiber optic wires are mainly imported from Japan. Domestic suppliers provide all other raw materials.

Volume of Energy Usage

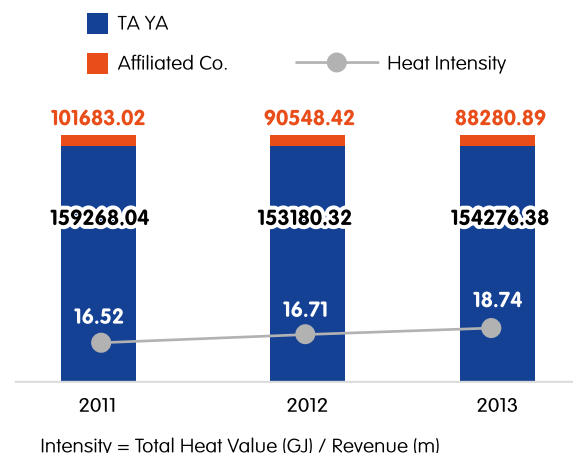
	TA YA	Affiliated Co.	Total	TA YA	Affiliated Co.	Total	TA YA	Affiliated Co.	Total
	2011			2012			2013		
Petro (L)	1,079	33,499	34,578	2,401	30,946	33,347	3,281	34,167	37,448
Diesel (L)	56,020	45,802	101,822	58,029	43,833	101,862	55,800	40,386	96,186
Natural Gas (m3)		1,734,811	1,734,811		1,504,887	1,504,887		1,376,663	1,376,663
LPG (kg)	2,640	400	3,040	2,775	560	3,335	2,370	540	2,910
Electricity (kWh)	43,634,400	8,711,449	52,345,849	41,909,386	8,142,169	50,051,555	42,232,867	8,913,012	51,145,879

Note: Items of direct energy consumption are petro, diesel, natural gas, and LPG. Item of indirect energy consumption is electricity.

Volume of Main Raw/Source Materials

Category	Application Status	TA YA	Affiliated Co.	Total	TA YA	Affiliated Co.	Total	TA YA	Affiliated Co.	Total
		2011			2012			2013		
Copper (KG)	Main materials for wires and cables	24,830,729	18,851,911	43,682,640	24,111,945	15,417,621	39,529,566	24,367,988	13,836,881	38,204,869
PVC Power (KG)	Main materials for power communication cable manufacturing tablets	1,070,110	0	1,070,110	1,081,676	0	1,081,676	950,522	0	950,522
XLPE pallets (KG)	Materials for power communication insulation, inner, outer conductors	1,675,225	71,080	1,746,305	1,756,265	51,700	1,807,965	1,021,571	83,700	1,105,271
Plastic pallets (KG)	Crucial materials for power communication cable manufacturing tablets	0	2,139,246	2,139,246	0	2,176,037	2,176,037	0	2,390,150	2,390,150
Plasticizers (KG)	Insulation paints for manufacturing magnet wires	492,598	0	492,598	0	0	0	452,024	0	452,024
Varnishes (KG)	Main materials for fiber optic cables	907,293	0	907,293	845,714	0	845,714	938,052	0	938,052
Fiber Optic Wires (KM)	HV cable packaging reel	140,504	0	140,504	195,165	0	195,165	267,235	0	267,235
Iron Shafts (2nd handed included) (PCS)	MV cable packaging reel	5,675	0	5,675	5,138	0	5,138	4,391	0	4,391
Wooden Shafts (2nd handed included) (PCS)	Power communication packaging material	5,179	0	5,179	3,146	0	3,146	3,820	0	3,820
Sealing Plates (2nd handed included) (PCS)	Magnet wire packaging reel	228,849	0	228,849	157,941	0	157,941	183,449	0	183,449
Plastic Shafts (2nd handed included) (PCS)	Magnet wire packaging box	386,814	0	386,814	289,632	0	289,632	360,902	0	360,902
Cartons (PCS)	Loading products and raw materials	382,739	4,200	386,939	341,030	3,300	344,330	347,627	2,600	350,227
Stack Boards (PCS)	Loading products and raw materials	11,949	2,400	14,349	10,279	1,790	12,069	15,084	1,770	16,854
Liquid Nitrogen (KG)	Used in foam extrusion machines	230,140	0	230,140	243,930	0	243,930	192,800	0	192,800
Palladium Salts (g)	Main materials for bonding wires	200	0	200	1,400	0	1,400	4,200	0	4,200
Gold Salts (g)	Main materials for bonding wires	0	0	0	0	0	0	400	0	400
Charcoal (KG)	Used to remove oxygen from copper water	53,244	0	53,244	53,980	0	53,980	49,110	0	49,110

Total Heat Value (GJ) and Intensity



Environmental Policy and Management

The environmental policy of the TA YA Group is to implement government environmental protection regulations and client demands, educate employees in environmental protection awareness, improve pollution treatment, recycling responsibility, and continued improvement. We promise to:

1. Continue the implementation of environmental management policy and goal, in order to reduce environmental impacts in the process of operations.
2. Comply with environmental regulations and other issues in response to global environmental protection movements.
3. Value labor safety and health, reduce the risk of disasters.
4. Continue the implementation of waste reduction and promote pollution prevention measures.
5. Improve the promotion of environmental protection concepts for all colleges to enforce resource and energy recycling, and reduce waste of resources and energy.
6. Proactively participate in all kinds of environmental protection events, and timely use the internet and relevant advertisements to reveal the environment.

