



2018 TAYA Group
Corporate Sustainability Report

—◆ Editorial Principles ◆—

Ta Ya Group has long been committed to corporate social responsibilities (CSR). We guarantee the continued publication of our CSR Report, with which we communicate to the public and stakeholders our dedication to business operations, the economy, society, and the environment, demonstrating our resolve for the pristine homeland. For the benefit of more stakeholders to understand our achievements in CSR, this Report is also published on our official website.

Reference guide

This report discloses the economic, social and environmental management policies and performance of the Ta Ya Group and its affiliates, following the requirements of the Core Option of the GRI Standards by the Global Reporting Initiative.

Reporting Period

2016 financial year (January 1, 2017 to December 31, 2017). For full disclosure, part of the contents will refer to information from the 2014 and 2015 financial years. This report presents past performance, and also our vision for future developments. Except for the latter, it is solely based on the situation when the actual report was issued and not a guarantee of future performance.

Sources and review of the report's content

The content of this report has been provided by departments, factories and affiliated companies of Ta Ya Main Company, while financial information has been verified by accountants.

External verification

This report is certified by SGS Taiwan and meets the requirements of GRI Standard Core Option and AA1000 Assurance Standard (2008) Type 1, Moderate level assurance.

Boundaries and Scope of the Report

Boundaries of this report covered: Ta Ya (Viet Nam) Electric Wire & Cable Joint Stock Company Hai Duong Branch, Guanmiao Factory and Dawan Factory of Ta Ya Electric Wire & Cable Co., Ltd. ("Ta Ya") plus affiliated enterprises that Ta Ya had close business relationships with, including: Cuprime Material Co., Ltd. ("Cuprime"), Ta Heng Electric Wire & Cable Co., Ltd. ("Ta Heng") and Ta Ho Engineering Co., Ltd. ("Ta Ho"), United Electric Industry Co., Ltd. ("UEI"), Ta Ya Green Energy Technology Co., Ltd. ("Ta Ya Green Energy"), and Ta Ya (Viet Nam) Electric Wire & Cable Joint Stock Company ("Ta Ya Vn"). Given Ta Ya Green Energy's nature as an investment company, disclosures have been made on the contractor: Hengs Technology Co., Ltd ("Hengs"). An equity-accounted associated company named: AD Engineering Co., Ltd. ("AD") is also included. The two affiliated enterprises in China: Heng Ya Electric (Kunshan) Ltd. and Heng Ya Electric (Dongguan) Ltd. were excluded from the boundaries of this report.

The report presents sustainability information in three major aspects: economic, environmental and social. Material topics are disclosed for relevant entities within the group, including the management approach taken and the outcome. Some of the entities that were not disclosed in this report may be disclosed progressively over the coming years.



Reporting Cycle

First Issue : November 2014
Current Issue : September 2019
Previous Issue : September 2018
Next Issue : September 2018 (Scheduled)



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◆ Chairman's Statement ◆

Looking back at 2018, the main countries around the world, with the exception of the United States, have experienced a significant slowdowns in their economies. In the first quarter of 2018, the US began a trade war against China, which has deeply impacted the Chinese economy. The Taiwanese economy, connected as it is, has also been impacted. Although a growth rate of more than 3% was maintained in the first half of the year, the momentum of this economic growth started to slow down during the second half of the year. On the other hand, the most important factor affecting the Company's business is international copper prices. The strong US dollar has not been beneficial to dollar-denominated commodities. Therefore, copper prices in 2018 were weak overall. Over the course of the year, three-month copper prices on the London metal Exchange slid by 14%. This unfavorable environment posed a challenge to the Company's business.

The Ta Ya Group was faced with many unfavorable factors in 2018, but through timely hedging of copper stocks, we managed to minimize the impacts of these falling copper prices. In the risky business environment of China, Ta Ya's two factories were able to maintain sales growth. As a result of the Sino-US trade war, some Chinese manufacturers have moved their factories to Vietnam. Ta Ya's two factories in Vietnam made steady profits thanks to the strong brand behind them. In 2018, the entire group showed steady growth in both revenue and earnings, surpassing its targets.

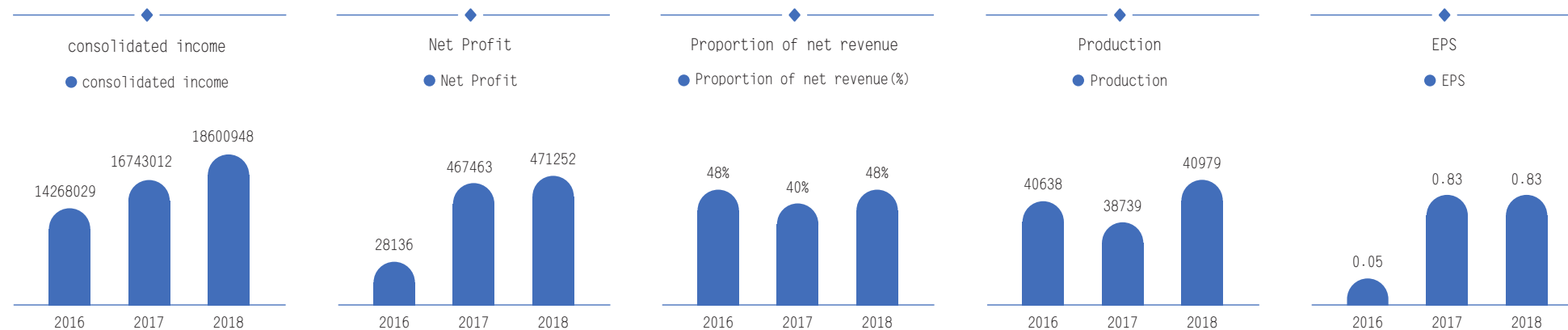
Moving forward into 2019, global economic growth has shown signs of slowing down, which started last year. In addition, the ongoing Sino-US trade war necessitates companies to learn from past experience and to keep progressing in order to stay alive. In recent years, the Company has continuously pursued innovation and change. In 2019, we will start a marketing and advertising campaign to upgrade Ta Ya Group from what is generally regarded as a local company to a company that is better known around the country. Also in 2019, four major business strategies will be formulated. The first one, regarding competition within our industry, will focus on upgrading equipment, improving resource utilization and evaluating key profitability factors for every entity within the group. Response plans will be formulated and R&D will keep abreast with the times, so that the Company may develop to the next level. The second strategy will aim at increasing our fixed-income platform. In addition to the solar power plants, already carried out, some investments in external targets (stocks) can also generate considerable fixed income each year. The third strategy concerns opportunities for new business development, specifically investing venture capital in new opportunities, after strict risk assessment. The fourth strategy is to maintain a stable financial structure and if necessary adjust the structure by examining the Company's cash flows and debt ratios in the years ahead.



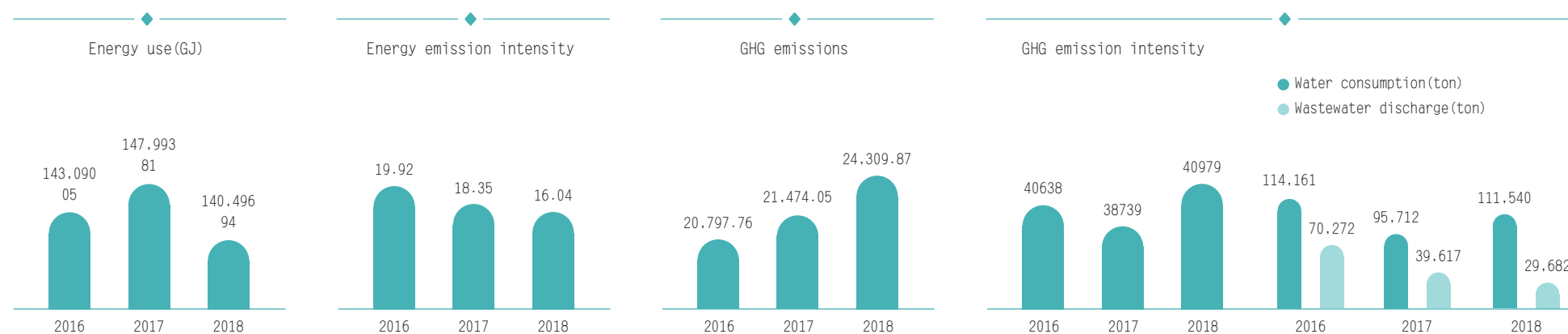
Chairman
Shen, Shang-Hung

2018 Sustained performance quick view

Economic

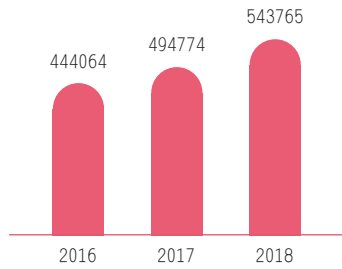


Enviroment

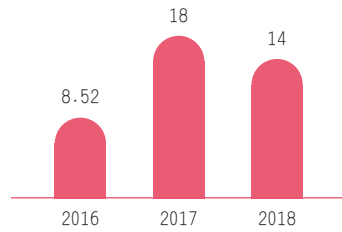


Society

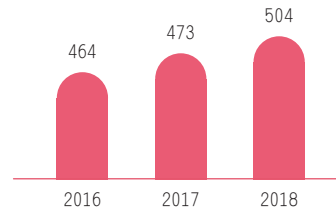
Employee benefit expenditure
(thousands)



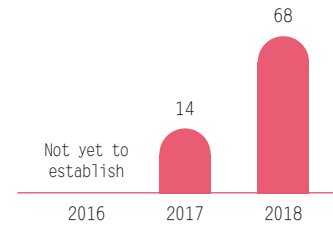
Average employee training hours



Volunteer service hours



The number of Old house
electricity safety check



Awards / Certification

Silver Award

TCSA Taiwan
CSR Report

Information Disclosure Award

Chunghwa
Telecom
Supplier
Conference

In the top 6-20% cohort














Fifth Annual
Corporate
Governance
Evaluation



—◆ Taya' s Sustainable mission ◆—

Our mission

Since its inception, Ta Ya has held to its corporate vision of “Transcendence and Compatibility.” We hold true to this and ensure that all colleagues and business owners adhere to it, too. With regards to product service and business management, we strive to gain the trust of society by constantly pursuing perfection in how we do things, while remaining cognizant of sharing our results, as our efforts have a symbiotic effect on our surroundings. Since the beginning of the new century, changes in the industry and our natural environments have become more pronounced, with social responsibilities becoming an essential part of every corporation. This reminded us to “ seek for practicality and innovation” and to work together with our colleagues in achieving new corporate values and fulfill our mission to contribute to society.

	Description	Contrast
 <p>Enlightened Employees</p>	For employees, we promise to provide a healthy and safe workplace and establish a fair and open HR development system in order to leverage their talents while improving their sense of participation and ambition.	  
 <p>Satisfied Customers</p>	For customers, we constantly ask ourselves to provide them with the most valuable products and services (in terms of quality, cost, speed, deadlines, and flexibility) via continuous research and development.	 
 <p>Positive Shareholders</p>	For shareholders, we abide strictly to an honest attitude, forward-looking business planning, and strict business management to fulfill our role as the asset manager and provide stable growth.	
 <p>Pristine Homeland</p>	For society at large, we believe in the ideal of operating-results sharing and pledge to continue caring for communities and society by continuing to pay attention to the environment and natural resources through our expertise in product development and manufacturing.	  



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Multiple communication flows

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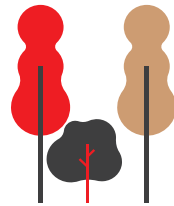
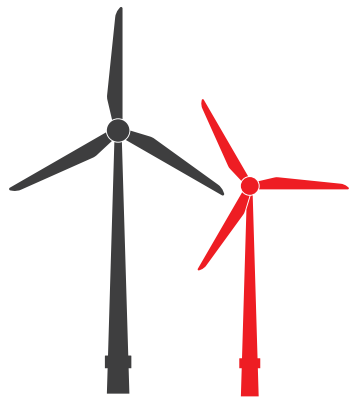
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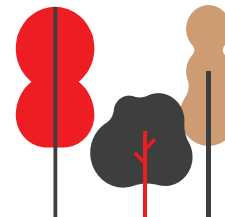
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CH.1

Steady management

1-1 Company Profile

1-2 Governance structure



01 —◆ Steady management ◆—

Ta Ya Group values the trust of its shareholders. We are committed to exercising good corporate governance and providing transparent financial information to protect the interests of our investors. Our business focus is dedicated to the research and development of products that create value for beneficial financial returns.

In addition to stabilizing our existing markets and expanding global sales to promote overall business performance, we place great emphasis on internal management.

Regulating business operations, managing processes via written documents, as well as prompt evaluations and optimizations are crucial to the long-term value of the corporation. They equip the company with prospective R&D capabilities, position our activities in new markets, help to differentiate our products, contribute to short- and long-term business strategic planning, and enhance the Group's overall operational efficiency.



Corporate Governance Rating

- ◆ top 6~20%



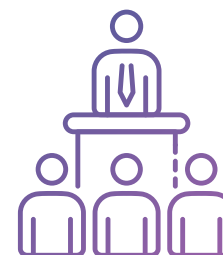
Establish

- ◆ CSR Committee
- ◆ Ethical Business Committee



Joined

- ◆ Board effectiveness assessment



Hold

- ◆ 1 investor conference



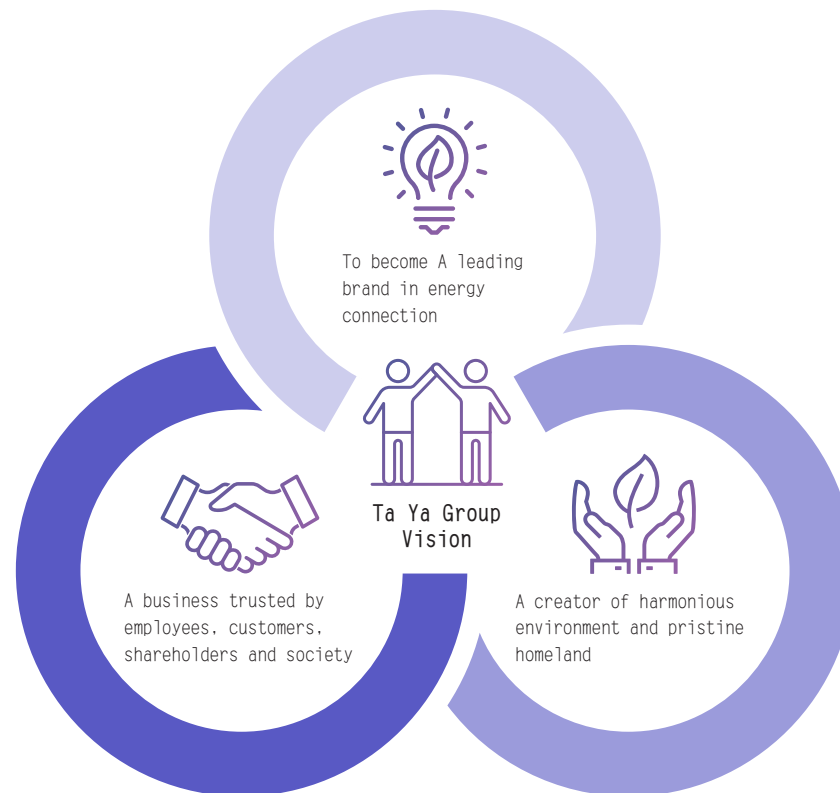
1-1 Company Profile

Introduction

Ta Ya Industrial, the predecessor to our company, was founded in Tainan in 1955. The name was formally changed to Ta Ya Electric Wire & Cable Co., Ltd., in 1967. Other than the manufacturing of rubber wires and cables, we were also engaged in the production of magnet wires. Our factory was moved to its current location near Guanmiao in 1986, and we started to manufacture 69kV XLPE cables. Our company stock was officially listed in December 1988. We were certified by Taipower for the manufacture of 161kV XLPE cables and began mass-production in 1994. In 2008, Ta Ya became the first company in Taiwan to manufacture 345KV ultra-high voltage cables. That same year, the company received a Class I ecolabel for its environmentally-friendly cables.

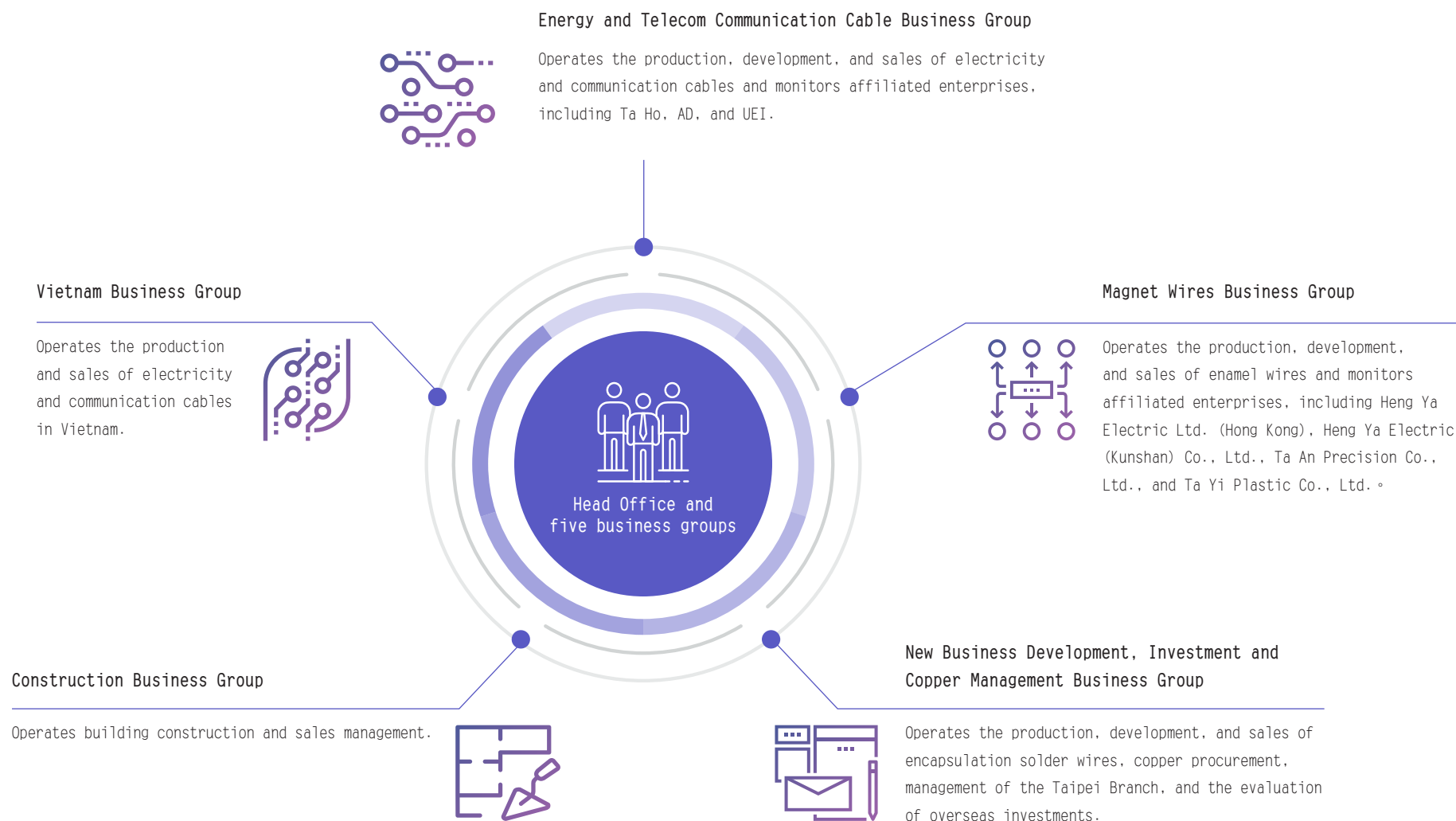
In 2011, the Board of Directors formed the Compensation Committee. In 2012, three seats for independent directors were added to the Board. We entered the renewable energy electricity generation industry in 2014. President Tsai Ing-wen visited our Guanmiao headquarters in 2016 and highly recognized our green products and environment-friendly electricity generation systems.

With our headwaters in Taiwan, we established production bases in China and Vietnam in 1992 and 1995, respectively. In the last 60 years, we were fortunate to have a team of employees who worked diligently together with the Company. They are constantly exploring and seeking diversification into new businesses.



Ta Ya Electric Wire & Cable

Ta Ya Group comprises of the Head Office and five business groups. The Head Office controls finances, human resources, and information, with the Business Planning Office responsible for the integrated control and development of affiliated enterprises and business groups. The five business groups are:



Affiliates

The following are the fields of operation of the companies covered in this Report:

◆ Cuprime

Operates the production, processing, and sales of copper products.

◆ Ta Ya Green Energy

An energy technology company that primarily invests in solar power plants.

◆ Ta Heng

Operates the production, processing, and sales of wire and cable materials.

◆ Hengs

Construction and installation of photovoltaic systems; manufacturing and sale of related equipment.

◆ Ta Ho

Operates the design, installation, repair, and support services for electric cables.

◆ Ta Ya (Viet Nam)

Manufacturing, processing and sale of wire/cable materials.

◆ AD

Operates the planning, design, and installation of water, electricity, fire protection, air conditioning, and clean rooms for buildings and utilities for various production processes.

◆ Heng Ya Electric (Dongguan)

production of enameled wires, Litz wires, wrapped wires, copper-clad aluminum wire, and enameled aluminum wire.

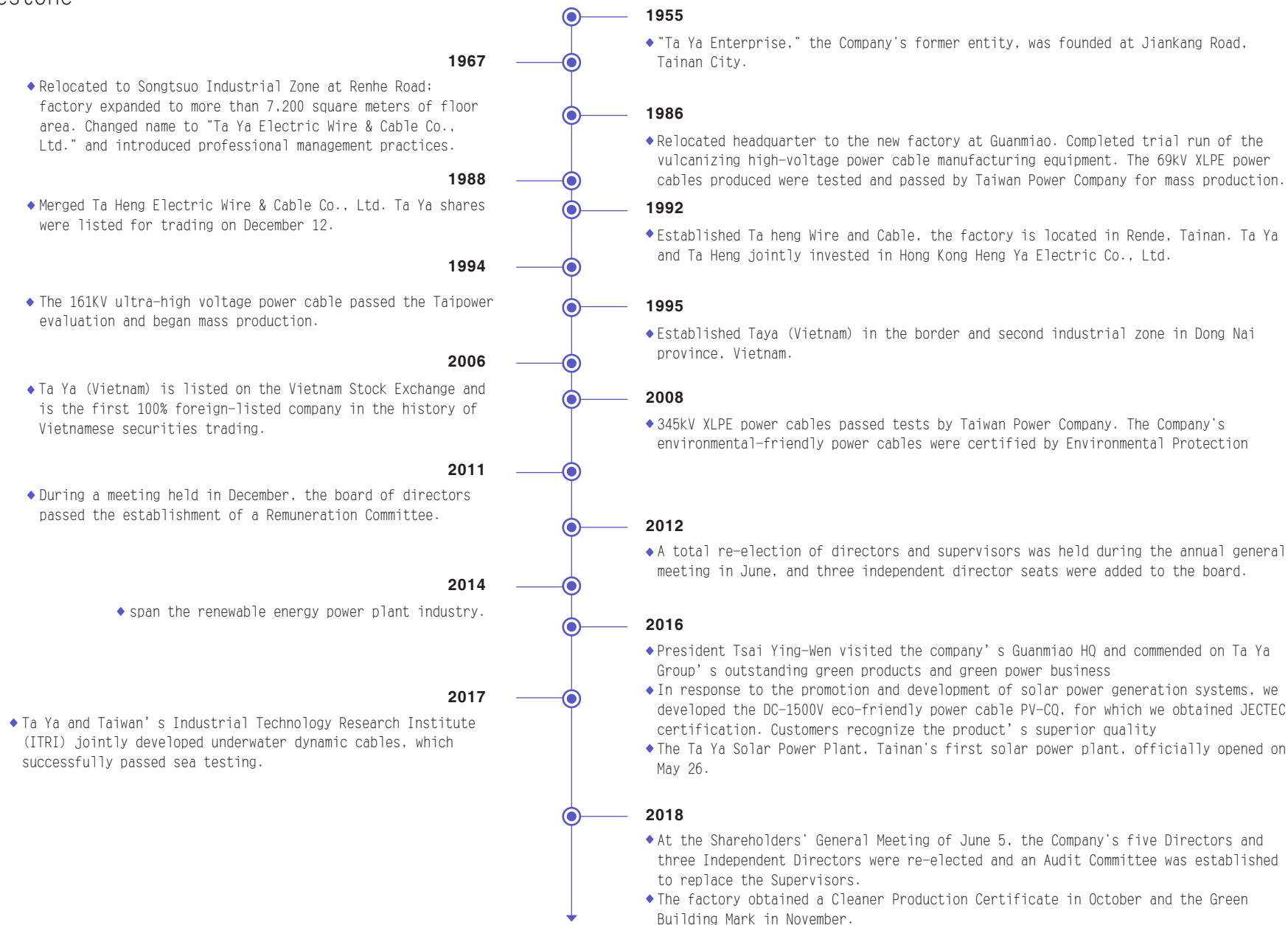
◆ UEI

Manufacturing and sale of transition joint, terminal joint and protective device for high-voltage power cables.