Emissions of Stationary Pollution Sources (tons)

Year	Item	TA YA	Affiliated Co.	Total
2011	Sulfur Oxides (SO)		1.49	2.22
	Nitrogen Oxides (NO)		2.86	0.82
	Volatile Organic Compounds (VOC)	17.119	0.85	17.979
	Particulate Pollutants	0.884	3.24	3.264
2012	Sulfur Oxides (SO)		1.33	1.52
	Nitrogen Oxides (NO)		0.49	1.9
	Volatile Organic Compounds (VOC)	14.188	0.70	14.998
	Particulate Pollutants	0.555	3.75	2.715
2013	Sulfur Oxides (SO)		0.75	1.96
	Nitrogen Oxides (NO)		0.94	0.51
	Volatile Organic Compounds (VOC)	12.441	0.66	13.111
	Particulate Pollutants	0.156	4.09	2.836

Note: Only Cuprime Material out of the affiliated companies emits air pollutants.

Air Quality Management

TA YA has installed pollution prevention equipment at stationary sources of pollution. The pollutants are volatile organic compounds, and particulate pollutants. The pollution prevention equipment is equipped with catalytic converters, bag filters, and Venturi scrubbers. Inspections are implemented in accordance to the relevant air pollution prevention regulations, and report emissions from stationary pollution sources. The emissions from stationary pollution sources of Cuprime Material are inspected upon once per year, and the reports are submitted periodically. The EPA has certified the emissions from stationary pollution sources of Cuprime Material are within the emission standards, and do not require prevention equipment. The total volatile organic compounds (VOC) and suspended particle emissions of 2013 are lesser than 2011 by 27.08% and 13.11% respectively.

Toxic Substance Management

TA YA has a complete toxic chemical handling and chemical disaster prevention measures and drills. Because varnishes and plasticizers are used in the manufacturing process, which are listed as regulated items of toxic chemicals of the EPA, TA YA is to implement 1 emergency toxic chemical disaster prevention drill, and 2 unscheduled drills annually in compliance with relevant regulations. In addition, TA YA periodically implements 1 fire drill and 1 public hazardous material disaster prevention drill annually. Other affiliated companies do not use toxic substances.



We implemented unscheduled toxic substance drill at the Guanmiao Factory annually.

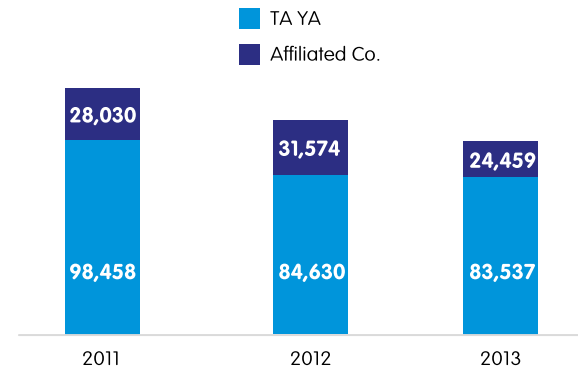
Water Resource Management

TA YA, Cuprime Material, Ta Heng, Ta Ho, and AD only adopt the use of tap water. In order for the wastewater from the factories to meet the industrial water pollution control regulations of effluent standards, other than holding periodically inspections on water quality and maintain the handling equipment, TA YA (Guanmiao and Dawan Factory) and Cuprime Material have all established sewage treatment equipment. Every year, 2 sample tests are implemented on commissioned certified water quality facilities, and the processed effluent is discharged into the drains outside the factories. The receiving water body for the Guanmiao Factory is Erren River, the receiving water body for Dawan Factory is Sanyegong River and the receiving water body for Cuprime Material is Dajue River.

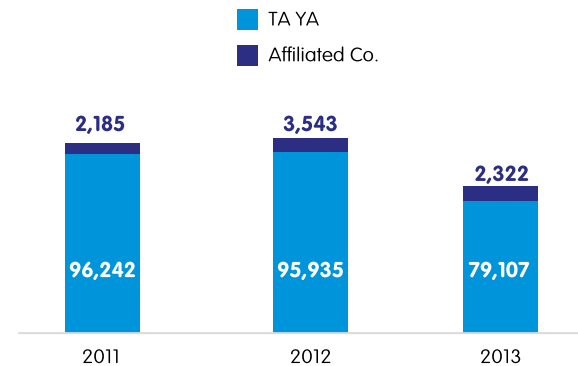
On the topic of wastewater recycling, both the TA YA PVC and PE extrusion process and cooling water used in the CV production line adopted the soft water circulation system, for soft water is able to be recycled and repurposed, further conserving water resources. Magnet wire manufacturing also adopted pure water recycling; excluding the tap water used to clean pure water barrel, 1,800 tons of water are conserved annually. The used water of Cuprime Material is collected by wastewater tanks to be processed and repurposed as circulating cooling water for the manufacturing area.

Additionally, we promote storm water recycling. Since 2011, there are storage tanks with the capacity of 60 tons distributed throughout the TA YA factory for gardening, washing toilets, and factory floors, saving a total of 200 tons of water annually. Currently Ta Heng has a water reservoir of 150 tons, and a portion of the reservoir is reserved for the purpose of storm water recycling. The water provided by the reservoir is used in water circulation for extrusion equipment and washing toilets. Through these efforts, in comparison to 2011, 2013 reduced water consumption by 14.62%, and reduced wastewater discharged by 17.27%.

Water Consumption (tons)



Wastewater Discharged (tons)



Note: The Ta Heng wastewater discharge amounts are estimated in accordance to the water consumption rates; The wastewater discharge amounts of Ta Ho and AD are not calculated

Waste Management

The promotion of industrial waste classification and resource recycling are one of our annual goals in expectations for all units to implement their duties in waste classification to reduce environmental damage and effective resource recycling. TA YA divides waste classification into four categories: waste oil, waste solvents, waste fiber, and general waste. All are disposed by EPA-certified waste management businesses.