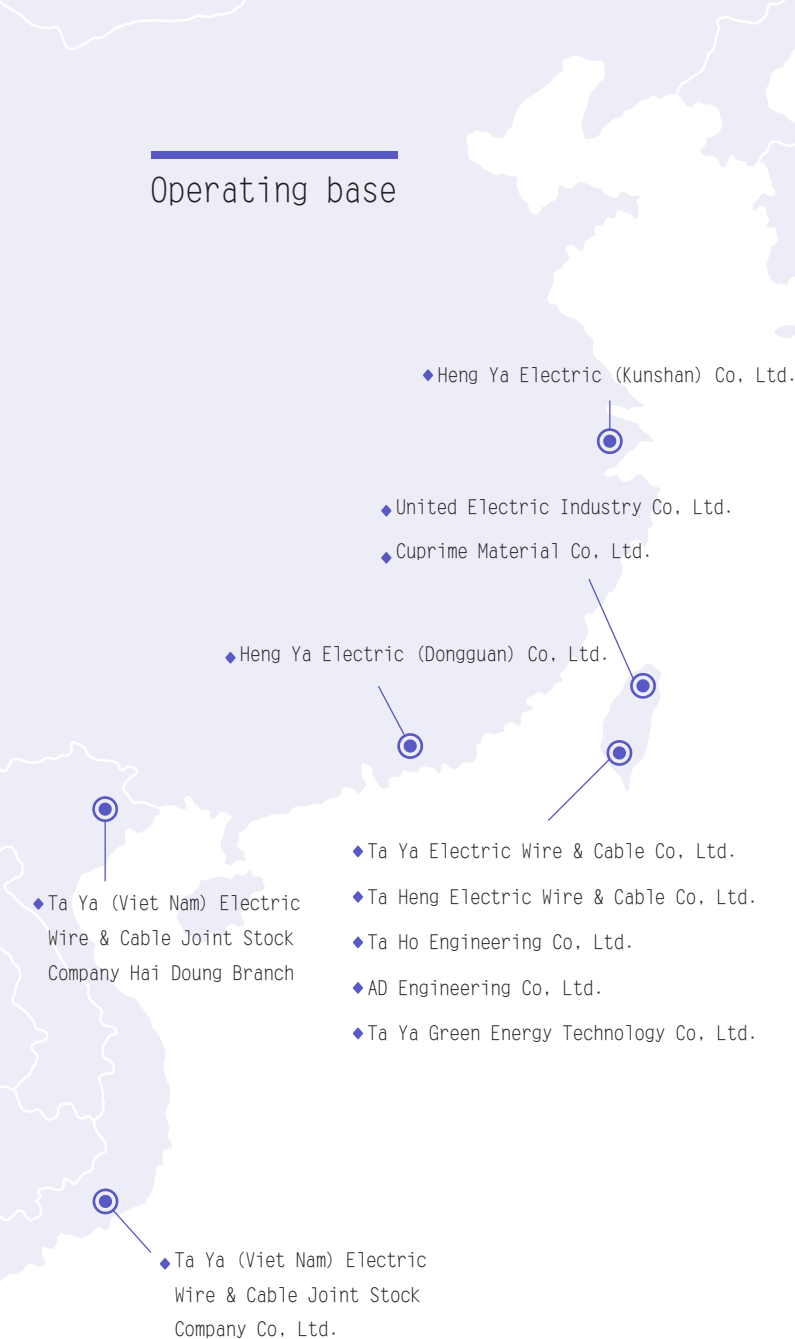
◆ Heng Ya Electric (Kunshan)

production of enameled wires, Litz wires, wrapped wires, copper-clad aluminum wire, and enameled aluminum wire.

Milestone



Operating base



Production and export of products

Company	Items	Quantity (ton)	Revenue share (%)	Domestic sales (%)	Major exporting countries
Taya	plastic wires and cables	7623	10.88	16.4	
	XLPE Power Cables	14829	21.52	36.78	
	rubber wires and cables	44	0.3	0.70	
	bare copper wires	4633	7.33	12.12	
	magnet wire	10331	41.98	26.01	Japan, India, China, Hong Kong
	telecom cables & optical cables	1343	2.15	4.16	
	Construction & others	2176	15.84	3.75	
Cuprime	copper rod	37384	46.97	59	China
	phosphorus copper ball & copper nugget	5008	32.27	60	Thailand
	phosphorus copper ball (trading)	2831	17.81	100	China
	others	N (note)	2.95	100	
Ta Heng	data transmission cable	465	7.5	81.79	Australia
	signal control cable	514	8.3	93.32	
	power cable	4755	76.7	99.64	
	UL/CSA appliance wire material & power cord	466	7.5	99.99	

Note: Cuprime's other projects are not produced for the sale of copper raw materials, so there is no production data.

Industrial chain

Industrial value chain

Raw material procurement Financing Compliance		Copper product manufacturing	Cable manufacturing	engineering service	use	Corporate citizenship
Description		Executor		Stakeholders		Responsibilities
1-1 Raw material purchase	Copper is the major material for making wires and cables, but we also purchase plastic material and other metals and equipment.	Ta Ya		Suppliers/contractors		Grow with suppliers/ contractors
1-2 Financing	Raising funds for production and R&D.	Ta Ya		Shareholders/banks		Increase shareholders' valu R&D and innovation
1-3 Compliance	Comply with local government laws	All companies		Government		Protect the environment from pollution
2-1 Manufacture of copper products	Copper is refined into copper rods and other products for further processing.	Cuprime		Employees		Assurance of employee health, safety and lifestyle
2-2 Manufacture of cables	Development and manufacture of wires, cables, and their accessories; Development and manufacture of magnet wires.	Ta Ya, Ta Heng UEI, Ta Ya (Viet Nam)				
3 Engineering service	Planning, design and installation of electromechanical equipment.	Ta Ho, AD Hengs				
4 Product applications	Our products and services are used in power plants, power distribution facilities, telecommunication facilities, and electromechanical equipment	Ta Ya, Cuprime Ta Heng, Ta Ho UEI, AD, Hengs, Ta Ya (Viet Nam)	Customers: power companies, telecom carriers, construction companies, public utility providers, manufacturers of electronic and electromechanical equipment		Contribute to the nation's energy and telecommunication infrastructure Provide green energy-saving products and increase customer' s satisfaction	
5 Corporate citizenship	Comply with laws and contribute to society	Ta Ya Pristine Homeland Foundation	Government agencies Local communities		Promote environmental education and social charity activities	

External Organizational Involvement

Ta Ya has for a long time participated in many domestic industrial unions and associations to keep up to date with industrial news and technological development trends in order to raise the competitive strength of the industry, improve sustainable strategies, and enhance sustainable capabilities.

Ta Ya believes that this kind of partnerships with external organizations is instrumental to achieving sustainable development, and that exchange on related issues helps lead the industry forward.

Chairman Shen, Shang-Hung served as the Executive Director of the Taiwan Electrical and Electronic Manufacturers' Association (TEEMA) and the Director of TEEMA's Southern Branch Office. He is committed to serving as a bridge between the central and southern levels of TEEMA. Since 2002, Chairman Shen Shang-Hung, also served as Vice-Chairman of the Taiwan Electric Wire and Cable Industries Association, where he assists with the promotion of exhibitions. Chairman Shen, Shang-Hung also served as Executive Director of the Tainan Industrial Association, which represents local enterprises vis-a-vis the local government and helps these enterprises better understand the government's laws and regulations.

In 2018, the Taiwan Stock Affairs Association (TWSAA) started to regularly provide consultations on legal and shareholding matters. TWSAA also timely conveys policies and decrees of governments at all levels. With its specialized knowledge, the association solves practical problems related to shares management and offers valuable advice on corporate governance.

Brand Management

Despite being a 60-year old business, Ta Ya continues to move forward and expand into the world. The Company has given its logo a complete new design, presenting the name Ta Ya with a metallic, copper-ish color in addition to the traditional red to symbolize sustainability and the Company's specialty in metals. The pen stroke resembles the figure of a dragon with its head turned back, which implies respect to our legacy. The group has adopted the brand value of "Sustainability through Technology," and the new logo provides Ta Ya with a new corporate image, one that includes tradition and modernism.

The brand logo is designed based on the name TAYA. It features a single stroke turning and twisting to resemble the shape of a rising dragon. The use of red symbolizes Ta Ya's transcendent spirit, while a copper-ish color was added to stress the Company's specialty in the cable business and its emphasis on innovation. Chinese characters in the logo were printed in black, and have been refined and adjusted into a style that is exclusive and most appropriate for our image as a modern, professional business.

Ta Ya Group's External Organizational Involvements

Organization	Ta Ya	Cuprime	Ta Heng	Ta Ho	UEI	AD	Hengs
TEEMA	●						
Wire & Cable Association Synergy Development Center	●	○	○	○	○		
Electric-Electronic & Environmental Technology Development Association	○						
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						○	
TTEIA							
CAFP							
YK-Tec Fellowship	○						
PVGSAROC							○
TPVIA							○
CTCVN, Dong Nai Branch							○
CTCVN, Binh Duong Branch							○
TWSAA, Taiwan Stock Affairs Association	○						○

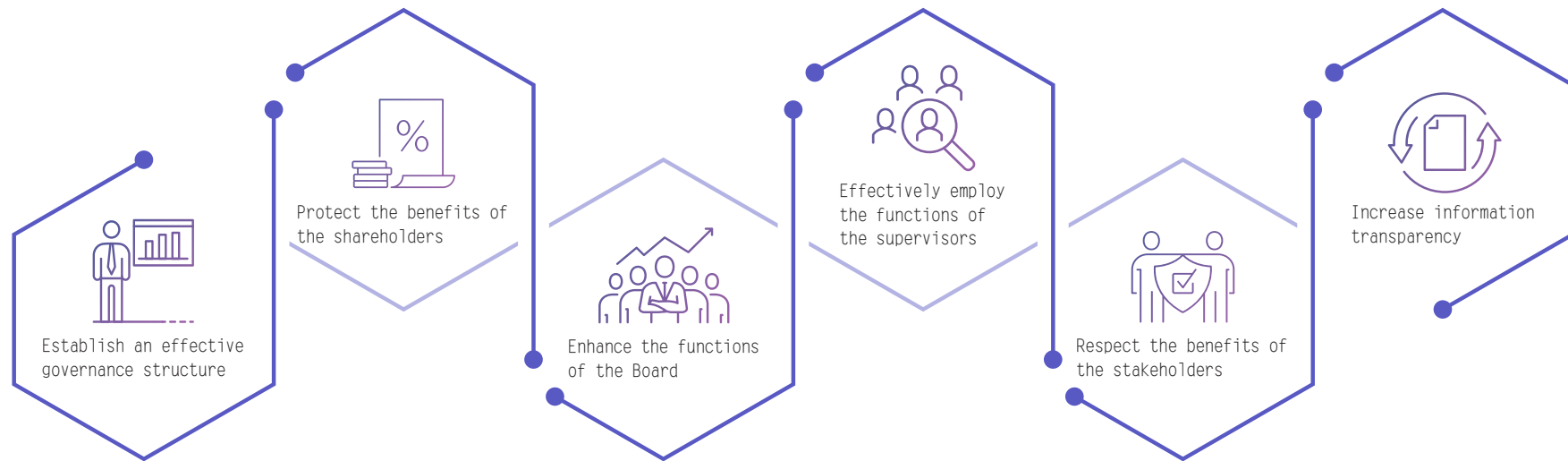
Note : ● Participate in the organization and hold important positions. ○ Participate in the organization.



1-2 Governance structure

The Board of Directors is the highest managing body, charged with the task of electing and nominating top managers, and defining CSR and sustainable development strategies. An able and functioning Board, accompanied by the auditing unit, engages in the auditing of the internal control system and promotes corporate governance issues.

The company is governed in accordance with the six principles provided by the Code of Practice for Governance of Listed and OTC Corporates:



Corporate Governance Rating 6%–20%

In December 2013, the Financial Supervisory Commission published a 5-year “Corporate Governance Enhancement Roadmap” and introduced a corporate governance evaluation system. The evaluation system is a comparison of corporate governance practices across the entire market and is aimed to help investors and businesses understand how effective a company’s governance practices are. It is intended to inspire progressive competition and motivate companies to take the initiative in enhancing and improving their corporate governance culture.

The results of Taya’s Corporate Governance rating are the top 6%–20%. In 2015, Ta Ya’s Board of Directors amended the Company’s “Corporate Governance Code of Practice” and “Code of Ethics,” and established “Corporate Social Responsibility Code of Practice” and “Board of Directors Performance Assessment Policy” as a means of enhancing corporate governance practice and protecting stakeholders’ interest. The evaluation of 2015, 2016 and 2017 placed Ta Ya in the top 20% of all TWSE listed companies.

Corporate Governance Rating
6%–20%















Functions of the Board

The Ta Ya Board is comprised of five directors, three independent directors and two supervisors. Each member has extensive management experience and professional backgrounds, and is dedicated to maximizing shareholder benefits. The Board defines the measures for proceedings in accordance with the Procedures for Public Company Boards. For matters related to a director's own interests and where there is conflict with the interests of the company, directors can 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 December 2011, the Ta Ya Board established a compensation committee, and added three independent directors at the shareholder's meeting held in June 2012. This made us the first company to establish independent directors in the wire and cable industry in Taiwan. The qualifications of the directors of the Board are in accordance with the relevant regulations of the relevant competent authorities. The company's Articles of Association also states that the election of directors and independent directors must be in accordance to the nomination system. In 2018, the Board of Directors of Ta Ya held 7 meetings, and the attendance rate of all Directors and supervisors was 100%.

Board Members

Position	Name	Sex	Administrative Position
 Chairman of the Board	Shen Shanghong		CEO
 Vice Chairman of the Board	Shen Shangbang		
 Director	Shen Shangyi Shen Shangdao Horng-Ian Horng	  	President Executive Vice President
 Independent Director	Zhang Liqui Wei Junxian Zheng Dunxian	  	

Note: Effective June 2018.

2018 Board Meetings and Board Member Detail

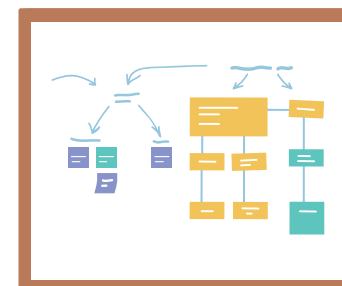
	Directors	Independent Directors	Supervisor	Meetings Held	Attendance Rate(%)	Female Director(s) and Positions
Ta Ya	5	3	2	7	97	0
Cuprime	7	0	2	2	100	0
Ta Heng	7	0	2	1	100	0
Ta Ho	3	0	2	2	60	0
UEI	8	0	2	4	62.5	0
AD	5	0	2	5	74.29	0
Hengs	5	0	2	6	88	0
Vietnam	5	2	3	4	100	0
Dongguan	6	0	1	3	100	0
Kunshan	6	0	1	4	100	0

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 of Ta Ya Directors (including Independent Directors) (%)



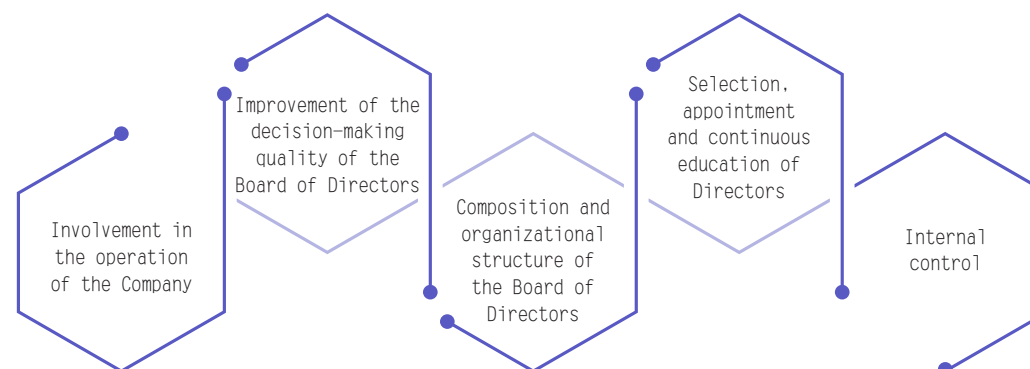
Note: The total remuneration of directors is the accumulated sum of: salary, retirement pay, surplus



Board function improvement

Board of Directors Performance Assessment Policy

In November 2015, Ta Ya's Board of Directors passed the "Board of Directors Performance Assessment Policy" that introduced a set of performance targets aimed at improving board functionality and efficiency. Internal performance assessment of the Board of Directors must be made once a year and an annual performance assessment must be made at the end of the year. An assessment must be made by an external independent institution or expert team once every three years. In addition to the Board of Directors being assessed for its overall operation status, every director must be assessed separately. The Board of Directors of Ta Ya is subject to assessment in five major aspects:



The results of the assessment are classified into five levels: Excellent, Outstanding, Good, Fair, and Improvement Required. The result of the assessment in 2018 was Excellent.

Board effectiveness assessment

By the end of 2018, the Company entrusted the Taiwan Corporate Governance Association (TCGA), an external agency, to assess the effectiveness of the Board of Directors for the period running from 2017/12/1 to 2018/11/30. TCGA appointed three assessment experts to assess, by way of questionnaires and site visits, the effectiveness of the Board of Directors on 38 topics across eight categories covering board composition, coaching, authorization, supervision, communication, self-discipline, internal control, and risk management. TCGA and its experts have no business relationship with the Company. TCGA submitted an assessment report on 12 February 2019. The Company reported the assessment results on 21 March 2019, and is pursuing improvements. The assessment results are disclosed on the official website of the Company: Investors Zone → Corporate Governance Zone → Corporate Governance Information
<https://www.taya.com.tw/download/download48.html>

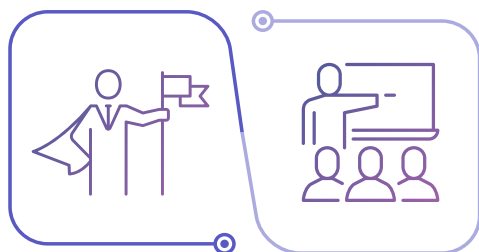
Functional committees

The Company has an Audit Committee, a Remuneration Committee, a Corporate Social Responsibility Committee, and an Ethical Business Committee, which are responsible for formulating and reviewing policies in their remits and which also serve to strengthen corporate governance in the Company. The following is the participation status of each functional committee:

Position	Name	The Audit Committee	Compensation Committee	CSR Committee	Committee member
Chairman of the Board	Shen Shanghong				
Vice Chairman of the Board	Shen Shangbang				
Director	Shen Shangyi		Committee Member		
	Shen Shangdao		Committee Member		
	Horng-Ian Horng				
Independent Director	Zhang Liqui	Committee Member	Convener		Convener and chairman of the meeting
	Wei Junxian	Committee Member	Committee Member		
	Zheng Dunxian	Committee Member	Committee Member	Convener and chairman of the meeting	
Number of meetings held in 2018		3	2	1	1



Audit Committee



Established on 5 June 2018 Three meetings in 2018

The Company established the Audit Committee on June 5, 2018.

An accountant checks the financial status of the Company, adjustments to entries, the impact of updates of the IFRS standards on the Company, internal control, and overall operations. The accountant reports the findings to the Independent Directors at least once a quarter and maintains sufficient communication on key audit matters.

Operating situation

The Audit Committee held three meetings in 2018, and matters discussed included:

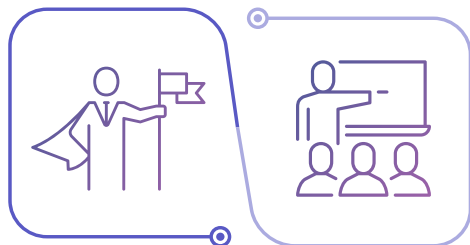
1. Financial reports	7. Formulating the Measures for Reporting Cases of Unlawful, Unethical, or Dishonest
2. Derivatives commodity trading	Conduct and the Administrative Measures for the Protection of Personal Information.
3. Internal audit reports	8. Amending the Procedures Regarding the Prevention of Insider Trading; Procedures
4. Internal control system self-assessment procedures:	Regarding the Acquisition and Disposal of Assets; and Procedures for the
amendments to the internal auditing system	Execution of Derivatives Transactions.
5. Financial loans, endorsements and guarantees	9. Operating plans
6. Issuance of guaranteed general corporate bonds	10. Auditing plans

The attendance of the Independent Directors was as follows:

Position	Name	Attendance	Entrusted attendance	Actual attendance rate (%)	Note
Independent director (Convener)	Zhang Liqiu	3	0	100	2018/6/5 Beginning
Independent director	Wei Junxian	3	0	100	
	Zheng Dunxian	3	0	100	



Remuneration Committee



Established on Dec. 2011

Two meetings in 2018

In December 2011, the Board of Directors resolved to establish a Remuneration Committee.
The Company's Salary and Remuneration Committee has three members.
The Salary and Remuneration Committee convened twice in 2018.

The committee must faithfully execute the following functions and powers with respect to good management and submit recommendations to the Board of Directors for discussion:

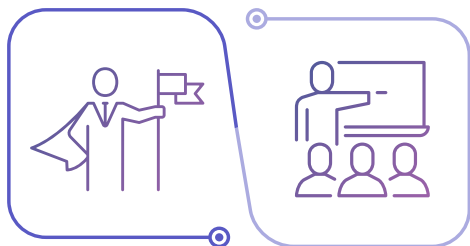
- ◆ Regularly review these Procedures and propose amendments.
- ◆ Formulate and regularly review performance assessment standards and annual and long-term performance targets of the Company's Directors and managers, as well as policies, systems, standards, and structures related to their compensation and benefits, and disclose the performance assessment standards in the Company's annual report.
- ◆ Regularly assess the Directors' and managers' progress toward their performance targets, and determine the content and amount of individual salaries and remunerations on the basis of the assessment results.

Committee members' qualifications and their attendance are as follows:

Position	Name	Attendance	Entrusted attendance	Actual attendance rate (%)	Note
Convener	Zhang Liqui	2	0	100	2018/8/6 continue in office
Committee member	Wei Junxian	2	0	100	
	Zheng Dunxian	2	0	100	



Corporate Social Responsibility Committee



The Company resolved to establish of the Corporate Social Responsibility Committee on 15 March 2018.