General Waste Disposal Amount (tons)

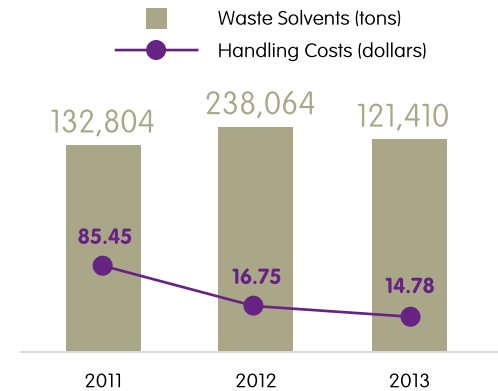
Year	Item	TA YA	Affiliated Co.	Total
2011	Waste Oil	168	-	168
	Waste Fiber	19	-	19
	Waste Wooden Boards	78	-	78
	Waste Wires/Cables	892	-	892
	Waste Plastic Composites	13	-	13
	Domestic Waste	173	39	221
	Others	-	19	19
	Handling Costs (dollars)	1,823,338	201,168	2,044,850
2012	Waste Oil	240	19	259
	Waste Fiber	37	-	37
	Waste Wooden Boards	139	10	149
	Waste Wires/Cables	1,313	-	1,313
	Waste Plastic Composites	12	-	12
	Domestic Waste	194	42	236
	Others	-	19	19
	Handling Costs (dollars)	2,539,270	351,315	2,890,585
2013	Waste Oil	93	20	113
	Waste Fiber	26	-	26
	Waste Wooden Boards	159	2	161
	Waste Wires/Cables	957	-	957
	Waste Plastic Composites	3	-	3
	Domestic Waste	183	37	232
	Others	-	21	21
	Handling Costs (dollars)	925,442	345,669	1,300,147

Note 1: Others contents: waste glasses, ceramics, bricks, tiles, and clay composites.

Note 2: Ta Ho is located inside the TA YA Guanmiao Factory; the Guanmiao Factory is commissioned to handle Ta Ho's wastes. AD is located in an office building; the committee of the building handles its wastes.

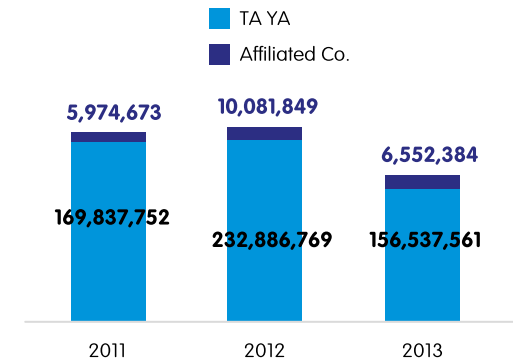
Note 3: Waste oil and waste fiber adopt physical processing; waste wooden boards, waste wires/cables, waste plastic composites, and domestic wastes adopt incineration.

TA YA Harmful Industrial Waste Disposal



Note: Waste solvents are commissioned to be disposed by certified businesses; other affiliated companies do not generate harmful industrial wastes.

Recycling Income (dollars)

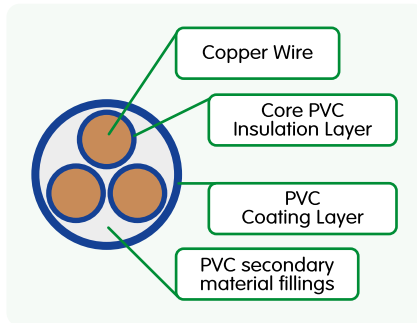


Resource Recycling Amount (tons)

	Recycled Item	TA YA	Affiliated Co.	Total
2011	Waste Wires/Cables	891.81	43.29	935.10
	Waste Metal Composites (iron)	170.01	81.59	251.60
	Waste Paper	65.38	2.37	67.75
2012	Waste Plastic Composites	122.83	33.52	156.35
	Waste Wires/Cables	1312.70	82.43	1395.13
	Waste Metal Composites (iron)	111.38	33.36	144.74
2013	Waste Paper	74.55	2.19	76.74
	Waste Plastic Composites	59.96	98.74	158.70
	Waste Wires/Cables	956.51	62.28	1018.79
	Waste Metal Composites (iron)	161.67	45.47	207.14
	Waste Paper	59.30	1.43	60.73
	Waste Plastic Composites	30.10	5.90	36.00

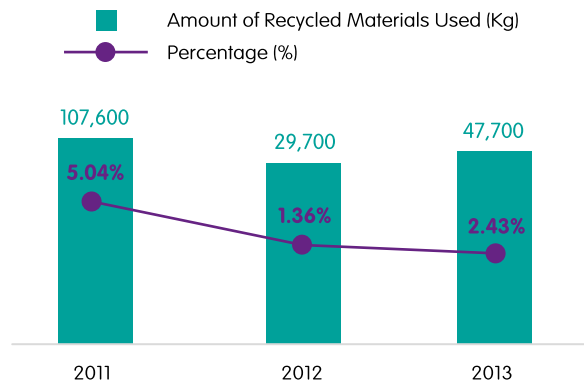
Recycling & Repurposing Case Samples

1. The PVC Multi-core cable (secondary materials as fillings between the cores) from the Energy and Telecom Cable Business Group: The source for PVC secondary materials is the recycled and grinded PVC insulation layers and PVC coating layer materials from damaged



or waste wires; they are recycled and processed into secondary materials for fillings, provided that the quality is not affected.

Percentage of Recycled Material Used



Note: Total production is the sum of Core PVC Insulation Layer, PVC Coating Layer, and PVC Secondary Material Fillings.

2. The magnet wire factory procured solvent recycling equipment at 300,000 per unit in 2009, and they were in continuous operations until the December of 2013. Calculated in accordance to monthly electricity cost, \$2,441,735 were saved in total (conserved cost = recycled solvent weight * (solvent price + solvent recycling fee) – electricity cost). 24,806 Kg of solvents are recycled in 3 year, and saved \$2,441,735 dollars were saved.

3. Catalyst activation renewal: Due to the high pricing of precious metals, therefore the catalysts used in the manufacturing of magnet wires are activated for renewal in order to achieve the goal of reducing industrial wastes and increase economic efficiency. The price for new products ranges from 4 – 5 times of the renewed products depending on sizes; new products can function normally up to 4 – 6 years, while the renewed products can function normally up to 1.5 - 3 years.