The committee held its first meeting on 26 December 2018, and the committee's operating model and 2019 work plan were reported to the Board of Directors.

Established on 15 Mar. 2018 One meetings in 2018

Committee members' qualifications and their attendance are as follows:

Position	Name	Attendance	Entrusted attendance	Actual attendance rate (%)	Note
Independent director	Zheng Dunxian	1	0	100	Convener and chairman of the meeting
General manager of business planning office	Wang Yanhuang	1	0	100	
Associate Manager of business planning office	Chen Zhongguang	1	0	100	
Finance manager	Hong Chongming	1	0	100	
Manager of business planning office	Juan Jenfong	1	0	100	
Associate business planner	Wu Tsaichen	1	0	100	

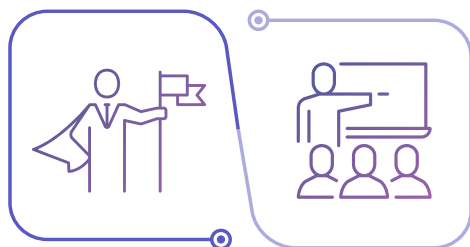
The duties of this committee include the following:

- ◆ Formulate policies, strategic plans, annual plans and project plans related to corporate social responsibility.
- ◆ Implement corporate social responsibility strategy planning, annual plans and project plans, and assessment of implementation.
- ◆ Reviewed the Corporate Social Responsibility Reports.
- ◆ Report each year the annual implementation results of corporate social responsibility to the Board of Directors.

Activities in 2018:

- ◆ Reviewed the Corporate Social Responsibility Reports.
- ◆ Undertook corporate social responsibility work as always, including the formulation and review of policies, systems, or management guidelines related to corporate social responsibility as well as specific promotion plans and their implementation.
- ◆ The 2017 CSR Report won the Silver Award for Sustainability Reports of the Taiwan Corporate Sustainability Awards.

Ethical Business Committee



The Company resolved to establish an Ethical Business Committee on 15 March 2018.

The committee held its first meeting on 26 December 2018, and the committee's operating model and 2019 work plan were reported to the Board of Directors.

Established on 15 Mar. 2018 One meetings in 2018

Committee members' qualifications and their attendance are as follows:

Position	Name	Attendance	Entrusted attendance	Actual attendance rate (%)	Note
Independent director	Wei Junxian	1	0	100	Convener & Conference Chair
President	Shen Shangyi	1	0	100	
Executive Vice President	Shen Shangdao	1	0	100	
General manager of business planning office	Wang Yanhuang	1	0	100	
Associate Manager of business planning office	Chen Zhongguang	1	0	100	
Associate Manager of Human Resources	Hsieh Sungmao	1	0	100	

The committee formulates and oversees the Company's ethical business policies and prevention program to implement the following matters:

- ◆ Help integrate integrity and ethical values into the Company's business strategy.
- ◆ Establish preventive measures to ensure ethical business in compliance with the regulatory system.
- ◆ Manage the reporting system and ensure its effectiveness.
- ◆ Promote ethical business policies and related education and training.
- ◆ Other matters related to the establishment and oversight of ethical business policy.
- ◆ Report compliance to the Board of Directors on a regular basis (at least once a year)

Activities in 2018:

- ◆ Formulated the Measures for Reporting Cases of Unlawful, Unethical, or Dishonest Conduct and the Procedures for the Prevention of Insider Trading, proposed resolutions to the Board of Directors in accordance with the law, completed the establishment of the Company's reporting mechanism, fostered a corporate culture of ethical business, and ensured the legitimate rights and interests of informants and parties concerned.
- ◆ In order to enhance the specialized knowledge and legal literacy of the committee's members and effectively implement the Company's ethical business policies, specialized trainers facilitated two seminars of six hours total, titled Prevention of and Response to Insider Trading; and Trade Secret Protection and Non-Competition on 5 July and 4 September 2018, respectively. The teaching materials were added to the Company's database as reference materials for the staff.
- ◆ Formulated the 2019 work plan.

Financial Performance

In the second half of 2018, copper prices fell, causing the Company's gross profit margins to decline as well. However, hedging measures taken previously in ordinary times meant that the impact was mitigated by earlier valuation gains. The Company's investment income benefited from valuation gains of assets held by Impax Laboratories, a Ta Ya Group company, and grew even a little more than in 2017. In 2018, the entire group showed steady growth in both revenue and earnings, surpassing its targets.

In 2018, the Group's consolidated revenue was TWD 18.577 billion, an increase of TWD 1.834 billion (+10.96%) from TWD 16.743 billion in 2017. Net profit after tax were TWD 471 million, and the profit margin was 2.54%. Moving forward into 2019, global economic growth has shown signs of slowing down, which started last year. In addition, the ongoing Sino-US trade war necessitates companies to learn from past experience and to keep progressing in order to stay alive.

Financial Performance (2017) Unit: 1000 TWD

		Taya	Cuprime	Ta Heng	Ta Ho	UEI	AD	Hengs	Dong Nai	Hai Duong	Dongguan	Kunshan
Direct economic value	Revenue	8,758,677	3,584,195	1,021,352	74,713	408,187	608,967	1,305,327	1,825,234	550,002	2,703,513	1,749,420
	Operating costs	2,078,093	32,923	883,873	32,380	291,043	466,301	1,090,094	1,701,330	479,606	2,635,340	1,686,518
Economic value of distribution	Employee benefits	543,765	82,111	71,845	20,976	23,072	69,314	84,146	26,116	29,352	95,934	72,224
	Payments to investors	1,430,544	25,000	21,500	30,000	61,090	31,539	36,211	0	36,326	0	0
	Payments to the government	10,533	850	764	637	26,944	4,887	2,499	0	6,072	1,520	18,726
	Community investment	3,245	129	100	50	316	212	158	0	0	0	0
Retained Value		4,692,497	3,443,182	43,270	(9,330)	5,722	36,714	92,219	97,788	(1,354)	(29,281)	(28,048)
Capital amount		5,721,808	500,000	215,000	25,000	549,773	168,000	350,000			559,104	712,704

Note: As at December 31, 2017, the exchange rate of TWD:VND was 1:759.

Integrity management

Code of Conduct and Anti-Corruption

Ta Ya upholds the business philosophy of integrity toward its employees, clients and suppliers. The Ta Ya Employee's Code of Conduct is required to be signed by all employees when reporting for duty to ensure all behaviors are in accordance with the regulations, which include employees being forbidden to accept any gifts, treatments or treats from any dealing manufacturers and clients. In addition, all employees are prohibited from engaging in transactions with individuals that have records of dishonesty in order to protect the interests of Ta Ya and its stakeholders. An employee may not engage in activities outside the company that are in conflict with the interests of the corporation, may not engage in external activities that may counteract their responsibilities at Ta Ya, and may not engage in relevant Ta Ya transactions for their own self interests. Ta Ya has established the "Insider Trading Prevention Procedures" and "Code of Ethics" that explicitly prohibit corporate insiders from trading securities against non-public information

Risk Management

Ta Ya has implemented risk management measures on a group scale based on Financial Supervisory Commission's "Regulations Governing Establishment of Internal Control Systems by Public Companies." It also has a robust, efficient internal control policy in place to oversee its eight main operational cycles and management systems. The Auditing Office serves two purposes:



Purposes 1

Assist the Board of Directors and managers in the inspection and review of internal control system for defect, performance and efficiency, and offer improvement advices where appropriate to rectify the internal control system while ensuring its effectiveness.



Purposes 2

Devise annual audit plans based on internal control self assessments and priorities, and execute accordingly in the following year with the approval of the accountable manager and the Board of Directors.

In order to facilitate self governance and timely adjustment to environmental changes, the Auditing Office prepares an internal control self assessment report in the fourth quarter every year and disseminates it to the relevant departments. The report gives each department an overview of their risk tolerance, which can be based upon to adjust the design and execution of internal control systems. All the audit actions were completed in both 2017 and 2018. The 2018 audit plan was devised with 82 audit actions, of which 82 (100%) were completed. The plan was comprised of 7 audit actions on the sales and collection cycle, 4 actions on the procurement cycle, 7 actions on the production cycle, 2 actions on the R&D cycle, 7 actions on the salary cycle, 38 actions on the financing cycle, 3 actions on the property, plant and equipment cycle, 9 actions on the data processing cycle, and 5 actions on the administrative cycle.

With regards to supervision of subsidiaries, the Company obtains monthly management reports as a means of insight into subsidiaries' operations, and regularly participates in subsidiaries' administrative meetings. In 2018, the Company audited its subsidiaries, which represented a completion rate of 100%. 13 subsidiaries were initially arranged in the 2018 audit plan. All of these plants were audited.

Information Disclosure

The Group values all comments and suggestions from stakeholders, given that it is the basis on which CSR is implemented upon. It is to this end that specialized personnel are responsible in coordinating and acting as a communications bridge between the corporation and its stakeholders. They are tasked with understanding and rapidly responding and implementing the necessary responses when required, and enhancing information disclosure. In terms of improving information transparency, details of the Investor Conferences, consolidation of operations, and the Group's financial-related information are periodically released on the official website. Furthermore, detailed listings are provided in the annual reports regarding the company's current operating status, future plans, strategic implementations and financial performance so as to provide investors with the best available service.

We have different mechanisms, such as the spokesman, deputy spokesman, and agent of stock affairs, to deal with the suggestions, questions, disputes, and litigations with respect to our shareholders and protect their rights and benefits. In order to allow a few shareholders' rights to be implemented without the constraints of space and time, the Investor Conferences starting in 2014 will adopt the method of electronic voting and voteby- case. This protects shareholders' rights and makes possible another channel for them to express their opinions.

Moreover, all Ta Ya employees have by law the right to organize trade unions and are entitled to freedom of association. Employee representatives can provide suggestions and comments of their colleagues on specific topics via a laborers' conference. After a consensus is reached through discussions with company operators at the conference, the consensus will be reported to the Board and be handled by the operations group. Other affiliated companies should also uphold the principles of valuing all stakeholders, so that all employees and shareholders are entitled to present their suggestions to the management staff and have them reported to the Board if the situation requires such attention.



CH.2

Multiple communication flows

2-1 Stakeholder interaction

2-2 Analysis of material issues

2-3 Multiple communication channels



02 —◆ Multiple communication flows ◆—

Setting great store with the opinions and suggestions of all stakeholders, Ta Ya has designated a dedicated officer to facilitate communication between the Company and its stakeholders, to listen and respond to their needs, and taking measures where necessary to strengthen the Company's information disclosure.

2-1 Stakeholder Interactivity

Stakeholders Engagement

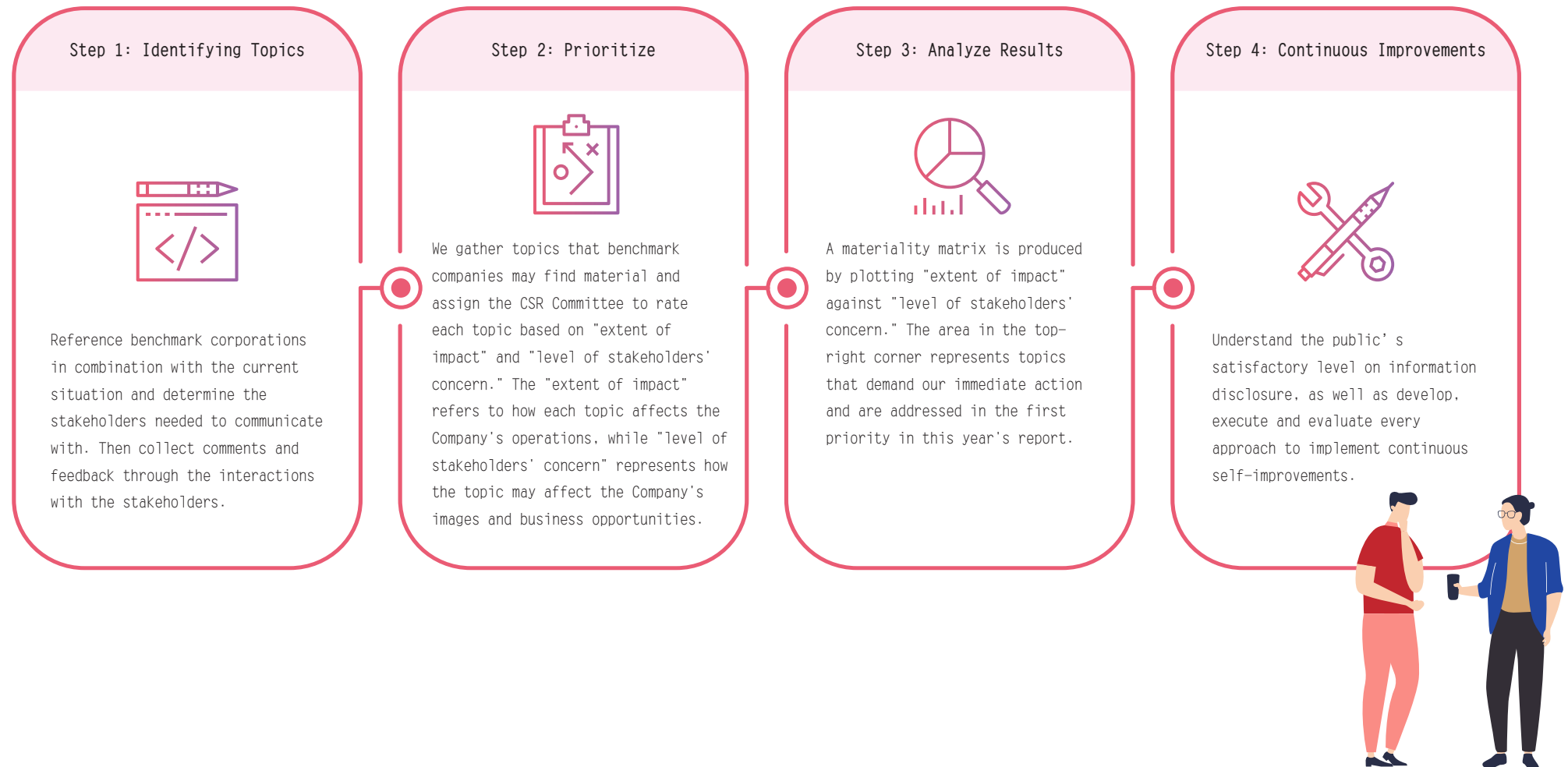
Based on the Company's circumstances, stakeholders were identified for additional communication. The CSR Committee decides annually whether stakeholders need to be added or removed. The six stakeholder groups identified this year are the same as those in 2017, namely employees/union, customers, government agencies, suppliers/contractors, community/environmental groups, and investors/banks.

Stakeholder	Issues	Communication Methods	Frequency
Employees/Trade Unions	Employee health and safety Attracting and retaining talent Talent training and education Harmonious labor relations	E-Bulletin Board Labor-Management Meetings	Unscheduled 1 per year
Customer	Customer relations management Product credibility and quality Win-win collaborations	Customer Support Line Project Manager	according to demands according to project amount
Government Agencies	Compliance Pollution prevention Harmonious labor relations	Seminar Exchanges Accreditation of Green Products Environmental Awards	2-3 per year 1-2 per year according to award amount
Suppliers/vendors	Supplier management Win-win collaborations	Unscheduled Audits Survey	Unscheduled
Communities	Corporate citizenship and charity Pollution prevention	participate in community activities/Donation	1 per year unscheduled
Investors/Banks	Corporate governance Investor relations Compliance Risk management Financial performance	Investors Conference Shareholders Conference	1 per year 1 per year

2-2 Analysis of Materiality

Analysis Process

We believe that pro-active communication and dialogue with stakeholders will help us understand their issues of concern, and respond and act accordingly, which forms the actual basis for implementing corporate social responsibility. Therefore, we follow the steps below to identify and weigh key CSR issues in Asia, and to assess issues of concern to stakeholders with the help of industry experts and units.



Materiality Matrix

Degree of Stakeholder Concern	high	12.Climate change and carbon management	10.Anti-corruption 11.Customer relations management	6.Energy management	1.Product credibility and quality 2.Attracting and retaining talent 3.Harmonious labor relations
		Human rights protection	Information security Green products Win-win collaborations	7.Employee health and safet	4. Risk management 5.Corporate governance
		Corporate citizenship and charity	Waste recycling	Talent training and education Compliance	8.Financial performance 9.Pollution prevention
		Investor relations Supplier management Government Relations	Sustainable innovation	Brand management Organizational optimization Environmental policy/ management system	
	low	Degree of Influence on the Company			

Comparison table of material issues

In 2018, we identified 12 material issues, of which four were economic-related issues, three were environmental-related issues, and five were social-related issues. Compared with 2017, five new materials issues were added: Risk Management, Corporate Governance, Energy Management, Anti-Corruption, Climate Change and Carbon Management. Materials issues of last year that were removed were: Sustainable Innovation, Win-Win Collaborations.

Note 1: ● in the 2018 column indicate issues that are new this year.

Note 2: Words in red are social issues. Words in blue are economic issues. Words in green are environmental issues.

2018

Product credibility and quality
Attracting and retaining talent
Harmonious labor relations
● Risk management
● Corporate governance
● Energy management
Employee health and safety
Financial performance
Pollution prevention
● Anti-corruption
Customer relations management
● Climate change and carbon management

2017

Talent training and education
Harmonious labor relations
Attracting and retaining talent
Customer relations management
Compliance
Employee health and safety
Sustainable innovation
Pollution prevention
Win-win collaborations
Product credibility and quality
Financial performance

2016

Attracting and retaining talent
Customer relations management
Employee health and safety
Talent training and education
Sustainable innovation
Financial performance
Organizational optimization
Product credibility and quality
Harmonious labor relations
Compliance
Win-win collaborations
Risk management
Pollution prevention
Corporate governance
Supplier management

GRI Material Aspects

Priority issue	Internal											External						GRI Standard	Report Chapter	Pages
	Taya	Cuprime	Ta Heng	Ta Ho	UEI	AD	Hengs	Dong Nai	Hai Duong	Dongguan	Kunshan	Customer	Investors	Banks	Suppliers	Government Agencies	Communities			
1.Product credibility and quality	●	●	●			●	●	●	●	●	●	●						417-1	3-1 Value transfer	39-46
2.Attracting and retaining talent	●	●	●	●	●	●	●	●	●	●	●							401-2	5-1 Human Rights Protection	64-66
3.Harmonious labor relations	●	●	●					●	●	●	●							402-1	2-3 Multiple communication channels	35
4.Risk management	●	●	●	●	●	●	●	●	●	●	●		●	●				102-15	1-2 Governance structure	28-29
5.Corporate governance	●	●	●	●	●	●	●	●	●	●	●		●			●		102-18	1-2 Governance structure	19
6.Energy management	●	●	●	●	●	●	●	●	●	●	●					●		302-1、302-3 302-4	4-1 Environmental Policy and Management	52
7.Employee health and safet	●	●	●	●	●	●	●	●	●	●	●							403-2	5-2 Occupational Safety and Health	67-68
8.Financial performance	●	●	●	●	●	●	●	●	●	●	●		●	●				201-1 201-3	1-2 Governance structure	27
9.Pollution prevention	●	●	●					●	●	●	●						●	305-7、306-1 306-2	4-1 Environmental Policy and Management	57-59
10.Anti-corruption	●	●	●	●	●	●	●	●	●	●	●							205-2 205-3	1-2 Governance structure	28
11.Customer relations management	●	●	●	●		●	●					●						417-1	3-1 Value transfer	38
12.Climate change and carbon management	●	●	●	●	●	●	●	●	●	●	●				●		●	305-1、305-2 305-4、305-5	4-2 Response to Climate Changes	54

Note: ● Material issues and disclosed in this reports.

2-3 Multiple communication channels

Setting great store with the opinions and suggestions of all stakeholders, Ta Ya has designated a dedicated officer to facilitate communication between the Company and its stakeholders, to listen and respond to their needs, and taking measures where necessary to strengthen the Company's information disclosure. With regard to improving information transparency, including through corporate briefings, the Group's consolidated business operations and financial information are regularly disclosed on the website, while the Company's annual report clearly describes the business status, future plans, strategy implementation and financial performance. These communication channels are smooth and convenient for investors.

In order to protect shareholders' rights and interests, Ta Ya has a spokesperson, acting spokesperson, and stock management agency to handle suggestions, questions, disputes, and litigation, and handle those matters in accordance with the relevant procedures. To allow minority shareholders to exercise their rights without time and space restrictions, electronic voting was adopted in 2014, so that shareholders have more ways to express their opinions.

Ta Ya employees have the right to form labor unions and autonomous associations in accordance with the law. In labor management meetings, employee representatives put forward their suggestions and opinions on specific issues to the Company's managers. After discussion, consensus is reached and presented to the Board of Directors for further handling. Other affiliated companies also abide by the principle of respecting stakeholders. Employees and shareholders may submit proposals to the departments concerned for response, handling and if necessary referral to the Board of Directors.

Communication channels



Internal
Internal Mailboxes/Electronic Bulletin Board/
Labor Management Conference



External
Official Website/Ta Ya Cables Facebook Fanpage/GreenInside
Facebook Fanpage/GreenInside Fanpage/Foundation Official Website/
Youtube/Instagram



CH.3

Group value creation

3-1 Value transfer

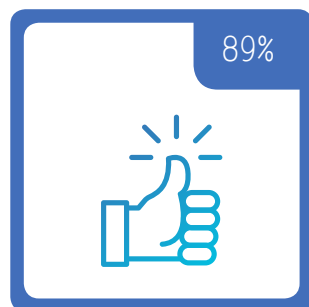
3-2 Innovation management

3-3 Sustainable Supply Chain



03 —◆ Group value creation ◆—

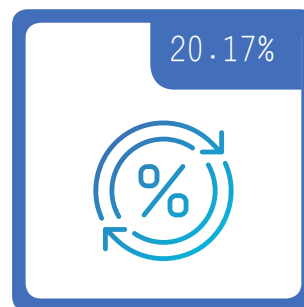
Ta Ya Group is committed to innovation and change, pursues growth, learns and reflects, actively seeks opportunities, takes on challenges, changes with the times, and is a forward-looking player in its industry. Thus we value the voices of our customers and we listen with interest. We set much store by quality management in order to provide our customers with the most stable products. We put great store by supplier management. In addition to requiring independent assessment, we also carry out on-site inspections ourselves.



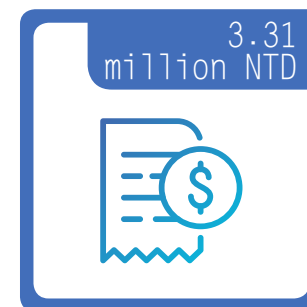
Average customer satisfaction



Supplier evaluation number



Percentage of local procurement



Green procurement expenditure

3-1 Value transfer

Customer satisfaction survey

Customer Satisfactory Survey Honesty and trust is paramount in our dealings with clients. The Group complies with client and contractual demands to protect customer rights in providing satisfactory services. All business units individually conduct customer satisfactory surveys to understand client demands.