Packaging Material Recycling Efficiency

Year	Item	2011			2012			2013		
		Quantity	Conserved %	Cost Saved	Quantity	Conserved %	Cost Saved	Quantity	Conserved %	Cost Saved
TA YA	Wooden Shaft	4,502	59.28	2,237,311	4,790	57.92	1,649,390	5,715	60.33	2,225,019
	Iron Shaft	4,669	56.29		3,337	52.64		3,304	48.04	
	Plastic Shaft	18,475	91.6		10,954	91.6		15,529	91.5	
	Sealing Plate	92,324	45.25		67,813	46.18		92,189	45.82	
Affiliated Co.	Used Wooden Shaft	3516	64.1	3,350,175	3320	66.2	3,457,355	4489	63.7	4,596,555
	Used Stack Board	0	0		0	0		450	32.9	
Total				5,587,486			5,106,745			6,821,574

Green Procurement

TA YA supports the Green Procurement Program of the government, and procure five or more green products (including the Green Mark, second category green products, Energy Label, water-saving label, Energy Star, green building materials seal, and carbon label products...etc.) The procurement items for the recent three years include inverter equipment (air conditioners, air compressors, and inverters), cartons, and energy-saving lights. The total green procurement cost for 2013 was \$13.48 million.

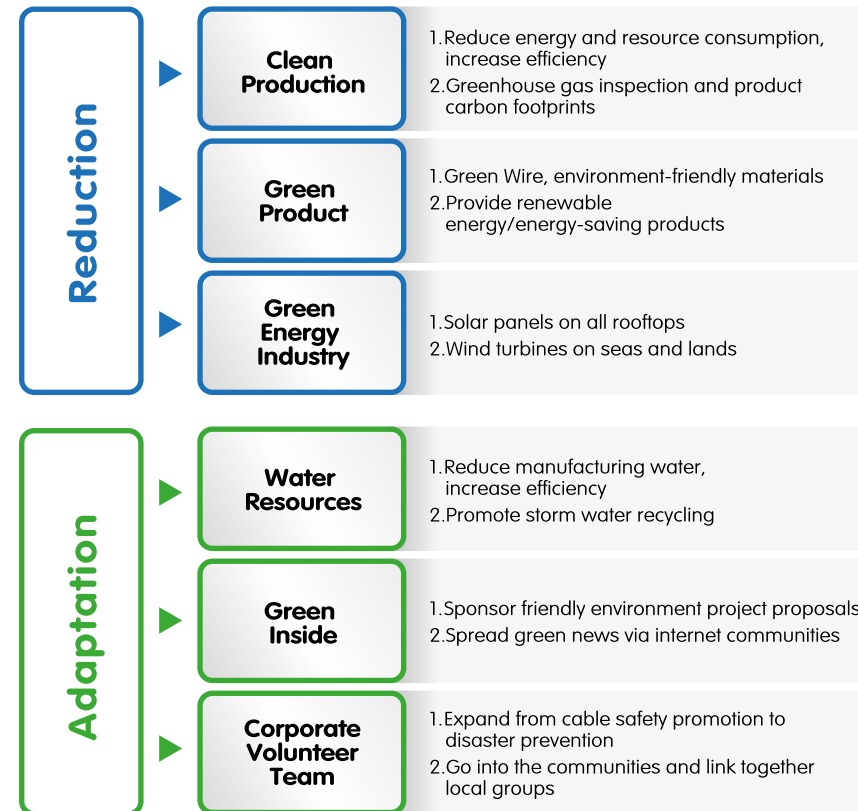
Response to Climate Changes

Reduction and Adaptation

In response to the impacts on business operations and daily life by climate changes and extreme weather, the operational strategies of the TA YA Group are categorized into two major aspects of reduction and adaptation.

Reduction strategies can be further categorized into factory clean production, providing green products, and devotion into the green energy industry. Though TA YA itself is a low-energy industry, we still pay continuous attention to reduction in energy resources, and review upon reduction performances via periodically greenhouse gas inspections and product carbon footprint accreditations. At the same time, we also assist in the development of green product. The tin-coated and bare PV ribbons manufactured by TA YA are essential elements for solar power cell production. TA YA also developed anti-surge magnet wire products especially for wind turbine generators, electric car motors, and inverter motors. On the topic of green energy, in response to the government policy objectives of "Solar panels on all rooftops, wind turbines on seas and lands," TA YA further expands and devotes itself into the field of clean renewable energy.

Adaptation strategies can also be categorized into three areas, which include attention on water resource issues, holding Green Inside competitions annually, and develop corporate volunteer teams. Internally, even we have low water consumption ourselves, but storm water recycling equipment are still installed throughout the factory site. Externally, via the annual Green Inside competition projects, we promote river-symbiosis, organic agriculture, low-carbon travels, and various similar movements, which assist in responding to extreme weather conditions. The company also promotes the establishment of corporate volunteer teams to provide cable safety promotions, expand collaboration and field of service, also the promotion of disaster prevention awareness.



Greenhouse Gas Inspection

TA YA first adopted the ISO 14064-1 standards in the implementation of GHG inspections in 2009, and the total emission volume was 25,969.65 tons CO₂e. We use that as a standard to promote energy saving and carbon-reduction efforts. The emission of GHG primarily comes from purchased electricity (Scope 2), which amounts for 91%, while the emission of stationary combustion sources, manufacturing process emissions, mobile combustion sources, and dispersive GHG emission sources (Scope 1) amount to 9%. On the other hand, it was proven difficult in some parts of the data collecting process of other indirect GHG emissions (Scope 3) of commissioned efforts, hence are primarily focused on periodic inspections only.

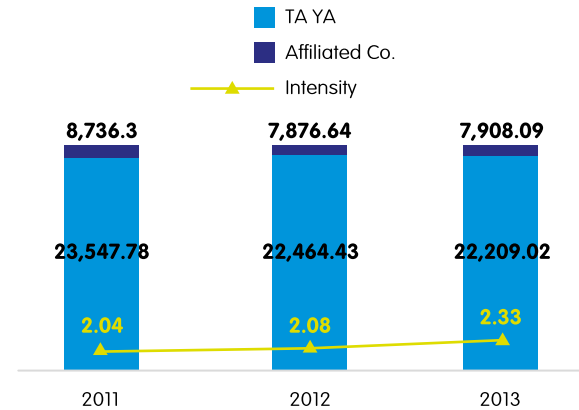
The total emission of TA YA in 2013 was estimated to be 22,209.02 tons CO₂e, 14.48% lower than that of the standard year. The total emission of other affiliated companies also reduced by 9.48% in comparison with that of 2011. The electricity for manufacturing process is the main source of carbon emissions, out of which, and magnet wires occupy the majority. The optimization and energy efficiency improvements of the equipment and processes are our challenges in a sustainable business.

Total Emission of Greenhouse Gasses (Estimated, unit: tons CO₂e)

Year		TA YA	Affiliated Co.	Total
2011	Direct Emissions	159.74	4,066.96	4,226.70
	Indirect Emissions	23,388.04	4,669.34	28,057.38
	Subtotal	23,547.78	8,736.30	32,284.08
2012	Direct Emissions	168.63	3,545.01	3,713.64
	Indirect Emissions	22,295.79	4,331.63	26,627.43
	Subtotal	22,464.43	7,876.64	30,341.07
2013	Direct Emissions	163.46	3,255.50	3,418.96
	Indirect Emissions	22,045.56	4,652.59	26,698.15
	Subtotal	22,209.02	7,908.09	30,117.11
Reduction Performance		-5.69%	-9.48%	-6.71%

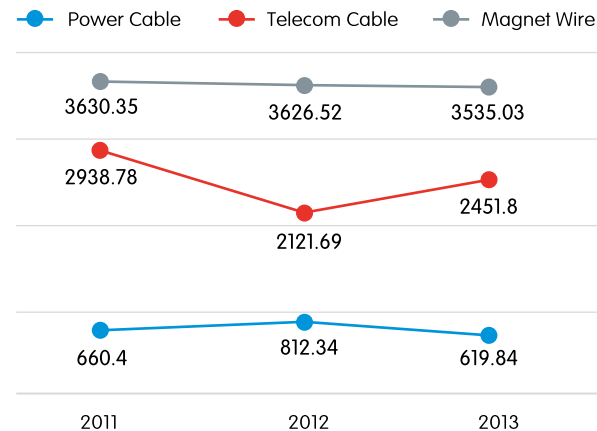
Note: Emission factors originate from Taiwan Product Carbon Footprint website.

Greenhouse Gas Intensity



Intensity = Total Emission(tons CO₂e) / Revenue (m)

Energy consumption per unit of TA YA products(kWh/tons)



Energy-Saving and Carbon-Reduction Measures

Since 2010, TA YA Guanmiao Factory started to promote various energy-saving and carbon-reduction programs. We achieved the improvement for “manufacturing optimization,” and “hanging-type inverter compressor,” and the energy-saving plan to replace all traditional lighting system to LED throughout the factory.

Energy-Saving Efficiency

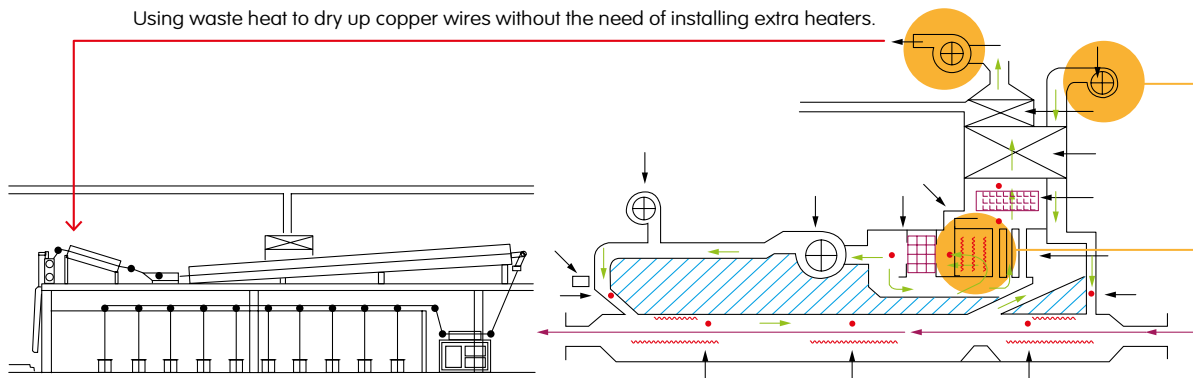
Year	Improvement Item	Estimated kWh saved per year	Estimated GHG reduction tCO ₂ e per year
2011	Traditional lighting replacement	2,630,712	1410.06
	Soft water system improvement		
	Traditional lighting replacement	201,485	107.19
2012	Traditional lighting replacement	82,931	43.29
2013	Cooling tower improvement		

The manufacturing process for magnet wires can be improved; 670 t CO₂e of GHG can be reduced in 2013 by estimation.

1.Hot Air Circulation Machine: A total of 5 pieces of energy-saving equipment were procured with an investment of \$25,770,000, estimated to save 0.922 kWh per product kilo. The hot air circulation machine is estimated to have saved 905,144 kWh in 2013.

Illustration of Energy-Saving Heat Exchanger

Using waste heat to dry up copper wires without the need of installing extra heaters.



New heat exchanger: utilizing the waste heat to be emitted via the chimney to heat up the circulation windmill inside the furnace, and prevent the heater from constantly consuming electricity for the heating process.