Results of Customer satisfaction survey

Company	Survey project		Target value	Actual value	Description
Taya	ETC BG	Service, quality, manufacturing, customer evaluation, competitive standards	88	93	goal achieved
	MW BG	Service, quality, manufacturing, hazardous substances, delivery, competition standards	85	92	Achieving the goal is between 85 points and 100 points.
	NIC	Service, quality, process, no harmful substances, shipping speed	80	82	With a score of 100 points and an average of 85.5 points, we are constantly seeking breakthroughs in customer response.
Cuprime	Service, quality, delivery, competition standards		80	83	Achieving the goal is between 80 points and 100 points.
Ta Heng	Product quality, product price, delivery of goods, document report, packaging, new product development, sample response, customer consultation, customer complaint handling, business communication skills		80	84.7	With a score of 100 and a KPI target of 80, the 2017 results will remain the same as in 2017.
Ta Ho	Service, quality, construction		8	9	Take 10 points and score up to 10 points; achieve the goal
UEI	Service, quality, packaging, delivery		100	100	The results of the 2017 and 2018 surveys are all 100 points.
Hengs	Quality, delivery, packaging, handling customer complaints efficiency, service attitude, product design		No setting	4.4	converted to a percentage

Quality management

Quality Assurance

We uphold an ethos of “quality first, client first, speedy service” in providing the best service to our customers. • Ta Ya Energy and Telecom Cable Business Group owns various types of cutting-edge precision testing equipment in the world, including: 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 testing equipment; partial discharge non-destructive testing equipment; high pressure test site, network analyzer; communications cable near/far end cross talk high-frequency testers; various fiber optic cable property test equipment (such as optical-time domain reflectometer OTDR, polarization mode dispersion analyzer PMD, geometric characteristics meter); low-smoke and non-toxic laboratory; and a variety of heat/ flame-resistant testing equipment. Aided with professional knowledge and continuous enhancement of the assessment technique, we are able to reduce the product malfunctioning rate, expand cable lifespans, and improve electrical safety. The Magnet Wires Business Group has the first lab to pass the CNLA ISO/IEC 17025 test. All the products meet the EU RoHS requirements and make a contribution to the reduction of the environmental load and possible hazards to human bodies. The management system certificates that each company acquires are described in the following table.

	Taya			Cuprime	Ta Heng	Ta Ho	UEI	AD	Hengs	Dong Nai	Hai Duong	Dongguan	Kunshan
	ETC BG	MW BG	NIC										
ISO 9001	●	●	●	●	●	●	●		●	●	●	●	●
ISO 14001	●	●	●							●	●	●	●
ISO/TS 16949		●	●							●		●	●
ISO/IEC 17025	●	●											
OHSAS 18001	●	●	●										
TOSHMS /CNS 15506	●	●											
IECQ QC080000		●		●									

Responsible Business Alliance (RBA)

Cuprime recently developed phosphorus copper balls for domestic and overseas PCB industries and, thus, know the importance that customers in the electronics industry place on the compliance to EICC. In January 2016, the EICC handbook was issued according to Electronic Industry Code of Conduct and will continue to revise according to requirement to establish all policies related to five major aspects of management system, labor, health and safety, environment and moral standard.

After introduced the EICC, Cuprime has added supplier EICC questionnaire in the business partner evaluation form, requiring the suppliers to cooperate with implementation of environmental policies and to emphasize in corporate social responsibility for environmental safety and health, human rights and anti-bribery. There were 2 suppliers with evaluations in 2018, including 2 HSF suppliers. In 2018, it is expected to increase the number of suppliers with evaluation to 5, and 3 HSF suppliers.

Product Information Labeling

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

● Ta Ya Energy and Telecom Cable Business Group

The labeling includes company information (such as company name, address, phone number, and client name); product information (such as type of wire, purpose, materials, and composition); specifications (length and weight); quantity; date of manufacture; product certification (such as the CNS mark, the Twin Dragon mark, the Commodity Inspection Certificate by the Bureau of Standards, Metrology & Inspection); eco-labeling; and the RoHS Directive. This ensures that clients fully understand the information about the supplier and the safe use of the product, and that the product is appropriately processed after its lifetime to minimize environmental impact. All products are made primarily using materials that are friendly to the environment. Products with special contents are labeled clearly. Including:

- (1) Lead content: 8500PPM to 1000PPM and below. Lead-free PVC (lead content below 1000PPM), labeled LF PVC.
- (2) Chlorine content: For LSFH (low smoke free of halogen) label, chlorine content is kept below 5000PPM; for halogen-based plastics (e.g. PVC), chlorine content is measured at 200000 PPM and above.
- (3) Smoke density: For LSFH label, smoke density is kept below 250; for halogen-based plastics, smoke density is measured at approximately 350.
- (4) Content of other hazardous substances (e.g., phthalate ester, cadmium compounds, mercury compounds, tin compounds, polybrominated biphenyls (PBBs), polybrominated diphenyl ethers (PBDEs)): below 100PPM for LSFH label.

● Ta Ya Magnetic Wires Business Group

The Company complies with several package labeling and product validation systems, such as: ISO9001, OHSAS18001, ISO14001, TOSHMS, IECQ QC080000, TS16949, ISO/IEC 17025.

● Ta Ya New Business Development, Investment and Copper Management Business Group

All products are labeled with digital tags, which contain information such as wire category, size, quantity, manufactured date, expiry date etc. the Company complies with several package labeling and product validation systems, such as: ISO9001, TS16949, and ISO14001. Products have been made to comply with EU's RoHS Directives as requested by customers and the laws of the destination country. Currently, 100% of products and services offered by the Company need to conform with the directive.

● Cuprime

The products are all labeled where appropriate with mark, cable type, specifications, weight, date of manufacture, batch number, and the assertion seal. Products are also labeled as per customer demands and export requirements, such as the RoHS label as required by the EU. Ta Heng: Solar power cables have been certified by TUV Rheinland (Germany) and UL (USA). As a priority, products are made using materials that are friendly to the environment, produced in compliance with international rules on hazardous substances, and labeled RoHS, REACH etc where appropriate. Network cables are produced according to ANSI TIA-EIA 568 C2 and have passed UL certification. The product, the label and the packaging have all been labeled clearly in compliance with UL rules.

● Ta Heng

Solar power cables have been certified by TUV Rheinland (Germany) and UL (USA). As a priority, products are made using materials that are friendly to the environment, produced in compliance with international rules on hazardous substances, and labeled RoHS, REACH etc where appropriate. Network cables are produced according to ANSI TIA-EIA 568 C2 and have passed UL certification. The product, the label and the packaging have all been labeled clearly in compliance with UL rules.

● UEI

Power cable-related products and packaging are labeled according to customers' and legal requirements. The label contains information such as company profile (company name, address and phone number), customer's name, equipment description, cable specification, name of power line, packing size, weight, date of manufacture etc. Some consumables used for constructions are labeled hazardous as required by rules.

● Vietnam

2018 Wires and cables are certified by the Vietnam Inspection Center and certified and inspected in accordance with the government TVCN regulations. The packaging of wires and cables by Dong Nai Factory is labeled according to the requirements of customer as well as the provisions specified in laws and regulations. The content of label includes: Company basic information, product information (wire type voltage, material composition, size, length, weight, manufacturing date), product certification information (such as TVCN mark, Dragon brand, inspection mark, ecolabel, RoHS hazardous Material Restriction Directive, ISO 9001, ISO 14001 and Vietnam National Quality Gold Medal Mark). In addition to the above related information, the magnet wire products are additionally listed with the automotive industry quality management system ISO / TS 16949 certification. The wires and cables products and packaging produced by Hai Duong Factory are the same as those of produced by Dong Nai Factory.

● China

The Dongguan Factory produces high-quality magnet wires and provides customized product services. It is widely used in industrial, consumer and automotive motor electronics industries. The temperature resistance of the product ranges from 130 ° C to 240 ° C, and the magnet wires can be customized from extremely thin wires (0.02 mm) to the large wire diameter (2.00mm). All products are in compliance with the US UL safety inspection certification. In addition to the Dragon brand logo, product labeling information: product name specification, national standard model, product standard number, manufacturing data QR code, weight, box number, expiration date, UL certification number, and ISO9001, ISO 14001, IATF16949 management system certification.

3-2 Innovation Management

Product Technology and Innovation

Wires and Cables

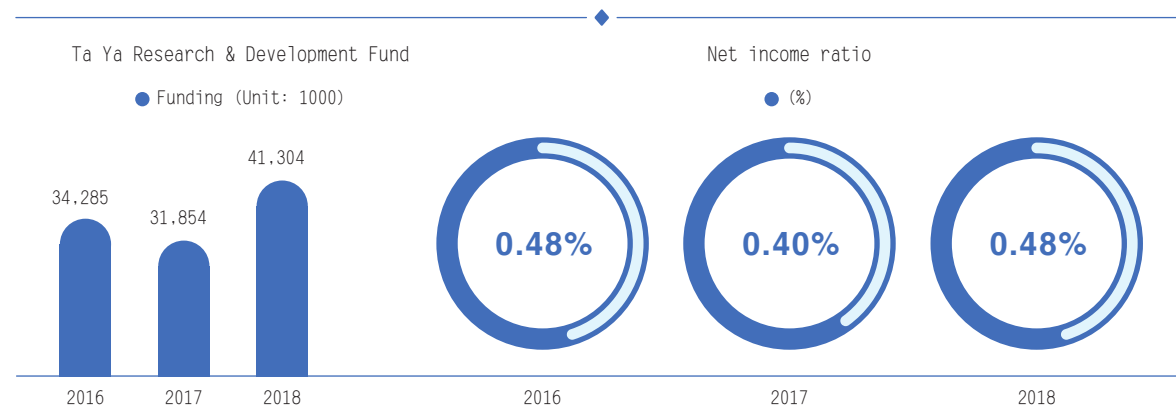
1. Production of extra-long UHV 345KV XLPE cables
 - ◆ In response to the demand for longer cables for use between Taipower sub-stations, we began mass production of 345KV cables.
2. Development of lead-free PVC coating
 - ◆ 600V PVC wires, PVC cables, cross-linked polyethylene power cables, medium-voltage cross-linked polyethylene power cables are mass-produced with lead-free PVC coatings in order to make a contribution to the global environment.
3. Development of high-voltage (15KV-345KV) lead-coated power cables
 - ◆ In response to the structural demand for direct-bury cables in the Middle East and Southeast Asia, we developed high-voltage (15KV- 345KV) lead-coated power cables to secure orders from those export markets.
4. Development of cables for solar power systems to improve operating performance.
5. Environmentally friendly flat cables
 - ◆ Using newly developed low-smoke non-toxic materials and packaging materials selected in collaboration with suppliers, these eco-friendly measures have been awarded the National Environmental Protection Mark (No. 10932).
6. Solar power system wires PV-CQ
 - ◆ In response to the promotion and development of solar power generation systems, the DC-1500V environmental protection cable PV-CQ was developed to meet the demand for wires suited for green energy system environments.
7. Submarine cables: ARRAY CABLE
 - ◆ In response to the development of existing offshore wind farms, these submarine cables for offshore wind turbines were developed to meet the demand for connection and transmission for these green energy systems.

Magnet wires

1. Self-melting three-layer insulated wires
 - ◆ In order to meet customers' varied requirements with regard to processing and temperature resistance, we have developed a variety of self-melting three-layer insulated wires with different temperature resistance levels in order to round out our product range to serve more needs in this vast market.
2. Stranded magnet wire
 - ◆ Our stranded magnet wires can reduce the high-frequency power loss caused by the skin effect, offer good impedance stability, and are highly suitable for application in circuits with high Q values. They have already entered the stage of mass production and sales.
3. Single-layer and multi-layer insulated wires and coiled wires
 - ◆ The three-layer insulated wires can be directly used in transformers without intermediate insulating tape, which reduces volume and saves overall material cost. They can be directly soldered without first stripping away the outer insulation. These wires have also been taken into mass production and sales.
4. Surge-resistant magnet wires
 - ◆ In response to the increasing use of frequency switching, we have developed anti-surge magnet wires for industrial use. The anti-surge magnet wires have a longer life cycle, better anti-surge properties, and greater stability when used in high-temperature and otherwise harsh electrical environments in comparison with general magnet wires.
5. IIC packaging materials
 - ◆ Our pure copper wire, palladium-plated copper wire, and gold-plated palladium copper wire have all been tested by IC packaging manufacturers at home and abroad, and have now entered mass production and shipment. At present, we have begun trial production of copper alloy materials and we are carrying out related tests and research and development for other special-components packaging wires. In addition, our silver alloy wires passed customer certification in 2016. We are expecting mass production orders and our overseas agents will promote them to their customer bases.
6. Flat magnet wires
 - ◆ In response to the miniaturization of electronic equipment, transformers and inductors are developing toward high frequency, and they larger effective content ratios.
7. Silk-coated magnet copper wire
 - ◆ Multiple stranded then silk-coated wires make conductors increase their surface area while maintaining the same diameter and reducing the skin effect. Their high-frequency resistance is lowered to increase the Q value.
8. Thermal conductive enameled wire
 - ◆ When an electric vehicle accelerates quickly, the engine generates a large amount of currents through the electromagnetic coil. When the currents flow through the wire, a large quantity of heat energy is generated due to the current's thermal effect in the conductor. Therefore, electromagnetic coils in electric engines must have the ability to quickly remove thermal energy. If the insulating varnish applied to a wire has good heat transfer capacity, the heat generated when currents flow through the wire can be quickly removed.

R&D investment (costs, methods, etc.)

With the domestic wire and cable industry having matured and growing steadily, Ta Ya maintains an entrepreneur spirit of making continuous enhancements through active investment in the research and competitive advantage.

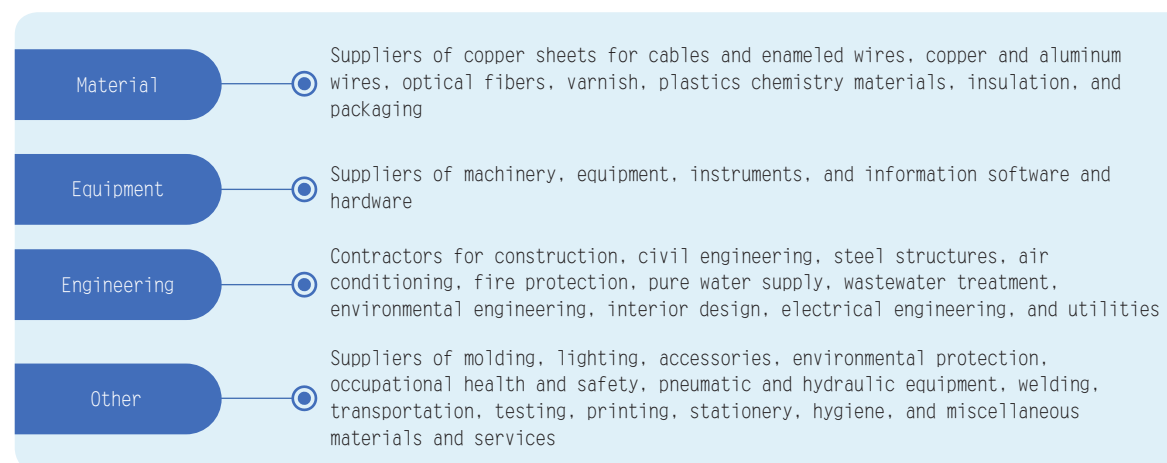


3-3 Sustainable Supply Chain

Supplier Management

Procurement Policy

The Group takes measures to prevent shortages and supplier monopoly of materials by selecting two or more qualified suppliers for evaluation. When there is only one supplier, we search for new sources. Suppliers qualify after our quality assurance and R&D departments have certified the materials. We then establish strategic alliances with the suppliers to ensure reliability. Our procurement personnel are closely in tune with market trends. Suppliers of imported materials are notified early on so they can arrange for the materials, or materials are ordered in bulk to be delivered in batches to prevent late deliveries and minimize inventory.



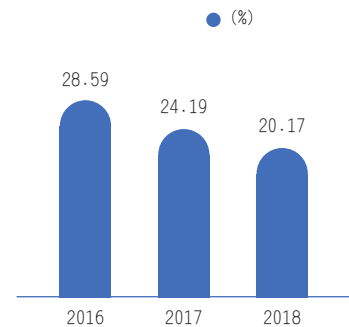
Affiliates procurement strategy

As for other affiliated enterprises:

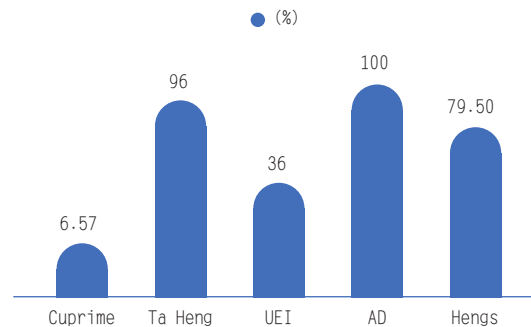
Cuprime	Electrolytic copper cathodes, one of the main raw materials, are mostly procured from overseas. The group adopts the principle to procure locally in Taiwan as the first priority in an attempt to support local industries and reduce environmental impacts from the transportation of raw materials.
Ta Heng	Some of the raw materials required are not produced in Taiwan and have to be procured from other countries. The three main sources of supply were, in descending order Taiwan, China and Europe/USA.
UEI	Purchasing is mainly in Taiwan and Japan, with a ratio of 44.74% and 55.26%.
Hengs	The Company's top three sources of equipment / material, in descending order, were Taiwan, Germany and Japan. Most Inverters purchased from German company SMA, and certain solar modules from Japan, more than half of all components used are sourced from Taiwan and exported to supply projects in various parts of the world. The Company makes purchases depending on the type of project involved and stage of completion. The sources of its supply are determined based on a number of factors including: location of project, the quality control center, random inspection, on-site inspection and delivery.

Procurement from Local

Ta YA Proportion of Procurement from Local



Proportion of Procurement from Local(%)

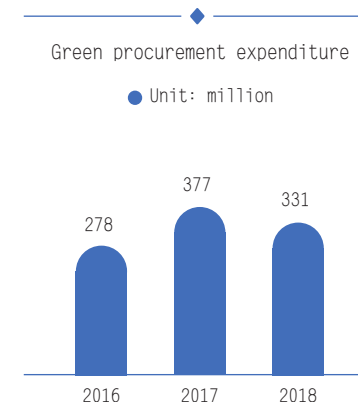


Note: Local procurement ratio = Amount of purchases from local sources / Total purchase amount



Green procurement strategy

Meets Sony GB certified and non-hazardous substance suppliers. Copper plate is the most important raw material in Taya, and its supply is from Japan, China and Chile, accounting for 71% of the total purchase amount. The total amount of purchases in 2018 was 1.9 billion yuan, a increase of about 1 million compared with 2017. The proportion of domestic purchases fell to 20%, mainly due to the decrease in the purchase amount of copper, 8mm copper and plastic pellets.



Supplier CSR Evaluation

Ta Ya' s suppliers are not required for review or self-evaluation, provided that they are ISO9000-certified and annually submit valid certification. However, to enhance CSR, we propose and execute review plans. Due to the QC080000 certification, suppliers of the enameled wire business group are required to comply with the Hazardous Substance Free (HSF) standards and provide HSF products. Therefore, suppliers of HSF materials are required to be reviewed or self-evaluated annually. Of the non-HSF suppliers, those who provide essential materials are required to be reviewed regularly.

There are 14 criteria in the CSR review, each accounting for five points. Suppliers with an average of less than four points are considered unqualified. The criteria include: human rights, workplace safety, anti-corruption, anti-bribery, regular work hours, minimum wage compliance, active environmental responsibilities, environmental protection, and prevention of occupational hazards.

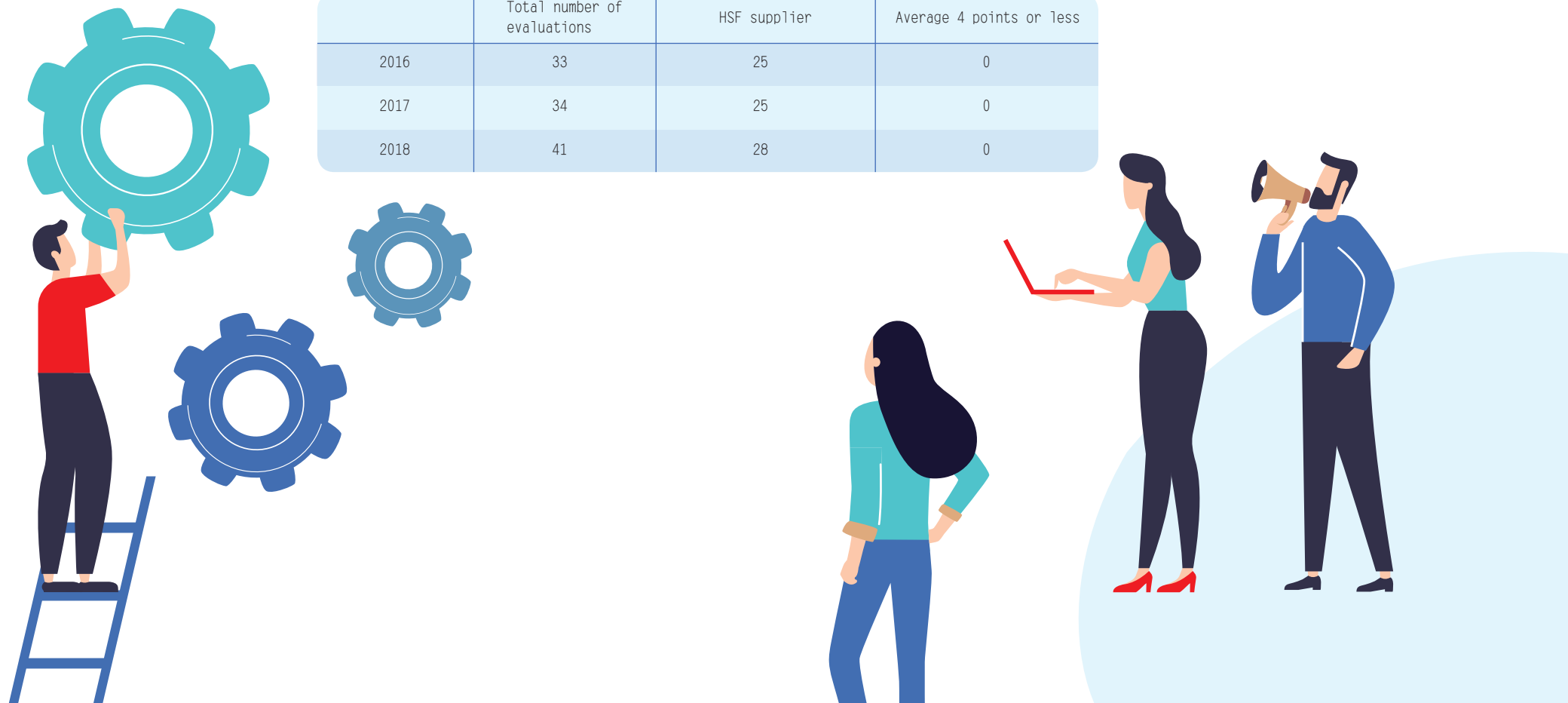
For suppliers with an average score of less than 4, the procurement staff is required to investigate individual areas where suppliers failed to score 4 or higher. Furthermore, suppliers are given relevant information and proper guidance to improve. These suppliers have demonstrated improvement after our guidance efforts. Although contractors are not subject to regular assessment at this point, Ta Ya would invite contractors to participate in general safety trainings from time to time as a means of promoting proper safety and health awareness. Ta Ya encourages all its business partners to voluntarily contribute to the sustainability of our society and environment during their pursuit for economic gains.

2018 Outcome

In 2018, Ta Ya appraised 41 companies, including 28 HSF suppliers, whose average corporate social responsibility score was above 4 points. In 2019, the number of appraised companies is expected to increase slightly to 42 and the number of HSF suppliers to remain at 28. In the Order and Business Partner Review forms, Ta Ya has requested the suppliers to cooperate with the Company's environmental policies and to emphasize in corporate social responsibility for environmental safety and health, human rights and anti-bribery. The supplier evaluates its own corporate social responsibility, including its initiatives to tackle environmental issues, encouragement of development and promotion of environmentally friendly technologies and materials. When the supplier scores less than 4 points, our procurement personnel will seek to understand the causes and share their experience with them. They will provide information and guidance to achieve the goal of jointly fulfilling one's corporate social responsibility. In March 2018, CSR and satisfaction surveys were also carried out among raw material suppliers and HSF suppliers with individual transaction amounts of over TWD 1 million. 54 questionnaires were sent and 53 were returned, making for a response rate of 98.15%. Suppliers and contractors gave very positive assessments of Ta Ya's CSR practice and corporate governance. In May 2019, 58 CSR and satisfaction surveys were issued, whose statistics are currently being analyzed.