New heat exchanger windmill function: utilizing the waste heat to be emitted via the chimney to heat up the fresh heated air, and then transfer the air to the entrance of the furnace to supplement thermal energy in order to avoid the heater from constantly consuming electricity for the heating process.

2.Heat exchanger: The internal aging in the old machines causes poor heating efficiencies and also increases the variation in product quality. Utilizing heat exchanger windmills to induce pre-heated fresh air could reduce electricity consumptions by the heating tube at the entrance side, and the induced fresh air could promote catalyst combustion efficiency. \$4,470,000 were invested in procuring the units, and they are estimated to save 5.824 kWh per kilo of the product. The heat exchangers were estimated to have conserved 208,761 kWh in 2013.

3.In-Line device: the old devices are vertical systems, which have a higher electricity consumption rate than horizontal systems. They have been used for more than 20 years with a high malfunctioning rate, which translates to approximately \$500,000 of maintenance fees annually, and is not cost-effective. \$9,500,000 were invested in procuring new units, and they are estimated to save 0.408 kWh per kilo of the product, and are estimated to have saved 171,185 kWh in 2013.

Cuprime Material moved the booting time and focused production time of SCR to off-peak hours, engage continuous operations to reduce pre-heating procedures, move SCR annual maintenance to the summer, and adopt energy-saving light bulbs (23W) in the public facilities in the factory and offices. Ta Heng adopts the more energy-conservative induction lamps as the lighting system.

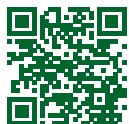
Environmental Education and Social Welfare

Pristine Homeland Foundation

Since 2007, we have begun to think on the direction of implementation for CSR. We attempted to conceive projects of long-term devotion and beneficial to the society. The many attempts accumulated crucial core abilities to prepare us for long-term implementation; hence, we submit our application to the EPA at the end of 2011 to establish "Green Inside" in Tainan. Since the establishment of TA YA in 1955, our root has always been in Taiwan. The local culture and passionate people of Tainan not only promoted our love of this land, they also promoted the CSR of local corporations to protect its beauty and sustained development. The philosophy of the foundation is based upon environmental protection, Life Care, sustainable Earth, and other environment-friendly concepts in order to promote a beautiful home and the future of coexistence between us and the environment. We are dedicated to sponsor environmental protection-oriented concrete actions, and the long-term promotion of environmental educations. In addition, we also spread the influence of the Green Thinking via cultivating environment-friendly talents, and call upon our employees and their families to join volunteer services, in order to for them to devote themselves to social welfare in a large-scale manner.

Green Inside Blog

Established in the February of 2011, Green Inside Blog providing the employees and the public with approachable environmental conservation concepts via new media (blog, FB) to promote the daily habit of environmental protection.



www.greeninside.com.tw



www.facebook.com/greeninside

Delonix Regia Forum

The first Delonix Regia Forum was held at the Magic School of Green Technologies of the National Cheng Kung University in September, 2012. It deconstructed the northern-dominated economic thinking, emphasizing the southern spirit of "humanity-thinking, respect natural ecology and establish sustainable development," attracting close to a hundred young students and people who care about the environment, exchanging environment-friendly related topic proposals.



↑ Delonix Regia is the symbol of Tainan City.

Mr. Tucker shared his insight on business model. →



The 2013 Delonix Regia Forum built upon the spirit of "localization" and introduced the topic of "carbon-reduction," inviting Azizi Tucker, a former employee of Tesla, in presenting a lecture on "How to commercialize a superb green concept?" Tucker shared how his passion for cars and speed brought him into the electronic car industry giant, Tesla. Tucker commended Taiwan as the best place in the world to develop new products. He believes the quality and low-cost human resources, and highly concentrated industry groups were the advantages of Taiwan in developing green technologies, but the fear of undertaking risks, over-emphasis on cost-reduction, and mass-production of products posed as disadvantages. He believes developing low-production, high-profit green technology will be the road of success in the future for Taiwan. As long as green technology can be proved to be profitable, the industry will be influenced into following the path.

Green Inside Project

The TA YA “Green Inside Project” is a campaign to bring together friends that care about the environment and are devoted in doing their parts via a certain topic or issue. Other than providing physical (cash rewards) and invisible(exchange platform) assistances, we encourage decentralized, smaller, and diversified experimental projects, promoting the blooming of ideas to form a healthy competition, and also reduce the cost for trial and error. We will continue to support individuals, organizations, or educational institutes with the same ideals to improve the CSR image of TA YA, and promote a differentiated brand image.

Topics of Green Inside Project:

- First Session(2007): Supporting Micro-entrepreneurs of the Society
- Second Session(2010): River Symbiosis – Creative River/City Renovations
- Third Session(2012): The Southern Spirit –Humanity and Ecology
- Fourth Session(2013): Low-carbon Transportation

Since the 3rd Green Inside Project, in correspondence with the Delonix Regia Forum in Tainan, the accolades were also changed to Southern-Spirit Award, Pristine Homeland and the Magic School of Green Technologies Award. The Southern-Spirit Award offered a cash prize of up to NT\$300,000, providing a most direct assistance to long-term local green leaders. In 2012, the Southern-Spirit Award was given to “The Exploration and Vision of Circulative Organic Agriculture” from Hung Hui-hsiang , with the addition of “The Organic Farmland Alliance Establishment Project” from Chou Chun-Chi by the evaluation committee. The Pristine Homeland Award was awarded to 10 individuals, and the Magic School of Green Technologies Award was given to 20 individuals. In 2013, the Southern-Spirit Award was given to “Low-Carbon City Travel” from Yu Kuo-hsin of Chiayi Hongya Cultural Association. The Pristine Homeland Awards was given to 7 individuals, and the Magic School of Green Technologies Award was given to 10 individuals. The total cash prize given out for the two years amounted to \$1,190,000.



The Award Ceremony of Green Inside Project 2012.