Among other related companies, after Cuprime introduced EICC, the supplier's EICC questionnaire were updated as a third-party assessment form, and suppliers were required to cooperate with the implementation of environmental policies, corporate social responsibility, ESH, human rights, and anti-corruption. There were 2 suppliers with assessments in 2018, including 2 HSF suppliers. In 2019, it is expected to increase the number of suppliers with assessment to 5, and 3 HSF suppliers.

	Total number of evaluations	HSF supplier	Average 4 points or less
2016	33	25	0
2017	34	25	0
2018	41	28	0



Major incidents with contractors



Incident description

The logistics company entrusted by Ta Ya Electric Wire and Cable delivered cables at Chunghwa Telecom's material warehouse at about 8:50 am on 8 June 2018. While the material handling site was carrying out the receiving of goods operation and checking whether the cable models were as specified, the lift truck driver of the logistics company was called away from his offloading job into the warehouse. When the Chunghwa Telecom staff receiving the goods was done inspecting the offloaded cable, they went around to inspect the other cable reel, still on the lift truck. When the lift truck driver noticed the staff coming, they applied the emergency brake, which caused the cable to drop on the staff, causing personal injury.

Follow-up of the incident

Ta Ya Electric Wire & Cable Co., Ltd. is committed to providing the best service to its customers. Although we were not directly responsible for this event, we still provided care to our customer because the product involved was ours. We assisted Chunghwa Telecom, the injured staff, and their family to provide comfort and care.

Ta Ya stipulates that each contractor company employee receive six hours of education and training before entering a factory and obtain a license (yellow or blue card) to enter our factory. After this incident, Ta Ya reminded its contractors of its requirement of ESH education and training and stepped up its ESH promotion and extended its cargo delivery insurance to include loading and offloading at customer sites.

CH.4

Environmentally sustainable operations

4-1 Environmental Policy and Management

4-2 Response to Climate Changes



04 —◆ Environmentally sustainable operations ◆—

The environmental policy of the Group is to implement government environmental protection regulations and client demands, educate employees in environmental protection awareness, improve pollution treatment, recycling responsibly, and make continued improvements.

We pledge to

01

Continue the implementation of environmental management policies and goals, in order to reduce our environmental impact in the process of operations.

02

Comply with environmental regulations and other issues in response to global environmental protection movements.

03

Value labor safety and health, reduce the risk of disasters.

04

Continue the implementation of waste reduction and promote pollution prevention measures.

05

Improve the promotion of environmental protection concepts to all colleagues to enforce resource and energy recycling, and reduce waste of resources and energy.

06

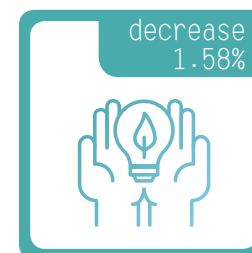
Proactively participate in all kinds of environmental protection events, and use the Internet and relevant advertisements to raise awareness of environmental issues.



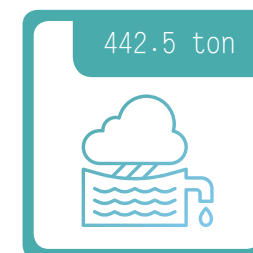
Cleaner Production Certificate



Green Building Mark



Energy Use



Rain recovery



4-1 Environmental Policy and Management

Cleaner Production Certificate and Green Building Mark

Over the years, Ta Ya has made significant efforts to fulfill its corporate social responsibilities. This year, we applied to the Ministry of Economic Affairs for a Cleaner Production Certificate and Green Building Mark, and we were awarded the Bronze-Level Green Building Mark, making Ta Ya the first company in the wire and cable industry to receive this recognition.

Improving the quality of spaces and maintaining the environment is the social responsibility of every manufacturer. Our factory is designed to be spacious, with sufficient light incidence and air circulation, providing a comfortable working environment for our staff. Although the production process is not very environmentally polluting, we set great store with taking environmental protection measures at our factories. The Environmental Team and the Security Office, which are responsible for environmental protection and labor safety, always strive to strengthen our environmental protection with the ultimate goal of achieving zero pollution.



Usage of Energy Resources

The Group is primarily in the business of manufacturing wires and cables, and our main raw materials include copper, PVC powder, XLPE particles, plastic pellets, plasticizers, varnishes, and fiber optic wire. Our main materials also include iron shafts, wooden shafts, sealing plates, plastic shafts, cartons, stack boards, liquid nitrogen, palladium salts, gold salts and charcoal. Our main materials also include iron shafts, wooden shafts, sealing plates, plastic shafts, cartons, and stack boards. Apart from metal reels, wooden reels and cartons, no other raw materials are renewable. Copper materials are sourced mainly from Chile, Peru, Japan, South Africa and Indonesia. Imported copper plates are outsourced to Cuprime where they are processed into 8 mm copper rods. Cross-linked PE granules cannot be produced in Taiwan because of their distinctive characteristics, which is why these materials need to be imported from USA, Sweden and Korea. Spun optic fibers are mostly imported from Japan. Other materials are entirely supplied by local suppliers.

The energy source are gasoline, diesel, natural gas and LNG directly, and electricity indirectly. The major energy source is from electricity. Ta Ya consumed energy to a total of 140,496.94GJ, annual reduction of 5.01% (or a consolidated amount of 262,501.76 GJ together with other 6 companies in Taiwan, annual reduction of 1.58%) in 2018. In 2018, the average monthly electricity consumption per ton of finished products decreased by 19.1% when compared to 2014. The ISO 50001 energy management system is expected to be introduced in 2019.

Volume of Main Raw/Source Materials (2018)

	Item(Unit)	application	Ta Ya	Cuprime	Ta Heng	Dong Nai	Hai Duong	Dongguan	Kunshan
unrenewable	Copper (KG)	Main material for power cables	29,548	12,757,165	3,347,270	6832874	1738693	9796639	7739672
	PVC Powder (KG)	Main material for plastic granules used in power and telecom cables	697,800	0	N.A	0	N.A	0	0
	XLPE particles (KG)	Material for insulation and internal/external conducting layers for power cables	1,778,081	0	116,425	288333	109223	0	0
	Plastic pellets (KG)	Raw material for power cable cover or insulation	806,201	0	2,315,768	1540965	1007681	382410	0
	Plasticizer (KG)	Critical material for plastic granules used in power and telecom cables	353,880	0	N.A	0	N.A	0	0
	Varnishes (KG)	Key insulated coating for magnet wires	1,268,604	0	N.A	294293	N.A	1280370	916307.8
	Fiber Optic Wires (KM)	Main material for optical cables	129,855	0	N.A	0	N.A	0	0
	Shrouding (new and used) (PCS)	Packaging material for power cables	193,653	0	10,621	15312	0	0	0
	Plastic spools (new and used) (PCS)	Packaging reel for magnet wires	421,583	0	1,665	119225	N.A	0	0
	Iron spools (new and used) (PCS)	Packaging reel for high-voltage cables	11,582	1112	2390	1600	32	40000	10804
	Pallets (PCS)	For loading finished goods and raw materials	236,030	0	N.A	14450	N.A	0	0
	Liquid nitrogen (KG)	For cooling of power cables and drying of telecom cables during production	700	0	N.A	0	N.A	0	0
	Palladium salts (g)	Inhibits oxidation of copper rod surface and raises production yield	0	0	N.A	0	N.A	0	0
	Gold salts (g)	Improves operational stability and extends useful life of welding pins	0	101500	N.A	73740	6038	0	0
renewable	Charcoal (KG)	Removes oxygen from copper melt during production of oxygen-free copper	4,235	0	N.A	10	0	0	0
	Wooden spools (new and used) (PCS)	Packaging reel for medium-voltage cables	24,393	0	7,670	7471	5477	0	0
	Corrugated case (PCS)	Packaging box for magnet wires	373,664	236,000	32,903	105696	233	710050	292451

Note: N.A.= not applicable. The pallet consists of a wooden pallet and a plastic pallet. Since the amount of plastic pallets is small and not calculated separately, the pallets are listed as non-renewable.

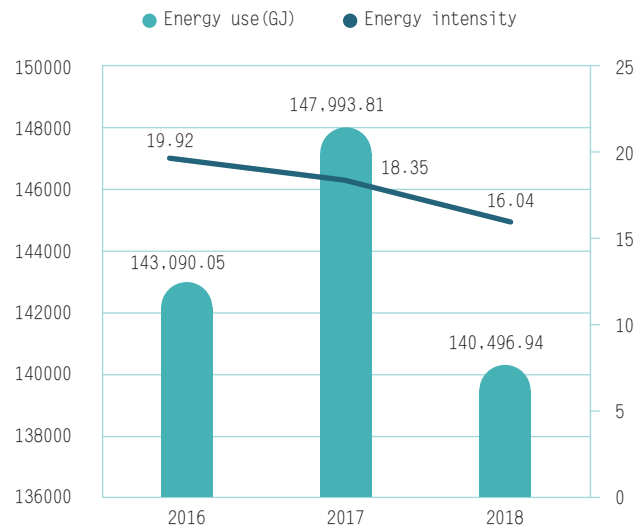
Volume of Energy Usage (2018)

	Guanmiao	Da wan	Cuprime	Ta Heng	Ta Ho	UEI	AD	Hengs	Dong Nai	Hai Dong	Dongguan	Kunshan
Petro (L)	1,385.51	N.A.	4,571	0	19,673	1,572	18,030	77459.42	2,220	270	0	7,178
Diesel (L)	61,771.00	N.A.	192,000	12,800	6,482	0	2,884	1792.07	36,000	19,630	11,200	0
Natural Gas (m3)		N.A.	1,781,922	0	0	0	N.A.	N.A.	0	0	0	0
LPG (kg)	2080	N.A.	0	100	83	0	N.A.	N.A.	5,274	3,840	0	0
Electricity (kWh)	38,524,800	446758	11,101,800	2,601,764	5,314	609,900	140,144	242,560	16,368,079	3,820,110	27,425,226	13,212,924
Energy Usag (GJ)	140,496.94		99,669.17	9,377.23	9,372.42	2,195.83	507.13	883.03	61,851.56	15,010.00	98,732.30	47,567.41
Energy intensity	16.04		27.81	9.18	124.97	5.38	0.83	0.77	33.89	27.29	36.52	27.19

Note 1: Direct energy consumption includes gasoline, diesel, natural gas, and liquefied petroleum gas; indirect energy consumption is electricity.

Note 2: For UEI, liters of gasoline consumed were estimated from total expenses, as the Company used no diesel, natural gas or liquefied petroleum gas during the year

Energy use and energy intensity (Taya, the last three years)



Energy use and energy intensity (affiliates, 2018)

	Cuprime	Ta Heng	Ta Ho	UEI	AD
Energy Usag (GJ)	99,669.17	9,377.23	9,372.42	2,195.83	507.13
Revenue (million TWD)	3,584	1,021	75	408	609
Energy intensity	27.81	9.18	124.97	5.38	0.83
	Hengs	Dong Nai	Hai Dong	Dongguan	Kunshan
Energy Usag (GJ)	883.03	61,851.56	15,010.00	98,732.30	47,567.41
Revenue (million TWD)	1,152	1,825	550	2,704	1,749
Energy intensity	0.77	33.89	27.29	36.52	27.19

Note: Energy intensity = total calorific value (GJ) / operating income (million NT).

4-2 Response to Climate Changes

Mitigation and Adaptation

In response to the impact of climate change and extreme weather on business operations and daily life, the operational strategies of the Group have been structured in two ways, namely mitigation and adaptation.

Ta Ya's carbon reduction strategy involves three parts: Clean Production – reducing carbon in own production activities; Low-carbon Products – helping others reduce carbon; and investment into Ta Ya Green Energy. Despite Ta Ya's involvement in a low-energy consumption business, the Company continues to devote attention into reducing energy and resources. Furthermore, the Company organizes regular greenhouse gas inspections to evaluate its performance in this regard. In the meantime, we have been developing green products that would help customers reduce carbon emission. In terms of green energy, Ta Ya has been focusing on the construction of solar power plants, and expects to achieve a total capacity of 50MW by 2020.

Ta Ya Group's energy-saving and carbon-reduction goals

Unit			Indicator	Unit/calculation	2015	2016	2017	2018	2019	2020
					actual value	actual value	actual value	actual value	actual value	actual value
Taiwan	Group		Total GHG emissions	tCo2e	30,643.23	31,055.76	32,242.17	29,723.93	34,692.83	29,111
	Taya	Energy and Telecom Communication Cable BG	Power cable consumption/per product	kWh/product weight (ton)	403.1	400.06	467.45	391.01	456.60	383
		Magnet Wires BG	Magnet wire consumption/per product	kWh/product weight (ton)	3,683.66	4,275.01	3157.22	3,573.15	2,744.28	3,499
		NIC	Power consumption	kWh	525,333	577,768	430,276	509,573.01	446,758	472,800
	Cuprime		GHG emission intensity	tCo2e/product Weight(ton)	0.174	0.19	0.2	0.17	0.243	0.165
			Power consumption/per product	kWh/product weight (ton)	201.77	214.91	251.58	195.72	260.37	192
	Ta Heng		Power consumption/per product	kWh/product weight (ton)	491.9	487.85	876.01	477.14	436.29	467
	UEI		Power consumption/per product	kWh/product weight (ton)	6,581.29	6,402.37	4,754.44	6,383.85	4,259.20	6,252

Note 1: "Entire Group" currently covers all the factories in Taiwan, excluding the factories in other countries. With the "actual value in 2015" as the baseline, the consumption in 2020 is less than that in 2015 by 5% (i.e. a reduction of 1% every year). The consumption in 2018 should be reduced by 2% in comparison with 2015.

Note 2: Power consumption of Ta Ya's products is estimated based on the capacity of the equipment. The absolute value of consumption is used as the indicator for NIC because its output is low, and a reduction of power consumption by 2% every year is set accordingly.

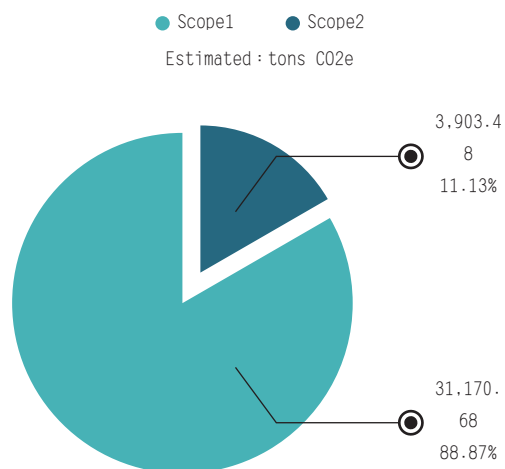
Greenhouse Gas Inspection

Ta Ya first adopted the ISO 14064-1 standards in the implementation of greenhouse gas (GHG) inspections in 2009. Total emissions then were 25,969.65 tons of CO₂e. We use that as the base to measure our subsequent energy-saving and carbon-reduction efforts. The emission of GHG primarily comes from purchased electricity (Scope 2), which accounts for 92.6%, while the emission of stationary combustion sources, manufacturing process emissions, mobile combustion sources, and dispersive GHG emission sources (Scope 1) accounts for 7.4%. Meanwhile, some parts of the data collection process of other indirect GHG emissions (Scope 3) proved difficult, hence the primary focus has been on periodic inspections.

2018 Ta Ya performed a greenhouse gas (GHG) inventory in accordance with ISO14064-1 and found 24,309.87 metric tons (MT) of CO₂e emissions, an annual increase of 14%. Purchased power (Scope 2 in the inventory) accounted for 87.91%, which was our main source of carbon emissions. Ta Ya's total energy use this year was lower than that of 2017. However, in response to the trend of low-carbon sustainable operations, this year's scope of our GHG inventory will be expanded to include Category 1 (blowtorches, gas, acetylene, welding rods, refrigerants, CO₂-based fire extinguishers, and septic tanks). Therefore, our emissions count increased from last year. Optimization of equipment configuration, processes and energy efficiency will continue to be our key focus towards sustainability.

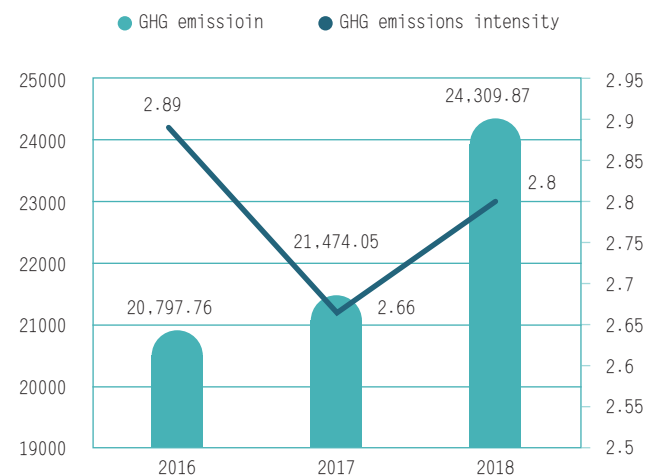
The total emissions of our seven companies in Taiwan (Ta Ya, Cuprime, Ta Heng, Ta Ho, UEI, AD, Hengs) were 35,074.15 MT of CO₂e, a year-on-year increase of 8.78%. Among these Ta Ya accounted for 69.86% of the group's emissions in Taiwan, followed by Cuprime accounting for 18.14%. According to a resolution of the CSR Committee's Environmental Team in 2015, the group's total GHG emissions must be reduced by 5% by 2020 when compared against the baseline year of 2015. We will continue to work hard to reduce our emissions by 1% every year.

Total Emission of Greenhouse Gasses in Taiwan (2018)



Note: The source of this emission factor is the Energy Bureau of the Ministry of Economic Affairs. Direct emissions are emissions from the combustion of gasoline, diesel, natural gas, and liquefied petroleum gas, while indirect emissions are emissions from the use of purchased electricity. The global warming potential (GWP) version used is: IPCC Fourth Assessment Report (2007)

Greenhouse gas emissions and emission intensity (Taya, the last three years)

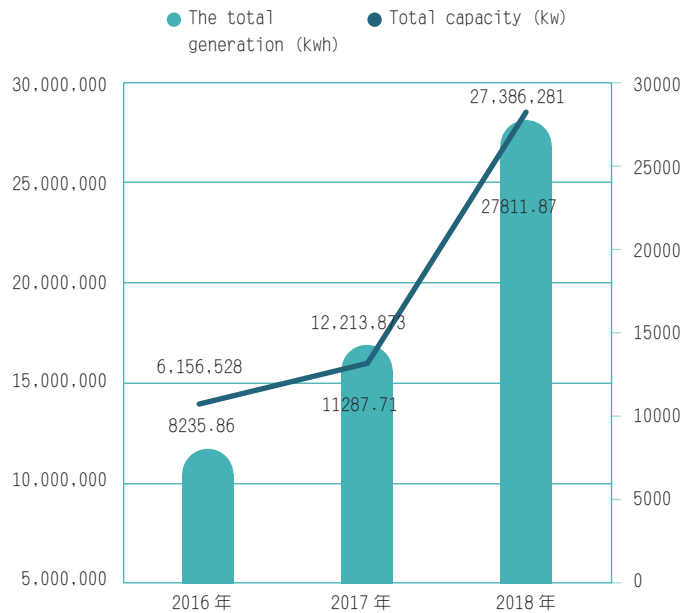


Note: Greenhouse gas emission intensity = total greenhouse gas emissions (metric tons) / operating income (in NT\$ million)

Affiliates gas emissions and GHG emissions intensity (2018)

	Cuprime	Ta Heng	Ta Ho	UEI	AD	Hengs	Vietnam		China	
							Dong Nai	Hai Dong	Dongguan	Kunshan
Scope1	510.7	129.78	61.412	3.5574	48.318	179.96	5075.8	4277.7	29.187	16.244
Scope2	6150.4	1441.4	1441.4	337.88	77.64	134.38	9444.6	2247.7	15194	7320
Total emission	6661.1	1571.2	1502.8	341.44	125.96	314.34	14520	6525.4	15223	7336.2
Emission intensity	1.86	1.54	20.04	0.84	0.21	0.24	7.96	11.86	27.68	13.34

Solar power plant capacity



Energy-Saving and Carbon-Reduction Measures

Although the group is comprised entirely of low-energy and low-water consumption businesses, it continues to improve the ways business operation is managed and introduce new energy-saving equipment. Several energy-saving measures have been adopted to date, such as: natural ventilation, power usage monitor, power efficiency improvement, use of energy-efficient lighting equipment, recycling of heat through thermal cycle, inverter device for cooling tower motor, and power-saving incentives for employees.

2018 Energy-Saving and Carbon-Reduction Measures

Company	Items	Before	After (per year)		
			kwh	GJ	CO2e
Ta Heng	Replacement of 22 emergency exit lights	Improved front lighting fixture type > T8 emergency escape indicator 10W Improved rear lighting fixture type > LED emergency escape indicator 5W	960.96	3.33	0.53
UEI	Replacement and upgrade of fire emergency lighting	Replacement of fluorescent lamps with LED lamps: 1.20 exit indicator lights* (always on) 2.22 Escape direction indicator lights* (always on) 3.100 emergency lights* (light up when power is off)	6780	24.4	3.58

Note: The estimate of reducing energy consumption is based on the assumption that energy conservation measures last for twelve (12) months, and which is a not actual monitoring result. The estimation of carbon reduction is based on the 2017 power emission coefficient of 0.554Kg CO2e / kWh.

Risks and Opportunities

Extreme high and low temperature and extreme heavy rain appear more frequently due to climate change. How to generally understand the risks and find potential opportunities is indispensable for an enterprise to pursue sustainable development.

All the factories of Ta Ya must enhance the drainage and maintain the factory buildings to face the risks in the change of the climate conditions and defend the attack of the extreme heavy rain and fierce typhoon. As for the opportunity, three consecutive typhoons (Magi, Meranti, and Nepartak) in 2016 brought about power failure and about 6 million households were affected merely because the wire poles were broken. To defend against typhoons thoroughly, Taipower started a disaster-preventive resilience project to lay cables underground in the section where roads are against the wind and seriously damaged. For Taiwan where earthquakes occur frequently, laying cables underground is most effective to ensure stable supply of electricity. To implement this project, Taipower prepares a budget of NT\$ 7.4 billion to lay cables of 463 kilometers underground within 3 years. Ta Ya 25kV cables are used for the project. It will be beneficial to the operation of the Company.

As for the legal and regulatory risks, regular carbon inventory, improvement of equipment efficiency to meet the energy saving requirement, or use of renewable energy to an extent required by the government may lead to increase of the operating cost before long. However, the opportunities created by using more renewable energy is much greater than the risk. This not only encourages use of new products, but also bring the new investment opportunities.

Photovoltaics: Construction of solar power plant, development of special PV DC cables and optical fiber composite floating solar cables.

New energy vehicle: Anti-surge magnet wires, magnet wires, thermal wires, polyimide magnet wires are developed to solve the problems of the higher frequency and temperature in the operation environment of the vehicle motors.

Risks and opportunities in the climate change

Amendment of laws and its impact

Risk



Emission report requirements >> increase of operating costs
Regulations and standards of product efficiency >> increase of operating costs
General environment regulations >> Increase of operating costs

Opportunity



Regulations and standards of product efficiency >> increase of the needs for service
Renewable energy regulations >> investment opportunities, more social benefits

Change of the climate conditions and its impact

Risk



Extreme raining model >> increase of operating costs

Opportunity



Extreme raining model >> new products/business services

Pollution prevention Management

Air Quality Management

The fixed pollution sources of the Ta Ya factory in Guanmiao are all equipped with pollution prevention devices. The pollutants include volatile organic compounds (VOC) and granular pollutants. The pollution prevention equipment includes a catalytic converter, a bag-type dust collector, and a venturi scrubbing tower. In accordance with air pollution prevention laws and regulations, we monitor and report emissions from our fixed sources. Cuprime's fixed air pollution source emissions are regularly tested once a year, the results of which are reported to the authorities. It has been certified by the environmental protection authority to comply with stationary air pollution standards.

Toxic Substance Management

The company has complete toxic chemical handling and chemical disaster prevention measures and drills in place. As varnishes and plasticizers are used in the manufacturing process, which are listed as regulated items of toxic chemicals by the EPA, Ta Ya is required to implement one emergency toxic chemical disaster prevention drill and two unscheduled drills annually in compliance with the relevant regulations. Moreover, the company implements one fire drill and one public hazardous material disaster prevention drill annually. Other affiliated companies do not use toxic substances.

Water Resource Management

All factories in Taiwan and Vietnam use only tap water. In order for the wastewater from the factories to meet the regulations for industrial effluent, Ta Ya's Guanmiao and Dawan factories and Cuprime periodically inspect the water quality, maintain handling equipment, and have sewage treatment equipment in place. Every year, two sample tests are conducted on commissioned certified water quality facilities, and the processed effluent is discharged into the drains outside the factories. The receiving water bodies for the Guanmiao and Dawan factories are the Erren and Sanyegong rivers, respectively, while for Cuprime, it is the Fusen River.

With regard to wastewater recovery, in addition to the soft water recycling system of our cable PVC and PE extrusion process and the cooling water of the CV production line, our enameled wire production process recovers its pure water in order to save water resources. In 2018, the water consumption and wastewater discharge of the Guanmiao factory area decreased when compared with 2017. In addition, the factory collects and uses rainwater. In 2011, storage tanks with a total capacity of about 60 tons were set up. This water is used for watering flowers and trees, flushing toilets, and cleaning floors in the factory. In June 2015, water meters were added. In 2018, the cumulative use of rainwater had reached 442.5 MT. No recycling of production water or rainwater has been adopted at the Dawan Factory.

Among our affiliated enterprises, Cuprime has adopted water-saving measures such as collecting and processing wastewater from production in a recovery reservoir and then reusing the water for cooling water circulation in the casting zone. Ta Heng set up a 150 MT reservoir for rainwater recovery. This reservoir supplies water for circulation in the extrusion process and for toilet flushing.

2018 Emissions of Stationary Pollution Sources (tons)

Company	Taya	Cuprime	Dong Nai	Hai Dong	Donguan
Factory	Guanmiao				
SOx	0	N.A	N.A	N.A	0
NOx	0	2.85	N.A	N.A	0
VOC	24.697	0.76	N.A	N.A	40.3ppm
Particulate Pollutants	0.00775	N.A	N.A	1.149	0

Note: There are no emissions from fixed sources in the other plants not mentioned here.

Water Consumption (2018) Unit : tons

Taya		Cuprime	Ta Heng	Ta Ho	UEI	AD	Hengs	Dong Nai	Hai Duong	Dongguan	Kunshan
Guanmiao	Dawan										
109845	1,695	27,690	3,750	672	1,886	808	3,608	23255	14251	63,002	45288

Note: Water 1 degree = 1 metric ton = 1 cubic meter = 1,000 liters

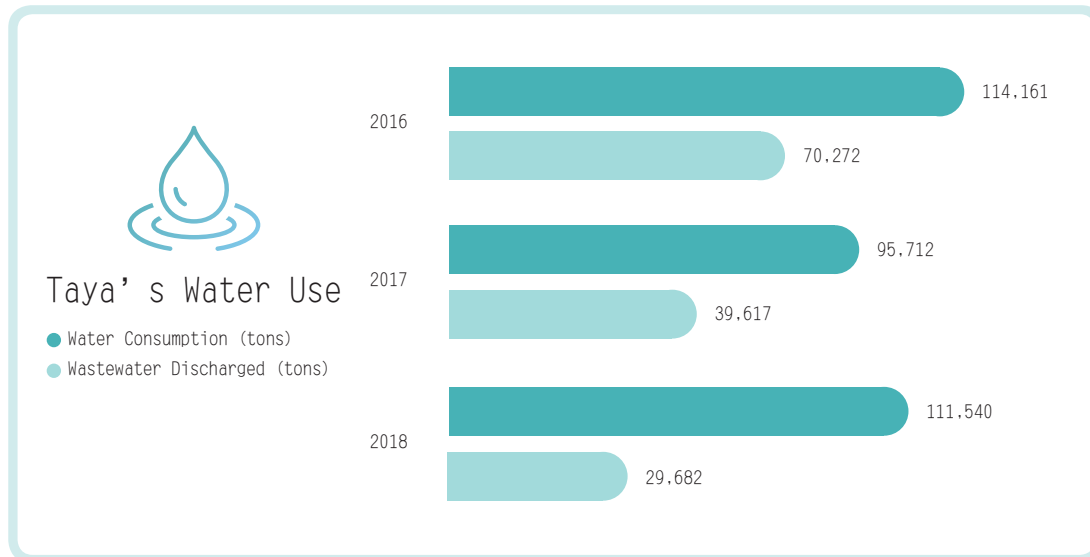
Wastewater Discharged (2018) Unit : tons

Taya		Cuprime	Dong Nai	Hai Dong	Dongguan	Kunshan
Guanmiao	Dawan					
28,646	1,036	855.8	13,869	3,495	45,779	11,764

Note: Ta Heng, Ta Ho and AD do not require emission permits, so the wastewater discharge is not counted.

Average effluent quality (2018)

Company		Taya		Cuprime	Vietnam					China	
Factory		Guanmiao	Dawan		Dong Nai		Hai Dong			Dongguan	Kunshan
Item	Effluent standard	Actual measurement	Actual measurement	Actual measurement	Standard	Actual measurement	Standard	Actual measurement	Standard	Actual measurement	Actual measurement
Chemical oxygen demand(mg/L)	100	11.3	27.8	11.9	800	N.A	No regulation	98	500	63	39
Biological oxygen demand(mg/L)	30	1.4	N.A.	N.A	500	N.A	60	32.8	300	14.2	9.7
Suspended solids(mg/L)	30	1.2	3.0	<1.25	300	N.A	120	27	400	55	15
Heavy metal-copper(mg/L)	3	0.017	0.065	0.02							



Waste Management

The promotion of industrial waste classification and resource recycling is one of our annual goals carried out with the aim to encourage all our business units to implement waste classification and effective resource recycling in reducing environmental damage. Ta Ya divides waste classification into four categories: waste oil, waste solvents, waste fiber, and general waste. Waste in the first three categories is treated by waste treatment contractors certified by the Environmental Protection Administration. Waste oil is processed with physical treatment while waste solvents, wood, pallets, and general waste are incinerated.

All construction materials used by contractor – Hengs for the construction of solar power plant are reusable, including aluminum, iron and stainless steel. All construction waste is recovered and disposed by professional environmental service providers. Only fresh water, not chemical solution, is used for cleaning at construction sites, which poses minimal impact to the surrounding environment.

Waste Disposal Amount (2018, tons)

Company	Item	Treatment	Taya		Cuprime	Ta Heng	UEI	Dong Nai	Hai Dong	Dongguan	Kunshan
			Guanmiao	Dawan							
General Waste	Waste Oil(ton)	Physical treatment	78.87	0	0	N.A.	10.21	18.84	41.04	64.26	0
	Waste Fiber(ton)	Incineration	16.84	0	0	N.A.	N.A.	N.A.	N.A.	N.A.	0
	Waste Wooden Boards(ton)	Incineration	83.7401	0	49.14	N.A.	0	N.A.	3.16	7	0
	General waste(ton)	Incineration	247.35	0	36.39	22.215	6.2	21	5.078	7.8	22.45
Harmful Industrial Waste Disposal	Waste Solvents(ton)	Incineration	21.99	N.A.	N.A.	N.A.	N.A.	2.39	N.A.	8.96	N.A.

Note: The general waste disposal volume of the TaYa Dawan plant is estimated based on the monthly clearance volume signed with the waste manufacturer. Da Heng's waste wood pallets are brought back to the supplier for disposal. Da Ho is located in the Taya Guanmiao Factory, and its waste committee is handled by Guanmiao Factory. AD is located in the office building and its waste committee is cleared by the building management committee. Other plant/relationship companies have no hazardous business waste.

Waste Disposal Amount (2018) Unit: ton

Company	Taya		Cuprime	Ta Heng	UEI	Dong Nai	Hai Dong	Dongguan	Kunshan
	Guanmiao	Dawan							
Waste Wires/Cables	805.996	N.A.	0	52.62	0	43.3	N.A.	0	0
Waste Metal Composites (iron, steel)	102.791	N.A.	76.5	0.36	2.89	80.2	7.25	3.6	4.7
Waste Paper	57.89	N.A.	8.46	2.31	3.56	5	2.28	8.2	5.05
Waste Plastic Composites	23.941	N.A.	1.293	3.39	0.3	109.1	42.243	2.9	42.48

Note: The volume of UEI is estimated.

CH.5

Employee health and welfare

5-1 Human Rights Protection

5-2 Occupational Safety and Health

5-3 Educational Training



05 —◆ Employee health and welfare ◆—

Employees are the most valued assets of Ta Ya Group. The Group understands that happy and healthy employees are the driving force for improvements that maintain the company's competitive strength. Only happy and healthy employees would have the endless energy for innovations. We value the relationship between our employees as more than mere contractual relationships. We see them as family members, so we take the initiative to care for their work environment. Harmonious labor relations are the cornerstone of our continued growth.

The Group proactively promotes every kind of welfare measure for its employees. The established trade union and laborers' conference effectively serves as the channel of communications between the two sides. We periodically hold educational trainings and professional skill evaluations for the staff and encourage our employees to serve as corporate volunteers for the company, promoting inner and outer growth. Our goal for employees is to assist them in obtaining a good balance between work and family life. By providing a conducive environment for such a lifestyle, we bring forth continuous quality work performance.



Employee benefit
543765(1000NTD)



Total Training Hour
8838



Multivariate Activities
Walking, jogging, yoga, KTV, etc.



Regularly held
Occupational safety health lecture

5-1 Human rights protection

The Group complies with domestic laws and regulations and international human rights conventions. The employment of employees will not differ based on race, class, language, religion, partisanship, place of origin, gender, marriage, appearance, physical and mental impairment, place of birth and age. Salaries will not differ based on gender; in terms of promotion, all employees have the right of equal opportunities for development.

Gender equality is protected in accordance with law in all Taiwanese operations. All employment contracts are drafted with a clause that specifies the advance notice period the Company has committed to serve for all major changes in operation. We have defined the Complaints and Disciplinary Measures for the Prevention of Sexual Harassments in the Workplace policy and periodically promote awareness of it. The balance between work and life is one of the most important values at Ta Ya. We provide flexible choices for employees, such as parental, family and childbirth leave. In the case of radical changes in business operations that may affect labor rights, we inform employees who have served at the company for more than three months but less than a year 10 days ahead of time; for employees who have served for more than one year but less than three years, 20 days ahead of time; and to those who have served for more than three years, 30 days ahead of time.

The group respects employees' right of association and their legal entitlement to assemble unions and engage in collective bargaining. Ta Ya and Cuprime both have worker unions created within them. Ta Ya organizes regular labor-management meetings, places dedicated hotlines and emails, and engages unions in collective bargaining negotiations on an ongoing basis. In 2017, the group received no complaint and encountered no occurrence of employment dispute or violation against freedom of association in any of its offices, affiliated enterprises or suppliers thereof.

Employee profile

There are a total of 1,101 employees in seven companies in Taiwan area (as of December 2018), an increase of 22 from 2017. In addition to employment opportunities, the issue of low wages is also the public focus in Taiwan.

Due to improvements in revenue and earnings, the average per capita salary and benefits of Ta Ya employees were TWD 884,000 in 2018, a 7.93% increase from TWD 819,000 in 2017. Ta Ya selects and recruits suitable talents through various channels. Besides providing on-the-job training and a well-developed welfare system, Ta Ya will adjust salaries as business allows in order to retain high-quality talent.

The group has more males than females in all its companies. This is because most of the works are physically demanding and take place in a hot, humid environment or require rotating shifts. Females account for a percentage of 14.47% among Ta Ya's managerial staff. This is slightly higher than the percentage of the general female employees (12.28%). We hire most of our employees under indefinite contracts so that they may commit to long-term service with comfort. If there is a need for overseas assignment, we communicate with employees in advance and offer incentives such as salary increment and promotional opportunity upon return.

Ta Ya began to employ 54 Vietnamese laborers (accounting for 8.72% of the Company's total employees) starting in 2018, and hired translator to work at the factory every week, in addition to assist with the work, they also conduct two-way communication. They also visit the dormitory from time to time and maintain the cleanliness of environment. If there is any need for help, the manpower agency will be requested to improve, in order to provide a better living condition. Ta Heng employs 15 foreign laborers (accounting for 16.48% of the Company's total number of employees), and the employees of other affiliates in Taiwan are Taiwanese. We support the employment of persons with physical or mental disabilities. In 2018, we hired 11 people with disabilities and 8 people with an indigenous background.

Staff Composition

			Taya		Cuprime		Ta Heng		Ta Ho		UEI		AD		Hengs		Dong Nai		Hai Dong		Dongguan		Kunshan	
			Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%
gender	Male		543	87.72	55	74.32	68	74.73	23	88.46	29	72.5	59	56.19	88	0.61	228	84.13	106	73.61	184	81.78	113	76.35
	Female		76	12.28	19	25.68	23	25.27	3	11.54	11	27.5	46	43.81	58	0.39	43	15.87	38	26.39	41	18.22	35	23.65
age	Aged 30 and under		127	21	10	14%	19	21%	0	0%	1	3	33	31.43	35	24	74	27	39	27	40	18	31	21
	Aged 31 to 49		339	55	42	57%	47	52%	17	65%	35	88	66	62.86	99	68	163	60	104	72	170	76	111	75
	Aged 50 and above		153	25	19	26%	25	27%	9	35%	4	10	6	5.71	12	8	34	13	1	1	13	6	6	4
Employment contract	Irregular Agreement	Male	538	86.91	52	70.27	68	74.73	23	88.46	29	72.5	59	56.19	88	0.61	166	61.25	75	52.08	105	46.67	54	36.49
		Female	74	11.95	19	25.68	23	25.27	3	11.54	11	27.5	46	43.81	58	0.39	29	10.7	30	20.83	34	15.11	23	15.54
	Regular Contract	Male	5	0.81	3	4.05	0	0	0	0	0	0	0	0	0	0	62	22.88	31	21.53	79	35.11	59	39.86
		Female	2	0.32	0	0	0	0	0	0	0	0	0	0	0	0	14	5.17	8	5.56	7	3.11	12	8.11
Type of Employment	Full-time	Male	543	87.72	55	74.32	68	74.73	23	88.46	29	72.5	59	56.19	88	0.61	228	84.13	106	73.61	184	81.78	113	76.35
		Female	76	12.28	19	25.68	23	25.27	3	11.54	11	27.5	46	43.81	58	0.39	43	15.87	38	26.39	41	18.22	35	23.65
	Part-time	Male	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Female	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total staff			619	100	74	100	91	100	26	100	40	100	105	100	146	100	271	100	144	100	225	100	148	100

Note1: Employee data was accurate as of December 2018; recruits who complete the initial onboard procedures are treated as permanent employees.

Employee Turnover and Percentages(2018)

		Taya		Cuprime		Ta Heng		Ta Ho		UEI		AD		Hengs		Dong Nai		Hai Dong		Dongguan		Kunshan	
		Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%
Aged 30 and under	New Employees	38	6%	7	9%	7	78%	0	0%	0	0%	15	14%	18	12%	67	25%	15	10%	24	11%	15	10%
Aged 31 to 49		54	9%	11	15%	5	5%	1	4%	4	10%	4	4%	21	14%	16	6%	7	5%	20	9%	17	11%
Aged 50 and above		13	2%	2	3%	0	0%	0	0%	0	0%	0	0%	1	1%	2	1%	0	0%	0	0%	0	0%
Male		98	16%	19	26%	11	12%	1	4%	4	10%	13	12%	19	13%	78	29%	18	13%	30	13%	26	18%
Female		7	1%	1	1%	1	1%	0	0%	0	0%	6	6%	21	14%	7	3%	4	3%	14	6%	6	4%
Total		105	34%	20	54%	12	26%	1	8%	4	20%	19	18%	40	55%	85	63%	22	31%	44	39%	32	43%
Aged 30 and under	Resignation	20	3%	1	1%	4	4%	0	0%	0	0%	9	9%	10	7%	74	27%	26	18%	39	17%	22	15%
Aged 31 to 49		53	9%	10	14%	4	4%	2	8%	2	5%	17	18%	18	12%	17	6%	24	17%	38	17%	20	14%
Aged 50 and above		16	3%	4	5%	3	3%	1	4%	0	0%	0	0	1	1%	3	1%	0	0%	0	0%	0	0%
Male		86	14%	14	19%	10	11%	2	8%	2	5%	18	17%	14	10%	88	32%	46	32%	56	25%	36	24%
Female		3	0.5%	1	1%	1	1%	1	4%	0	0%	8	8%	15	10%	6	2%	4	3%	21	9%	6	4%
Total		89	29%	15	41%	11	24%	3	23%	2	10%	26	25%	29	40%	94	69%	50	69%	77	68%	42	57%

Note:New employees refer to employees who join the company for the first time. Retired employees refer to employees who are voluntarily or dismissed, retired, or have lost their jobs. Proportion of new employees = number of new employees / number of employees at the end of the year, proportion of retired employees = number of retired employees / number of employees at the end of the year.

Gender Ratio of Management Staff (2018)

		Taya	Cuprime	Ta Heng	Ta Ho	UEI	AD	Hengs	Dong Nai	Hai Dong	Dongguan	Kunshan
(Deputy) Department Heads	Male	29	7	3	1	1	10	0	17	9	9	10
	Female	8	4	0	0	0	8	0	4	2	3	3
(Assistant) Managers	Male	17	3	3	1	1	8	17	4	4	12	4
	Female	3	1	1	0	2	2	2	0	1	2	0
Associates	Male	8	2	3	0	1	1	4	0	0	0	1
	Female	0	0	0	0	0	0	1	0	0	0	0
Vice Presidents or above	Male	11	4	3	1	1	1	2	0	1	1	2
	Female	0	0	0	0	0	1	0	0	0	0	0
Total		76	21	13	3	6	31	26	25	17	27	30
Female supervisor(%)		14.47%	23.81%	7.69%	0.00%	33.33%	35.48%	11.54%	16.00%	17.65%	18.52%	10.00%

Diversity (2018)

	Taya	Cuprime	Ta Heng	Ta Ho	UEI	AD	Hengs
Disability Employees (Required)	6	1	1	0	0	1	1
Disability Employees (Actual)	6	1	1	0	0	2	1
Aboriginal employees (Required)	6	0	0	0	0	0	0
Aboriginal employees (Actual)	6	2	0	0	0	0	0
Foreign workers	54	7	15	0	0	0	0

Welfare and Care

Employee salary and benefits (2018)

	Taya	Cuprime	Ta Heng	Ta Ho	UEI	AD	Hengs
Employee salary and benefits(1000)	543,765	82,111	61,201	20,976	49,348	93,565	84,146
Total number of employees	619	74	91	26	40	105	146
Average salary and benefits per person(1000)	878	1,110	623	807	1,233.7	891	576.3

Note:AD data is combined with AD and its associated enterprise AD consultants.

Ta Ya has 21 seats of representatives on the employee welfare committee, comprised of one from the employer as an ex-officio member, six from the staff, and 14 from the guild. One chairperson is elected from the representatives. Except for the ex-officio member, the committee members have three-year terms and may be re-elected. The employee welfare committee meets once every three months.

Cuprime has 13 seats of representatives on the employee welfare committee, made up of three from the employer as ex-officio members and 10 from the staff. One chairperson is elected from the representatives. Except for the ex-officio members, the committee members have three-year terms and may be re-elected once. The employee welfare committee meets once every three months.



Ta Heng has seven seats of representatives on the employee welfare committee, composed of one from the employer as an ex-officio member and six from the staff. One chairperson is elected from the representatives. Except for the ex-officio member, the committee members have three-year terms and may be re-elected. The employee welfare committee meets once every four months.

AD has established a welfare committee since 2017 and has 13 representatives of the committee. One of the employers is an ex officio member, and the rest is selected by 12 staffs, and then a member of the committee voted to elect one person as the chairman. The term of office is re-elected for 3 years, and a meeting of the committee is held every three months.

Welfare measures

The Group's employee welfare includes: year-end, profit-sharing, and long-employment bonuses; uniforms and safety shoes; marriage/funeral cash gifts/celebratory curtains/garlands applications; educational training, language, lunch, and employee travel subsidies; Labor Day, Dragon Boat Festival, Mid-Autumn Festival, Spring Festival gifts, parties and dinners (organized by the welfare committee); club activity subsidies; 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 funds on the death of the employee, family members, spouse, or children.

Social activities

To help staff relieve work pressure, enhance team spirit, promote fitness, and foster a cultural atmosphere, Ta Ya has recreational employee clubs for biking, yoga, hiking, charity, photography, culture appreciation, badminton, mountain hiking, skating, and KTV, adding to the employees' quality of life.

Salary System

The Group has a competitive overall remuneration system, the components of which include the base salary, performance bonuses and profit-sharing bonuses. Each employee's overall remuneration is defined in accordance with their professional knowledge and skills, duties and performance, and combined with the operational goals of the company. It does not differ based on gender, religion, race, nationality or factional preferences. Our starting salaries meet the minimum wage provisions.

Ta Ya amended its Annual Employee Performance Evaluation Procedure in 2013 to reflect an employee's contribution and performance based on fair and reasonable regulations. The goal is combined with performance, and when evaluating the performance and setting up goals, the chief evaluator should interview the employee. For low-performing employees, an improvement counseling program is in place whereby the manager provides assistance, counseling and prompt advice to achieve the goal of the performance evaluations.

While 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 year for its employees, and objectively evaluates their work performance and work quality to reward outstanding employees. It is aimed at gradually improving and encouraging low-performing employees.
- Ta Ho periodically employs an interview assessment, making improvements via two-way communications and suggestions between the managers and employees.
- UEI All the employees except for the top management are subject to annual performance appraisal. Additionally, non-managerial staff are subject to annual promotion assessment to reward entry-level employees who have good work performance and are willing to devote themselves to the Company.
- AD Two performance evaluations are conducted every year according to the “Performance Management Regulations” . Employees make self-evaluation with reference to the job description and personal KPI, and the head of each department conducts a second evaluation based on the working status of each subordinate employee. In addition to the performance evaluation scores, AD emphasizes how to use the performance evaluation system to further motivate the employees for their self-development. For this, the head of the department needs to have a performance interview with the employee, understand his/her work status, and give feedback. The skill inventory must be checked to help the employee understand what he/she lacks in the skill. The personal KPI and job description are then adjusted and amended to ensure combining the performance evaluation with the personal development, arouse more motives for self-development effectively, and improve the quality of the talents.
- Hengs Employee appraisals are conducted once a year, during which all department managers are required to rate employee annual performance and work capacity. Managers are required to produce written comments and rating for new employees at the end of their probation period. These comments and ratings are forwarded to the human resource department for further evaluation.