The awarded Hung Hui-hsiang was the founder of Pingtung Environmental Protection Alliance and the Green Farmers Family. He once served as a teacher in Pingtung County Ping Rong High School, but resigned from his position in order to protect the land, and led the teachers and parents in speaking out for the environment. He and his colleges expected to protect the land and the health of the public through conducting the best methods to cultivate agricultural products. The non-toxic agricultural products are home-delivered to consumers via the Green Farmers Family internet platform. Furthermore, the Rainbow Farm was founded along the Sihchong River, integrating the cultivation of livestock and agricultural products into a mutual circulative system, and relieving the load on the environment.



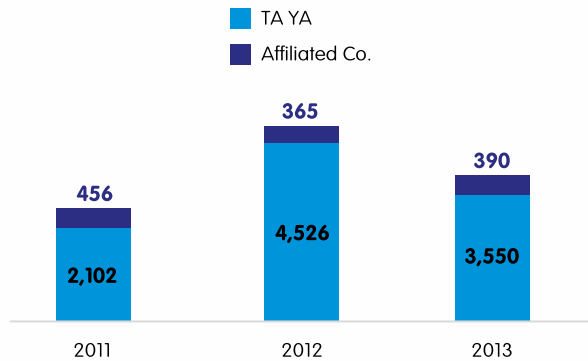
Chairman Yu Kuo-hsin of the Hongya Cultural Association gathered a group of young people who believed in the same cause, and organized many “small revolutions” in Chiayi. For instance, he rented a number of old buildings, and renovated them, organized volunteers to hold city tours, taking people to visit these houses built with cypress trees from Alishan and other old buildings. They also printed their own tour maps, repaired discard bicycles for tourists free of charge, and even further developed the “Hongya” bicycle route system, collaborating with local specialty shops and introducing the local culture of Chiayi City in total compliance to the ideal of “carbon-reduction”. Yu Kuo-hsin wishes to use the cash prizes to improve bicycle equipment, add bicycle rental stations, and even paid-positions for their tour guides in the future.



Social Welfare

The TA YA Group participated in the “My Acre of Land” adoption event since 2010. Other than the procurement gifts from different corporate units and affiliated companies, our employees also use their own money to participate in the adoption event, and pass on the warmth and passion through the hands of the farmers. In addition, we also support “Green Farmer’s Home” of Pingtung, inviting corporations in procuring toxic-free agricultural products, and encourage minor farmers to abandon pesticides and fertilizers in order to create a win-win-win situation for the land, the farmers, and the consumers. The TA YA Group continues to participate in local artistic, cultural, and policing welfares. For example, TA YA sponsored the 2013 Tainan Arts Festival, and AD provided continued support for the Anqing Elementary Baseball Team from 2011 to 2013.

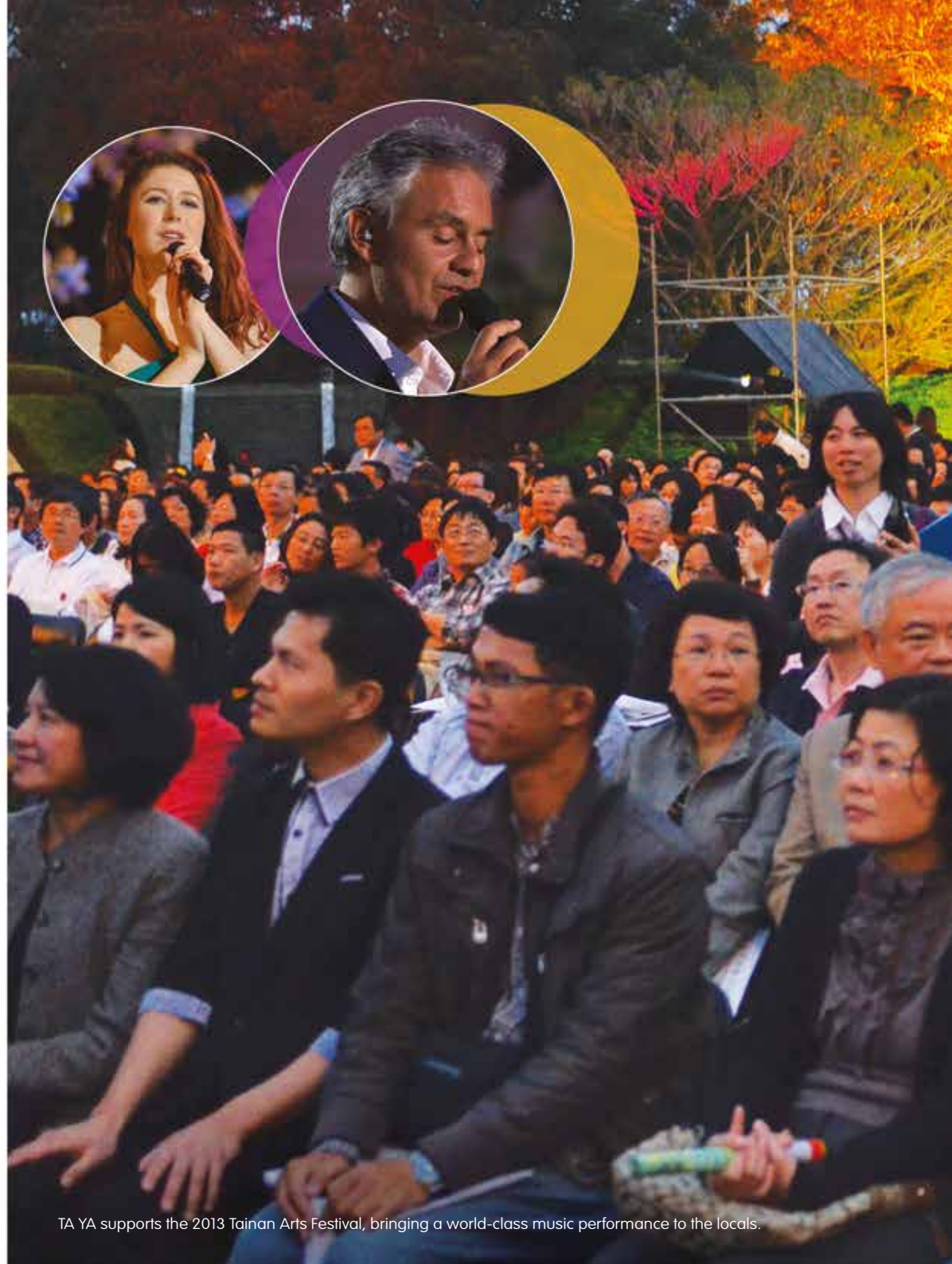
Charity Donations (units: thousand dollars)