Pension system

Following the 2015 amendment of the Labor Standards Act, employers are now required to make adequate contributions no later than March each year to the old pension fund for employees who will be qualified to retire in the current year. As a result of this amendment, Ta Ya make adequate contributions into the pension fund account held with Bank of Taiwan annually.

Meanwhile, Cuprime took the initiative to seek the authority’s approval to raise contribution rate from 4.1% to 10% for employees under the old scheme. This decision was made to ensure that the Company has adequate budget to cover employees’ retirement benefits in every subsequent year. Ta Heng had also fully reimbursed contribution to the old pension scheme. In subsequent years, all contributions to the old pension scheme will be made at 6% of employees’ monthly salary, similar to the new scheme.

5-2 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. Although the manufacturing processes have no environmental pollution issues, we still place great emphasis on the environmental protection measures at our factories. There are environmental protection groups and security and health offices to ensure the promotion of environmental protection and employee safety as we work toward the goal of zero-pollution.

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

The Committee on Occupational Safety and Health

The Committee on Occupational Safety and Health at Ta Ya is responsible for deliberating, coordinating, and suggesting matters regarding occupational safety and health. The committee comprises of one chairperson (5%), one executive secretary (5%), eight members (40%), six labor representatives (30%), and four occupational safety personnel (20%):

Chairperson	Undertaken by the General Manager of the communications business group.	Labor representatives	Undertaken by the Managing Director and board member of the industry guild.
Executive secretary	Undertaken by the safety and health officer of the safety and health office.	Occupational safety personnel	One occupational health and safety executive, one occupational health and safety officer, and two occupational health and safety managers.
Members	Consisting of representatives from General Affairs, Human Resources, Sales, Communications Operation, Communications Production, Communications Quality Assurance, Enameled Wire Operation, and Enameled Wire Production departments.	Medical personnel	Medical personnel of the health and safety office.

Ta Ho and United are not set up with the Committee on Occupational Safety and Health, the practices of other affiliates are as follows:

Cuprime

The Committee is comprised of 1 Safety and Health Officer (10%), 5 safety and health committee members (50%), 1 work safety person (10%), 3 labor representatives (30%).

Ta Heng

One Chairperson (10%), one Executive Secretary (10%), five Members (50%), and three Labor Representatives (30%).

AD

An occupational safety office is set up to enforce the work safety and health system and ensure compliance with occupational safety and health regulations. It exists to protect workers' personal health, safety, cleanliness and hygiene at the workplace. The Office is comprised of 1 section chief and 3 staff members. The personnel of the Occupational Safety Office visit work sites regularly to maintain and promote occupational safety. They conduct random safety and health audits as a means to raise workers' safety and health awareness, so that they may duly comply with policies and make proper use of safety gear to minimize the chances of accidents. The purpose of the safety and health management appraisal conduct in recent years is to ensure the implementation of every labor safety and health item in the application of the appraisal system.

UEI

The Company has a Workers' Safety and Health Officer in place to oversee related matters. In addition to section chiefs, managers also pay random visits to work sites for safety inspection and to promote employees' safety awareness. Adequate numbers of safety gear have been provided for the different works involved to prevent accident.

Hengs

The Safety and Health Committee with 9 members is established and holds 1 meeting every 3 months to review, coordinate and suggest matters regarding the employer's safety and health policies and plans to improve the effectiveness of the safety and health management. A labor safety office is set up with 1 occupational and 1 Class-A occupational safety and health affairs management person for the safety and health management of the entire company. They visit work sites regularly to inspect, supervise and improve occupational safety and health as a means to raise workers' safety and health awareness. All the employees participate in the promotion of the company's labor safety and health policies and planning of the safety measures in compliance with the laws. This ensures that all the laborers use protective equipment correctly and observe all safety and health regulations to prevent the occurrence of occupational accidents.

Prevention of Occupational Hazards

The process of manufacturing wires and cables involves approximately 100 types of chemical substances. We therefore practice checkpoint inspections, gather statistics on the usage of emission quantities, and implement control procedures on the chemical substances to prevent them affecting the eco system or cause pollutions. We also exercise control over the source, implemented green procurement of materials that do not contain any harmful substances, and Ta Ya obtained the IECQ/ QC 080000 certification in 2007, Cuprime in 2008. In addition to caring for the health of the employees, we provide safeguards for consumers, too.

To mitigate the effect of dust caused by PVC granules used in cable manufacturing, we have installed dust collectors at locations that are prone to such hazards. In addition, these work areas are partitioned while workers are given protective masks to limit the effect of dust. The PVC components of all marketed cables are free of lead. We have changed our formula and switched to the use of non-lead based stabilizer to avoid contact with even the smallest trace of lead, and thereby mitigate hazard to employees.

Magnet wires are made from copper rod and various types of coating, the latter of which comprise mainly of "organic solvents." To avoid harm to workers' health and the environment, we add "catalysts" into our production process so that organic solvents can be incinerated at high temperature and turned into vapor and carbon dioxide, which cause no harm to workers' health or the environment. During the production of copper bonding wire, we use ultrasound to clean wires; to prevent noise hazard, workers are issued earplugs as a form of protection.

In addition, in consideration of the work environment and the safety of the workers, our factories are completely non-smoking areas. 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, noise, dust, and lead operations staff. To further improve the workplace and its safety, Ta Ya established specialized environmental protection units, and safety and health units. Other than discussing the workplace environment, safety and health-related issues at the health and safety committee conferences every season, we also implement safety education and safety drills.

Occupational Hazards — Key Indicators

		Taya	Cuprime	Ta Heng	Ta Ho	UEI	AD	Hengs	Dong Nai	Hai Dong	Dongguan	Kunshan
IR	Male	3.3117	0	0	0	6.9242	1.5993	0	1.773000	0	2.50762	1.88112
	Female	0	0	0	0	0	2.1483	5.377886	0	0	2.44498	0
ODR	Male	0	0	0	0	0	0	0	0	0	0	0
	Female	0	0	0	0	0	0	0	0	0	0	0
LDR	Male	15.8961	0	0	0	22.5038	5.5975	0	6.334	0	10.97084	21.63288
	Female	0	0	0	0	0	9.6674	4.033415	0	0	12.22493	0
AR	Male	0.0090	0.0282	0.00726	0.006673	0.0022	0.0079	0.005131	0.0029	0.008545	0.002071	0.0338717
	Female	0.0037	0.0148	0.03003	0.003121	0	0.0115	0.021370	0.0005	0.02878	0.0151360	0.0324727
Line of duty death	Male	0	0	0	0	0	0	0	0	0	0	0
	Female	0	0	0	0	0	0	0	0	0	0	0

Note 1: Injury rate (IR) = Number of injury incidents / total work hours * 200,000. Occupational disease rate (ODR) = Number of disease incidents / total work hours * 200,000. Loss and delay rate (LDR) = Number of delayed days / total work hours * 200,000. Absence rate (AR) = Days of absence during reporting period / total work days during reporting period. Days of absence include arriving late, leaving early, personal leaves, sick leaves (half-day deduction), and absenteeism.

Note 2: Key Indicators of Ta YA included Guanmiao and Dawan Factories

Prevention of Occupational Hazards (2018)

Companies		Type of occupational hazard															Health-threatening operations			Precautionary measures
		1	2	3	4	6	7	8	11	12	13	17	18	20	1	2	25			
Taya																			1.Convey work safety guidelines with employees	
																			2.Convey traffic rules.	
																			3.Enforce use of safety gear.	
																			4.Wearing of earplugs; health check for special operations	
Cuprime																			1.Enforce wearing of protective suits and placement of air-conditioned resting area	
																			2.Wearing of earplugs; health check for special operations	
																			3.Wearing of face masks; health check for special operations	
Ta Heng																			onvey work safety guidelines compliance with traffic rules	
Ta Ho																			Enforce standard operating procedures	
UEI																			1.Conduct random safety inspections at various workplaces to promote employees' safety awareness.	
																			2.Provide adequate number of protective gear for the different works involved, and thereby prevent accident from happening.	
																			3.Promote safety awareness during commuting and business trips.	
AD																			1.Verify work area and environment prior to commencing work activities.	
																			2.Enforce proper usage of protective gear.	
																			3.Provide employees with necessary safety and health training.	
Hengs																			1.Enforce use of safety harness, safety wire, hooks and helmets for rooftop operations.	
																			2.Promote compliance of traffic rules.	
																			3.Procure installation/construction insurance during the work period.	
Vietnam	Dong Nai																		1.Outline standard operating procedures and place reminders at work site	
	Hai Dong																		2.Enforce use of safety boots by workers, and helmets by truck drivers and forklift operators	
China																			3.Place first aid kits on-site to facilitate preliminary treatment of injuries	
																			4.Procure social insurance and accident insurance for employees who are required to perform duties outside of business premise	
																			1.Advise employees on the safety aspects of their work.	
																			2.Advocate compliance with traffic rules.	
																			3.Wear safety gear.	
Dongguan																			4.Set the standard operating procedures and remind you at the site.	
																			5.Place the medicine box on site to initially handle simple wounds.	
																			6.Those who are required to go out to work, in addition to social insurance, insured accident insurance.	
Kunshan																				

Note 1:Occupational hazard code: (1) Fall from elevated position; (2) Tripping; (4) Impact to others; (6) Impact by others; (7) Jamming; (8) Cut or abrasion; (11) Contact with extreme temperatures; (13) Electric shock; (17) Risky movements; (20) Traffic accident. An AD Engineering employee fell caused by road construction and cut on the leg when getting off work, counted as (18) Others. Health-threatening operations code: (1) High temperature; (2) Noise; (25) Dust.

Note 2:The green background is the type of major occupational hazard identified by the Company. The number is the number occurrences by employees and contractors during the year.

Health Care

Ta Ya is committed to the promotion of tobacco control and health in the workplace and has been certified by the Health Promotion Administration with a “healthy workplace certification – health initiation conformance” (valid from January 2014 to December 2016).

In accordance with the age of the employee and the 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 and also conduct evaluations of items needing improvement according to abnormal proportions, annual trends, and ethnic trends. We prioritize items requiring improvement in accordance with its level of 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 results analysis, BMI, cholesterol, and blood pressure are among the top three abnormal rankings. Employees in the shift-work group are especially susceptible to having irregular work and rest habits, unbalanced diets, and a lack of exercise. The following improvement plans have been made available to all employees and have been implemented:

Plans	Content
A beetle nut and smoke-free healthy workplace	Starting on June 1, 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.
Promotional health conferences	Organizing urinary system health and healthy diet lectures with 60 people participating.
Blood pressure measurement	Conducting blood pressure measurements every three months at each department for early diagnosis and treatment.
Blood sugar measurements	Health education is provided to employees with higher-blood sugar levels based on physical examination, and they are listed for tracking and care.
Sports clubs	Yoga, motor bike, badminton, hiking, and cultural studies clubs are available and events are held periodically.
Encourage exercise	Signs in stair cases that encourage employees to use the stairs, encouraging exercise in the workplace.
The Ta Ya Hiking Trac	A 0.9 km hiking track is made available to encourage colleagues to walk ten thousand steps every day to prevent and improve chronic disease conditions.
Promoting fitness exercise routines	Instructions for routine exercises are provided to each department on site, encouraging employees to exercise regularly.
New breastfeeding room	One breastfeeding room has been newly installed in the medical room for employees.
Healthy diet	An employee cafeteria has been established to provide lunches and dinners.

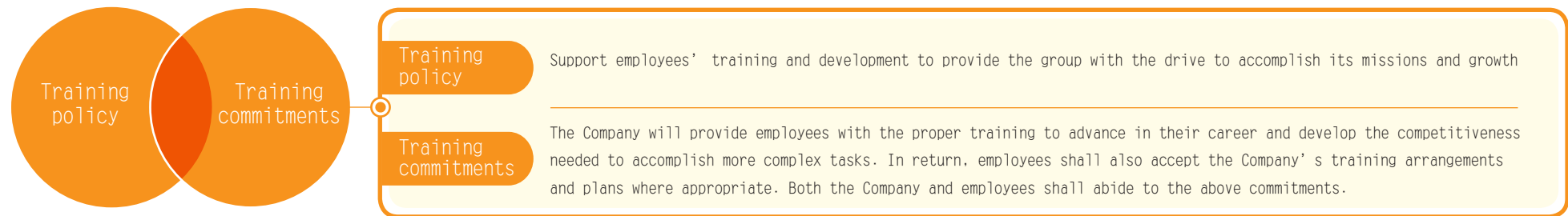
As for other affiliated enterprises :

Company	Plans
● Cuprime	In addition to the annual physical examination, a special examination is provided depending on the work environment of the employee. The Company understands the needs of individual employees and arranges for them to undergo further examination at the hospital. Intermittent care and follow-up actions are taken and comprehensive health care is provided for the employee. The analytic results of the annual physical examination indicate that BMI, cholesterol, and mild fatty liver are the first three abnormalities among the employees. They usually have irregular life style, unbalanced nourishment, and inadequate recreational activities due to the rotation system of their work.
● Ta Heng	The Company provides group insurance for the employees (including their families with favorable contributions). The physical examination is provided once every three years and the general affairs section is responsible for this matter.
● UEI	The Company recently provides employees with the benefits better than what the law requires. Physical examination is provided for the employees to identify any hazard to their health and other potential pathogenic factors as early as possible. Physical fitness is another benefit to help employees understand their physical condition. After the annual physical examination, the hospital makes statistics based on the rate of abnormality and assesses the items that need improvement. The Company arranges medical personnel to explain the physical condition and examination report. It also arranges further examination at the hospital. Irregular care and follow-up actions are taken and comprehensive health care is provided for the employee. The analytic results of the annual physical examination indicate that BMI, cholesterol, and fatty liver are the first three abnormalities among the employees. This may be associated with unbalanced nourishment in daily diets and inadequate recreational activities.
● AD	Annual physical examination is provided for the employees to identify any hazard to their health and other potential pathogenic factors as early as possible. In addition to the general examination items (including examination of their physique, intraocular pressure, excrement, urine, blood, function of the liver and kidney, metabolism, diabetes, and blood fat), cancer screening, X-ray photography, electrocardiogram examination, hepatitis B, and ultrasonic examination are arranged for the annual physical examination to help the employees understand their health condition comprehensively, identify potential pathogenic factors, and receive medical service as early as possible.
● Hengs	All the new employees are subject to general physical examination according to the labor health protection regulations. The general physical examination of the employees on service is provided once a year and more examination items than what the law requires are provided. The purpose of the physical examination is mainly to provide a basis for analysis of the health condition of the employees, identify and treat diseases as early as possible, promote health policies, and build a healthy and dynamic working environment. Dong Nai: Annual physical examination is arranged regularly every year. Two physical examinations are provided for the Kitchen personnel. A poison allowance is provided for the employees working in highly polluted environment to meet the policy of the government. In practice, the Company currently provide its employees with milk twice a month. Hai Duong: Appropriate physical examination plans are made depending on the type of the work and the working environment to ensure early identification of any hazard to the health and other potential pathogenic factors. Follow-up actions are taken after the annual physical examination. No occupational diseases associated with the work are currently identified in the analytic results of the annual physical examination.

5-3 Educational Training

Training and assessment

Human resources are a critical factor to a company's sustainability and successful transformation. In order to standardize internal training programs for more effective results and greater competitiveness, Ta Ya adopted "Taiwan Talent Quality-management System" (TTQS) in 2012 as a means of enhancing training results. The Company received a bronze award during the 2015 TTQ assessment, which prompted it to further improve its existing training policies and commitments.



Ta Ya's internal educational training system implements training in accordance with the types of profession. The training content includes management, general, and professional skills, as well as self-motivation. The various business groups provide the annual training requirement lists at the end of each year for the following year. HR then compiles these into the annual execution plan. Professional skills training requirements are issued by each of the business groups in accordance with their 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.

For new employee training, courses are prepared by HR and training sessions are provided by each of the business groups. The contents of the training emphasize organizational overview, history, business philosophy, personnel systems, benefits, insurance, salaries, work safety, labor health and safety, the ISO system, quality policies, and field internships.

As international business communications is required for operations, Ta Ya initiated the Application of Foreign Language Job Training for Employees in 2010. In addition to providing subsidies for training, we also provide salary increases in accordance with learning results, and take language abilities as a priority in promotions and mobilizations. In 2011, we further defined an even more complete Employee Job Training Application, which covers all tuition fees for Master's and Doctorate student-employees who choose to pursue management-related studies or studies that have a potential future for development in the company.

In 2017, Ta Ya invested a total amount of NT\$ 92 million in education and training, the total training hours was 8837.5 hours, and the total trainees were 2,159 person-times, the average training hours per colleague was 14 hours. In order to achieve the purpose of experience inheritance and knowledge sharing, it is an indispensable and important part of cultivating the Company's internal lecturers. Ta Ya already has 45 certified internal lecturers, and lectures are arranged every year to enhance the interaction between colleagues, expecting to shape an active organizational learning culture.

Our affiliated enterprises all place much emphasis on employee training, too. On-the-job training regulations are in place to increase the quality and skills of the workforce. There are orientation training, foreign-language training, and professional training programs with advanced learning regulations that encourage further education while in service, increasing the competitiveness of the employees. The content of the training focuses on operational safety, occupational health and safety, ISO systems, and quality policies. In addition, the companies encourage employees to engage in further education by offering appropriate assistance, including scholarships, so that the employees can advance in their careers.

Ta Ya' s Educational Training System

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	✓	✓	✓	
Professional personnel	✗	✓	✓	✓	

Training Hours of Ta Ya

	Female			Male			General Staff			Managers below Department Head (including organizers)			Managers and above		
	Training Hours	Total Employee Number	Average Training Hours	Training Hours	Total Employee Number	Average Training Hours	Training Hours	Total Employee Number	Average Training Hours	Training Hours	Total Employee Number	Average Training Hours	Training Hours	Total Employee Number	Average Training Hours
2016	1,181.50	76	15.55	6,512.50	513	12.69	3,980	467	8.52	2,175.50	86	25.3	1,538.50	36	42.74
2017	1,921.50	72	26.69	8,862.50	532	16.66	5,778.50	479	12.06	3,447	88	39.17	1,558.50	37	42.12
2018	1,376.50	76	18.11	7,461	543	13.74	4,891.50	492	9.94	2,40	88	27.37	1,537	39	39.41

Training Hours of affiliated enterprises (2018)

	Female			Male			General Staff			Managers below Department Head (including organizers)			Managers and above		
	Training Hours	Total Employee Number	Average Training Hours	Training Hours	Total Employee Number	Average Training Hours	Training Hours	Total Employee Number	Average Training Hours	Training Hours	Total Employee Number	Average Training Hours	Training Hours	Total Employee Number	Average Training Hours
Cuprime	54	19	2.84	195	55	3.55	158	47	3.36	80	17	4.71	11	10	1.1
Ta Heng	100	41	2.44	456	142	3.21	437	152	2.87	86	25	3.44	33	6	5.5
Ta Ho	29	2	14.5	208	19	10.95	119	10	11.9	81	8	10.13	73	4	18.25
UEI	80	11	7.27	228	29	7.86	239	31	7.71	45	4	11.25	24	5	4.8
AD	365.5	46	7.95	1130.5	59	19.16	794	73	10.88	368	18	20.44	334	13	25.69
Hengs	1088.84	61	17.8	1945.5	91	21.4	2430.17	123	19.8	283.17	16	17.7	321	13	24.7
Dong Nai	232	11	21.09	2,496	262	9.53	1,382	228	6.06	736	40	18.4	128	4	32
Hai Dong	62	15	4.13	124	121	1.02	77	79	0.97	73	52	1.4	36	5	7.2
Dongguan	320	40	8	1,472	184	8	1,624	203	8	0	0	0	0	0	0
Kunshan	395	35	11.29	1,048	113	9.27	1,338	131	10.21	63	12	5.25	42	5	8.4

Succession Planning

The group has had a succession plan in place for many years, nurturing well-qualified successors and building up a tiered talent pool to achieve sustainable business. The Ta Ya Group's succession system comprises analysis of competences required for all positions, offering learning modules for advancement, and making individual learning roadmaps. Staff learning is checked against benchmarks.

The learning roadmaps take the staff's current competences and duties as a baseline, identify education needed for their desired position, and recommend and arrange courses based on the gap. The roadmaps are also used for review and feedback to control the process and gradually reduce the gap until the staff concerned has mastered the competences required for the desired position.

To manage promotions and job rotation, the Company seeks to understand the details and direction of every staff member's desired career development. In addition, excellent talent is continuously recruited to fill gaps in manpower. Upward career development revitalizes organizational efficiency, enhances competitiveness, and builds a stronger talent pool.

In 2018, there were 100 promotions and five staff were dispatched overseas. Ta Ya will continue to implement and expand its succession plan. In addition to providing education and training to expand the knowledge, skills, and outlook of successors-in-waiting, supervisors will also take on more of a coaching role to prepare staff for their next position. Tying learning and doing closer together helps the Company and every department in it to pursue and attain its goals. Staff from affiliated companies is also welcome to participate in training courses to advance the mission and vision of the group and implement our business philosophy.

CH.6

Co-prosperity with society

6-1 Environmental protection

6-2 Electricity safety education and awareness raising

6-3 Social participation



06 —◆ Co-prosperity with society ◆—

Ta Ya Group is committed to innovation and change, pursues growth, learns and reflects, actively seeks opportunities, takes on challenges, changes with the times, and is a forward-looking player in its industry. Thus we value the voices of our customers and we listen with interest. We set much store by quality management in order to provide our customers with the most stable products. We put great store by supplier management. In addition to requiring independent assessment, we also carry out on-site inspections ourselves.



Delonix Regia Forum
120 participants



Green Inside Project
Grant 10 groups



Old house electricity safety check
68 Completed



Volunteer Activities
479 participants

6-1 nvironmental protection

Pristine Homeland Foundation

Since the founding of Taya in Tainan in 1955, the roots have been in Tainan. The beautiful customs of Tainan not only inspire the feelings of the people on their homeland, but also encourage local enterprises to practice corporate social responsibility and protect their homes forever. Therefore, at the end of 2011, I applied to the Environmental Protection Agency of the Executive Yuan for the establishment of the “TAYA Pristine Homeland Foundation” in Tainan. Based on environmentally friendly concepts such as environmental protection, life care, and global sustainability, the Foundation is committed to promoting environmentally friendly and concrete actions for the future of a beautiful home that is symbiotic with the environment. It also promotes environmental education activities for a long time, and fosters environmental friendliness. Talents exert their influence on green thoughts, and they also call on employees and their families to participate in volunteer services for a long time to invest in social welfare.

Taya Pristine Homeland Foundation (and its predecessor CSR program) has been handling green collection since 2007 and has increased the Phoenix Flower Forum since 2012. For thousands of communities, the beautiful home is our goal. The starting point is a friendly environment. There are many actions to be taken in the middle. The green collection is action. The Phoenix Flower Forum is an inductive discussion on action.

During the first decade of the Foundation, the themes we selected include renewable energy, rainwater recycling, friendly agriculture, green transportation, environmental education, and various aspects of life. Every theme is like a small part of community life and every program is a citizen module that uses social resources to solve social problems.

In the second decade of the Foundation, the theme we selected was to be cross cascaded by citizen modules, including the relationship between each module, the operating logic of each other, and so on. Of course, in the spirit of social design, all the cores of “self-made” are people.



Greeninside Blog and Fan Page

Greeninside blog www.greeninside.com.tw, www.facebook.com/greeninside, was established in February 2011 to provide employees and the public with an environmentally friendly concept of new media (Blog, FB) to promote people's daily life. Develop environmental habits in life.

Delonix Regia Forum



Since September 2012, the Daya Cable Beauty Home Foundation has held the " Delonix Regia Forum" at the Green Magic School of National Chen Kung University, inviting experts and local people to discuss the implementation of green life from different aspects such as food and clothing.

2018Theme: New-Generation Ocean Waste Processing

Ta Ya Group has now held the 7th edition of the Pristine Homeland Awards. Every year, experts and scholars are invited to give presentations and engage in discussions. The 2018 forum was held on the morning of 8 INSERTMONTH. This year' s theme was New-Generation Ocean Waste Processing. Industry experts presented on the topic of marine waste disposal and stimulated positive actions and behavior for sustainable living.

Shen, Shang-Hung, Chairman of the Ta Ya Group, said that over the years, he has joined beach clean-ups from the south to the north of Taiwan, and back again from north to south. He feels that there seems no end to cleaning up Taiwan' s beaches. Beach debris is not just caused by seaside tourists. The main reason is actually that Taiwan is a maritime country surrounded by sea, where many ocean currents meet and thus deposit marine waste all along Taiwan' s shores. These "gifts" cannot be avoided at present, but fortunately in recent years Taiwanese have become increasingly aware of the seriousness of marine debris. The stranded whales and dolphins with stomachs filled with plastic and dying sea turtles with straws in their noses are heartbreaking. Surrounded by the sea and being a point where many ocean currents meet, Taiwan' s shores from north to south receive marine detritus all the time. I hope that this forum may raise people' s awareness of marine waste and marine ecology issues.

The 2018 Flame Tree Forum, hosted by Ta Ya Group's Pristine Homeland Foundation, commenced at 9 am today. The forum was held at the Chonghua Hall of Cheng Kung University' s The Magic School of Green Technologies. The lively event was attended by 200 people. Hopefully, this event has helped to raise concern for the issue of marine waste disposal. At the forum several VIPs gave speeches, including public television news department producer Ke Chin-Yuan, Tainan Community College Director Lin Guanzhou, Taiwan Environmental Information Association marine waste project manager Chen Zirong, to update the audience on the current status and trends of marine waste treatment in Taiwan. In the afternoon, the Green Inside Awards ceremony was held at the same venue, and eight Pristine Homeland Award winners were announced and invited to discuss their experiences with ecofriendly practices.

Green Inside Project

The 8th Green Inside Project Awards in 2018 followed by the Delonix Regia Forum. A total of 9 people signed up for the Pristine Homeland Award and 1 person signed up for the Southern Spirit Award. The Award selection was open for auditing to promote mutual learning. Each competitor expressed his or her own opinion for at least 10 minutes and questioned by the judge. After four hours of Award selection process, the final winners of 8 Pristine Homeland Awards, each winner received a prize of NT\$30,000 and 2 winners received Green Connection Awards.

Project	Awards
龜島・歸島 環境永續計畫	Southern Spirit Award
雄好食－食在宜居城市	Pristine Homeland Awards
助『蝠』『蝠』助	Pristine Homeland Awards
Reef Check 一人一珊瑚	Pristine Homeland Awards
白海豚陸上觀測公民科學家培訓計畫	Pristine Homeland Awards
廢棄塑料再創技法	Pristine Homeland Awards
猴友善農業	Pristine Homeland Awards
中壢五號鐵道倉庫藝文新生	Pristine Homeland Awards
走出曹家洋樓	Green Connection Awards
小型水力發電設計比賽	Green Connection Awards

2018 Family Day for TAYA Group

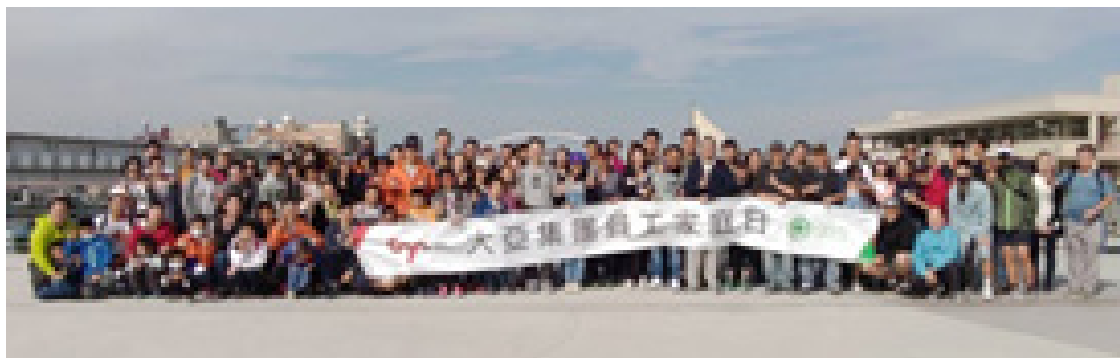
On November 10, TAYA Pristine Homeland Foundation organized a Family Day for TAYA Group North employees at Yongan Fishing harbor in Taoyuan City. Activities which were organized by TAYA Electric Wire & Cable, Cuprime Material, Cugreen Metal Tech, TAYA Venture Capital, Ta Heng Electric Wire & Cable, and United Electric Industry were centered around the three themes of beach cleaning, culinary feast, and cycling & leisure. Over 160 employees and their family members participated in this event. All participants regardless of their age and gender made joint contributions to the marine ecological environment under the leadership of TAYA Chairman Shen, Shang-Hung.

The beach-cleaning activity at Yongan Fishing Harbor has been held for four consecutive years. TAYA Pristine Homeland Foundation embraces a spirit of long-term commitment to the environment and records its achievements on “International Coastal Cleanup Data Cards”.

The records on this year's coastal cleanup data card reveal that daily life & recreation items (plastic containers, plastic bags, disposable tableware), medical/personal hygiene products (toothbrushes, syringes), smoking (cigarette butts, lighters), fishery and recreational fishing (fishing gear, fishing floats), and other types of waste (slippers, magnets, rags, and clothing) accounted for 64%, 1%, 11%, 14%, and 10%, respectively.

The five most common trash items were as follows: plastic containers (23%), disposable tableware (21%), other materials such as drink boxes and aluminum cans (11%), fishing floats (10%), and plastic bags (9%).

This activity gave employees and their family members a chance to make a contribution to environmental protection through concrete action. The awareness among employees about current environmental dangers was raised through edutainment.



Volunteer Team

The Group established the Wire Safety Volunteer Team in 2013 and is affiliated to the Daya Cable Beautiful Home Foundation. In 2016, after the implementation of the "Key Points for the Implementation of the Enterprise Volunteer Team", some of the provisions were added to stipulate that "the number of volunteers who participated in the volunteer team's activities during the year was 24 hours and served as a volunteer of the volunteer team. The team leader asked the human resources department to pay the award once."

Since 2015, the number of volunteer team members and total volunteer service has continued to increase. In 2018, 30 members of the volunteer team contributed a total of 504 hours of volunteer service hours, of which nine personal service hours exceeded 24 hours. The Group encourages more employees and their families to participate in volunteer service and invest in social welfare, and expand the concept of the Group's beautiful home to every corner.



date	title	hours	Number of participants
January 27	weeding	3	49
March 2	Family day	4	154
May 6th	Er-Ren Creek Museum's Insect Hotel Construction	4	46
July 1st	Planting hedges	4	79
July 1	Environmental promotion	2	14
August 15	Environmental promotion	2	20
September 9	Delonix Regia Forum	8	20
October 13	Hedges for the Ecology	4	88
December 3	Power Safety Lectures	4	9
Total		35	479

6-2 Electricity safety education promotion

Ta Ya Electric Wire and Cable uses its knowhow to offer education on electricity safety. Since October 2017, the Taiwan Professional Electrical Engineers Association R.O.C. (TPEEA) and Ta Ya's Pristine Homeland Foundation have jointly undertaken Old House Electrical Safety Inspections to offer comprehensive checks of residents' electrical equipment, distribution boards, electrical leaks from equipment casings, and wires and cables. The same volunteer team will also go around communities to raise awareness of the importance of electricity safety and the offer information and education on the topic.

Electrical Wiring Safety Check Program for old buildings

2018 marked the second year of Ta Ya's Pristine Homeland Foundation's giving old houses a power safety check-up. Since October 2017, TPEEA and Pristine Homeland have jointly undertaken Old House Electrical Safety Inspections to offer comprehensive checks of residents' electrical equipment, distribution boards, electrical leaks from equipment casings, and wires and cables.

However, it is difficult to check the electric wires installed in the deep wall, and it is necessary to rely on the high-resistance device this time: if the high-resistance device shows that the insulation resistance value is higher (generally more than 1MΩ), indicating that the insulation coating is good, and the chance of short circuit is lower. After completed each check process, the electrical engineer will provide an initial explanation of results and recommendations right after completion of each inspection.

In 2018, the Taichung area (Taichung, Changhua, and Nantou) was included in the scope of the Old House Electrical Safety Inspections. In Greater Taipei and the Taichung area 68 households were thus served, making for a total of 82 households since the start of the program.

TAYA Makes Your Home Safer through Power Safety Lectures

On the second of this month, the volunteer team of the Pristine Homeland Foundation organized a power safety education event in the activity center of Nandu Borough in the South dist. of Tainan City. This event attracted over 100 local residents. In addition to providing valuable information on the foundation and power safety, the volunteer team also introduced the solar energy and old building inspection services provided by the TAYA Group.

This was the sixth power safety education event organized by the foundation. It was characterized by enthusiastic interactions and eager sharing of power use experiences by local citizens. The volunteer team cooperates with borough heads in Tainan City to educate local citizens on power safety and safe living conditions.

TAYA Group is deeply concerned about the power use environments of Taiwanese citizens. In addition to the organization of power safety lectures on a regular basis, since 2017, the company has been conducting power safety inspections for old buildings in cooperation with the Taiwan Professional Electrical Engineers Association R.O.C.. Professional living environment and power safety inspections are provided free of charge for buildings aged 20 years or above.



6-3 Social participation

Industry-academia cooperation

Ta Ya cooperated with the National Hsin Hua Industrial Vocational High School, and signed a letter of intent for cooperation on November 7, 2017: Ta Ya will provide required cable and wire materials free of charge for the use of teaching and experiments, as well as for the students to participate in the national skills competitions, expecting this innovative corporate social responsibility program is capable of not only benefiting the students, but also continuously injecting new blood into the industry.

Hsin Hua Industrial Vocational High School has actively participated in relevant competitive projects sponsored by the Ministry of Education in recent years with outstanding results, and it is also an important vocational high school for entry level electromechanical talents in the Tainan area. However, purchasing the relevant cables every year is also a big burden for the school. Ta Ya will provide wires and cables for the use of teaching and experiments for electrical and hydro electrical related departments of Hsin Hua Industrial Vocational High School, as well as the required cable and wire materials for the trainings of three occupational categories in industrial wiring, indoor wiring and electromechanical integration for the students to participate in national skills competitions; the products are equivalent to NT\$400,000 per year in value. And, organize the activities for students to visit the enterprises affiliated with Ta Ya at the same time.

Founded in 1926, Hsin Hua Industrial Vocational High School has recently actively participated in the relevant competitive programs sponsored by the Ministry of Education: teacher professional development evaluation, vocational high school quality assistance program, high school vocational education resource homogenization plan, high school vocational quality improvement plan, etc., with excellent effectiveness, and has taken root in vocational education and has been widely recognized by local society.

National Hsin Hua Industrial Vocational High School Wins 3 Silver Medals in the National Skill

Competition, Thanks Ta Ya for Their Full Support

HHVS participated in the divisional competition of the 48th National Skill Competition by the Ministry of Labor and won 3 silver, 1 bronze, 4 excellence medals, and 3 honorable mentions. HHVS thanked Ta Ya Electric Wire & Cable for support, allowing them to make history in this year's electrical engineering competition.

HHVS participated in the divisional competition of the 48th National Skill Competition by the Ministry of Labor and won silver medal for electrical engineering integration- Fu, Pin-Qi, silver medal for electrical engineering integration- Tsai, Cheng-Gui, silver medal for industry control- Li, Min-Yan, bronze medal for industrial electronics- Chen, Kai-Wen, excellence medal (fourth place) for interior wiring- He, Jia-Hong, excellence medal (fifth place) for electrical engineering integration- Hsu, Ming-Qiang, excellence medal (fifth place) for electrical engineering integration- Chen, Pin-Qi, excellence medal (fifth place) for interior wiring- Hsu, Ming-Qiang, honorable mentions for applied electronics- Tian, Bo-En and Chen, Zheng-Wei, and honorable mention for CAD mechanical design blueprint- Wang, Jun-Long.




My One Acre Farm Adoption Program

Since the program's beginning of 2010, Ta Ya has participated in the My One Acre Farm Adoption Program every year, creating a win-win for the Earth, farmers, and consumers. Our Company also continued to participate in local public welfare activities related to arts, culture, police, and government, including continued sponsorship of the Tainan Arts Festival. The program which supports small farmers, promotes Taiwan's rice industry, and promotes social welfare and corporate social responsibility, has been highly successful and well-received. As the program enters its 10th year, Ta Ya will continue its membership and support this social welfare activity. Ta Ya continued its adoptions of 2 hectares in 2018.

Social participation by affiliated enterprises

Ta Heng	Donated TWD 100,000 to Ta Ya's Pristine Homeland Foundation	
Ta Ho	Donated TWD 40,133 to toxin-free farms and safe fruit for babies	
AD	1.Tainan Ancing Elementary School Baseball Team-Donated TWD 60,000 2.Tainan Municipal Sinhua District Koupi Experimental Elementary School-Donated TWD 20,000 3.Tainan Municipal Rende District Wunsian Elementary School-Donated TWD 20,000 4.CHENG-HSING Medical Foundation-Donated TWD 30,000	5.Taichung City Heng-shan Social Welfare Foundation-Donated TWD 10,000 6.Ta Ya Pristine Homeland Foundation-Donated TWD 50,000 7.Tainan Ancing National Primary School Parents' Meeting-Donated TWD 12,000 8.Zenan Homeless Social Welfare Foundation-Donated TWD 10,000
Hengs	1.Organized a blood donation drive which yielded 65 bags of blood	2.Sponsored the Cheng Kung University Badminton Team with TWD 5,000 yuan
Haï Dong	1.Donated in kind to Jinxi County (value: TWD 32,500)	2.In 2018, provided winter relief of TWD 10,600 to Taiwanese merchants in Haifang.
Kunshan	In 2018, Hengya Electric (Kunshan) Co., Ltd. participated in the local community by sponsoring a cooling fruit and beverages event this summer (value: RMB 8550). Three company volunteers participated in this event.	



◆ GRI Standard Guidelines ◆

GRI 102 : General Disclosures

Disclosures Items			Page	Omit/description	External Assurance
Organizational profile	G102-1	Name of the organization	2		●
	G102-2	Activities, brands, products, and services	11-16 + 18		●
	G102-3	Location of headquarters	2		●
	G102-4	Location of operations	16		●
	G102-5	Ownership and legal form	2		●
	G102-6	Markets served	11-16		●
	G102-7	Scale of the organization	16 + 62-63		●
	G102-8	Information on employees and other workers	61-64		●
	G102-9	Supply chain	43-46		●
	G102-10	Significant changes to the organization and its supply chain	-	No major changes in 2018	●
	G102-11	Precautionary Principle or approach	56		●
	G102-12	External initiatives	-	No participation in external initiatives in 2018	●
	G102-13	Membership of associations	18		●
Strategy	G102-14	Statement from senior decision-maker	4		●
Ethics and integrity	G102-16	Values, principles, standards, and norms of behavior	28		●
Governance	G102-18	Mechanisms for advice and concerns about ethics	19-26		●
Stakeholder engagement	G102-40	List of stakeholder groups	31		●
	G102-41	Collective bargaining agreements	-	No signing group agreement	●
	G102-42	Identifying and selecting stakeholders	31		●
	G102-43	Approach to stakeholder engagement	31		●
	G102-44	Key topics and concerns raised	33		●
Reporting practice	G102-45	Entities included in the consolidated financial statements	16		●

Disclosures Items			Page	Omit/description	External Assurance
Reporting practice	G102-46	Defining report content and topic Boundaries	3		●
	G102-47	List of material topics	34		●
	G102-48	Restatements of information	–	No relevant circumstances	●
	G102-49	Changes in reporting	33		●
	G102-50	Reporting period	2		●
	G102-51	Date of most recent report	2		●
	G102-52	Reporting cycle	2		●
	G102-53	Contact point for questions regarding the report	2		●
	G102-54	Claims of reporting in accordance with the GRI Standards	core		●
	G102-55	GRI content index	85–88		●
	G102-56	External assurance	90		●

GRI 103 : MANAGEMENT APPROACH

Major theme	description	Setting purpose	related policy	Evaluation method	result (page)	adjustment
Product credit and quality	Continue to obtain product management system	certi_cation and provide high quality products Ensure company competitiveness Quality policy.	The Corporate Social Responsibility Code of Practice	Supplier evaluation	39–46	N
Talent attraction and retention	Employee performance appraisal, compensation and reward	system Ensure company competitiveness	Annual performance appraisal method for employees.	Bonus method.	64–66	N
Harmony of labor relations	Employee rights protection and employee benefits	Taking into account the protection of employee rights and the normal operation of the company	employee rights and the normal operation	of the company	35	N

Major theme	description	Setting purpose	related policy	Evaluation method	result (page)	adjustment
Risk Management*	Measuring the risk of the company and the risks	Reduce risk	Establish internal control	Check execution rate	28-29	N
Corporate Governance*	Corporate behavior at the governance level	Maintain good corporate governance	Establish a code of practice for corporate governance Ethical code of conduct	Corporate governance evaluation ranking	19	N
Energy Management*	Company in the management of energy use	View and manage energy use	Inventory energy usage Import ISO 50001 (expected 2019)	Energy use	52	N
Employee health and safety	Implement occupational safety and health management	and promote employee physical and mental health	Ensure the physical and mental health of	employees	67-68	N
Financial performance	Increase revenue, reduce expenses, and pursue steady	pro_tability The foundation of enterprise development	Board performance evaluation method, Corporate	governance code of practice,	27	N
Pollution Prevention	Wastewater/exhaust gas/waste reduction, in line with local	environmental regulations	Ensure that the company's operations do not	violate any environmental regulations	57-59	N
Anti-corruption*	It is strictly forbidden to include bribery, facilitation, fraud, extortion, collusion and money laundering.	Reduce corruption		Number of corruption behaviors	28	N
Customer relationship management	Improve service quality and customer satisfaction, improve	problem appeal and resolution procedures Maintain customer satisfaction The Corporate Social Responsibility Code of Practice	Customer satisfaction survey operating procedure Customer satisfaction survey		38	N
Climate Change and Carbon Management*	In response to international trends in climate change and carbon management, carbon inventory and energy conservation and carbon reduction are implemented	Examine the carbon emissions of the company itself	Conducting independent carbon inventory	energy used Carbon dioxide emissions	54	N

Note: * is the theme added this year

Specific subject criteria

Major theme	Disclosures Items			page	Omit/description	External Assurance
Economic Standards	GRI 201 : Economic Performance*	201-1	Direct economic value generated and distributed	27		●
		201-3	Defined benefit plan obligations and other retirement plans	64,66		●
	GRI204 : Procurement Practices	204-1	Proportion of spending on local suppliers	44		
	GRI205:Anti-corruption*	205-2	Communication and training on Anti-corruption policies and procedures	28		
		205-3	Confirmed Anti-corruption incident and action taken	28		●
	GRI 301 : Materials	301-1	Materials used by weight or volume	16		
Environmental Standards	GRI 302 : Energy*	302-1	Energy consumption within the organization	52		●
		302-3	Energy intensity	52		●
		302-4	Reduction of energy consumption	52		●
	GRI 303 : Water	303-1	Water withdrawal by source	57-58		
	GRI 305 : emissions*	305-1	Direct (Scope 1) GHG emissions	54		●
		305-2	Energy indirect (Scope 2) GHG emissions	54		●
		305-4	GHG emissions intensity	54		●
		305-5	Reduction of GHG emissions	53		●
		305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	57		●
	GRI 306 : Waste water and waste*	306-1	Water discharge by quality and destination	58		●
		306-2	Waste by type and disposal method	59		●
	GRI 307 : Environmental Compliance*	307-1	Non-compliance with environmental laws and regulations	-	Kunshan Factory: On July 19, 2018, the Second Squadron of the Safety Supervision Bureau of the Anhuan Bureau found that the company's workshop used insulating varnish during the routine inspection of our company. The hazardous chemicals did not evaluate the current production safety status of the production: the fine was 85,000 yuan.	
	GRI 308 : Supplier Environmental Assessment	308-2	Negative environmental impacts in the supply chain and actions taken	45-46		

Major theme	Disclosures Items		page	Omit/description	External Assurance
Social Standards	GRI 401: Employment*	401-1	New employee hires and employee turnover	63	●
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	64	●
	GRI 402: Labor/Management Relations*	402-1	Minimum notice periods regarding operational changes	61	●
	GRI 403: Occupational Health and Safety*	403-1	Workers representation in formal joint management—worker health and safety committees	67-68	●
		403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	69	●
	GRI 404: Training and Education	404-1	Average hours of training per year per employee	74-75	
		404-2	Programs for upgrading employee skills and transition assistance programs	73	
	GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	64	
	GRI 414: Supplier Social Assessment	414-2	Negative social impacts in the supply chain and actions taken	45-46	
	GRI 417: Marketing and Labeling*	417-1	Requirements for product and service information and labeling	40-41	●
	GRI 419: Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	-	No relevant circumstances

Note: * is indicated as a major topic, others are voluntary disclosures.

◆ Independent assurance statement ◆



ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE TAYA ELECTRIC WIRE & CABLE CO., LTD.'S CORPORATE SOCIAL RESPONSIBILITY REPORT FOR 2018

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by TAYA Electric Wire & Cable Co., Ltd. (hereinafter referred to as TAYA) to conduct an independent assurance of the Corporate Social Responsibility Report for 2018 (hereinafter referred to as CSR Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the sampled text, and data in accompanying tables, contained in this report.

The information in the TAYA's CSR Report of 2018 and its presentation are the responsibility of the management of TAYA. SGS has not been involved in the preparation of any of the material included in TAYA's CSR Report of 2018.

Our responsibility is to express an opinion on the report content within the scope of verification with the intention to inform all TAYA's stakeholders.

The SGS protocols are based upon internationally recognized guidance, including the Principles contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) 101: Foundation 2016 for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

This report has been assured using our protocols for:

- AA1000 Assurance Standard (2008) Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2008) at a moderate level of scrutiny; and
- evaluation of the report against the requirements of Global Reporting Initiative Sustainability Reporting Standards (100, 200, 300 and 400 series) claimed in the GRI content index as material and in accordance with.

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

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm 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 ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation 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 CSR Report of 2018 verified is accurate, reliable and provides a fair and balanced representation of TAYA sustainability activities in 01/01/2018 to 12/31/2018.

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. In our opinion, the contents of the report meet the requirements of GRI Standards in accordance with Core Option and AA1000 Assurance Standard (2008) Type 1, Moderate level assurance.

AA1000 ACCOUNTABILITY PRINCIPLES (2008) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity

TAYA has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, CSR experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns.

Materiality

TAYA has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

Responsiveness

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, TAYA's CSR Report of 2018, is adequately in line with the GRI Standards in accordance with Core Option. The material topics and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material topics and boundaries, and stakeholder engagement, GRI 102-40 to GRI 102-47, are correctly located in content index and report. For future reporting, TAYA may consider demonstrating the management approach in PDCA logic (GRI 103-2). When reporting on goals for each material topic, the expected results are suggested to be set, if applicable, with quantitative objectives. More descriptions about the specific actions aimed at improving performance are also encouraged (GRI 103-3).

Signed:

For and on behalf of SGS Taiwan Ltd.

David Huang
Senior Director
Taipei, Taiwan
5 July, 2019
WWW.SGS.COM



AA1000
Licensed Assurance Provider
000-8