Note: The TA YA Group denoted 30 million dollars to establish TA YA Pristine Homeland Foundation in 2012.



AD provided support for the Anqing Elementary Baseball Team in Tainan Annan District.



TA YA supports the 2013 Tainan Arts Festival, bringing a world-class music performance to the locals.

Cultivating Environment-Friendly Entrepreneurs

In the past, we dedicated ourselves to reducing the environmental impacts caused by business operations, and in the future, we will continue to utilize “Green Inside” as the platform to cultivate environment-friendly entrepreneurs to strengthen our influences.

When holding the Green Inside events, we noticed that more and more professionals were committing themselves full-time in the business of promoting environmental protection. They all began with an environment-friendly intention when starting up their business, providing new and innovative solutions for different fields of businesses, hoping to gain recognition from the public, and gradually developing a self-sustaining sustainable model without the need for outside sponsorship or personal engagement.

We believe these green startup entrepreneurs were the assets of the society, because their business brought about three benefits: firstly, the protection and improvement of the environment; secondly, the assistance and revitalization provided for local industries and economy; and lastly, because starting up new businesses required human talents, these green entrepreneurs also acted as examples to follow and to guide the next generation of industries committed to environment-friendly efforts. The realization of a pristine homeland must rely on the perseverance of individuals for generations to come.

GRI G3.1 Index

	Disclosure Items	Our Responses	Page
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2.2	Primary brands, products, and/or services.	Four Major Business Groups Overview	28, 29
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2.4	Location of organization's headquarters.	Kuan Miao Dist, Tainan, Taiwan	--
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Business Development, Sales Regions for TA YA Main Products	6, 7
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3.1	Reporting period for information provided.	January 1, 2013~December 31, 2013	--
3.2	Date of most recent previous report.	October 2012	--
3.3	Reporting cycle.	Annually	--
3.4	Contact point for questions regarding the report or its contents.	Editorial Principles	cover
3.5	Process for defining report content.	Analysis of Materiality	12
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3.7	State any specific limitations on the scope or boundary of the report.	Editorial Principles	cover
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Editorial Principles	cover
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	Editorial Principles	cover
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	No Such Case	--
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Editorial Principles	cover
3.12	Table identifying the location of the Standard Disclosures in the report.	GRI G3.1 Index	50-52
3.13	Policy and current practice with regard to seeking external assurance for the report.	Assurance Statement	cover
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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.	Functions of the Board	9
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4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Environmental Policy and Management	39

4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	External Organization Involvement	12
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4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Stakeholders Engagement	11
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EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	No Such Case	--
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Recycling & Repurposing Case Samples	42
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EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	No Such Case	--
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	No Such Case	--

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HR4	Total number of incidents of discrimination and actions taken.	Supplier Audits	32
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Supplier Audits	32
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.	Supplier Audits	32
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Society - Disclosure on Management Approach		Functions of the Board	9
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	We have not yet been implemented such programs in the main operating base.	--
SO4	Actions taken in response to incidents of corruption.	No Such Case	--
SO5	Public policy positions and participation in public policy development and lobbying.	No Such Case	--
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	No Such Case	--
SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	No Such Case	--
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Product Responsibility - Disclosure on Management Approach		Innovation and R&D	33
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PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	No Such Case	--
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Customer Relationship Management	30
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	No Such Case	--
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	No Such Case	--
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	No Such Case	--

確認聲明書



ASSURANCE STATEMENT

SGS TAIWAN'S INDEPENDENT ASSURANCE REPORT ON SUSTAINABILITY ACTIVITIES IN THE TAYA ELECTRONIC WIRE & CABLE CO., LTD.'S SUSTAINABILITY REPORT OF 2013

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by Ta Ya Electric Wire & Cable Co., Ltd. (hereinafter referred to as Taya) to conduct an independent assurance of the Sustainability 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 Taya's all operational sites in Taiwan of this report.

The information in the Taya's Sustainability Report of 2013 and its presentation are the responsibility of the superintendents, CSR committee and the management of Taya. SGS has not been involved in the preparation of any of the material included in the Taya's Sustainability 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 Taya'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. 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 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 Taya; 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 Taya, 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 Taya's Sustainability Report of 2013 verified is accurate, reliable and

provides a fair and balanced representation of Taya 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 second to be assured by an independent assurance team and Taya has taken a bold step by offering the report to evaluation against Global Reporting Initiative's G3.1 guidelines. 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 B+.

GLOBAL REPORTING INITIATIVE REPORTING GUIDELINES (2006) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Principles, Standard Disclosures and Indicators

The report, Taya's Sustainability Report of 2013, is adequately in line with the Global Reporting Initiative G3.1 application level B+. It is recommended to have higher degree of direct involvement of stakeholder engagement and formalize both process and criteria applied to assess materiality to ensure better consistent result. It is also recommended to have more disclosure on the performance of supplier chain management and organizational governance required in GRI G4 in future reporting.

Signed:

For and on behalf of SGS Taiwan Ltd.



Dennis Yang, Chief Operating Officer
Taipei, Taiwan
28 August, 2014
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