



## 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 at:

[http://www.taya.com.tw/about\\_csr/index.php?cat\\_id=65](http://www.taya.com.tw/about_csr/index.php?cat_id=65)



## Reporting Period

2014 financial year (January 1, 2014 to December 31, 2014). For full disclosure, part of the contents will refer to information from the 2012 and 2013 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.

## Reporting Cycle

Current Issue: November 2015

Previous Issue: November 2014

Next Issue: August 2016 (scheduled)

## Boundaries and Scope of the Report

In order to fully disclose Ta Ya Group's influence on sustainable development, the scope of information in this report comprehensively covers topics in three major areas, namely economic, environmental, and social aspects. The boundaries of this report are also broader than previous versions: in addition to Ta Ya Electric Wire & Cable Co., Ltd. (Guanmiao Factory and Dawan Factory), closely-related affiliated enterprises in Taiwan are also covered, including Cuprime Material Co., Ltd., Ta Heng Electric Wire & Cable Co., Ltd., Ta Ho Engineering Co., Ltd., and AD Engineering Co., Ltd. In the future, coverage of overseas factories will also be gradually included.

## Reference

This report is compiled in accordance with the GRI Sustainable Development Guidelines (G4), certified by SGS-Taiwan and meets the requirements of GRI G4 Core Option and AA1000 Assurance Standard (2008) Type 2, Moderate level assurance.

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## Chairman's Statement

Ta Ya celebrated its 60th anniversary in 2015. We are grateful to be in a position to thrive in the electric wire and cable industry. Moreover, Ta Ya Group also expanded from the transfer of energy to the generation, conversion, and management of energy, working toward a greener life and pristine homeland. In line with this, we have repositioned the Group's vision: We are committed to becoming the leading brand in energy connection, the force behind a better environment and pristine homeland, and a corporation trusted by employees, clients, shareholders and society.

Driven by an entrepreneurial spirit of making continuous enhancements, we have established ourselves as Taiwan's pioneer of 161kV and 345kV cables, Green Wire and Green optical cables, and unleaded PVC cable production. Our latest flagship product is the "400kV enameled wires Milliken conductor, lead-sheath and optical fiber composite power cable." Its AC impedance and carbon footprint is significantly lower than traditional electrical cables. Wide usage of the product will significantly contribute to energy conservation.

With climate change closely linked to energy production, we are doing our part by investing in many aspects of renewable energy, including developing DC solar cable, Medium-voltage, optical fiber composite submarine cable for Offshore Wind Farm, and the planning and construction of solar farms. The roofs of the factory facilities at Guanmiao Headquarters will be turned into a solar farm capable of producing and selling electricity to Taipower. We are seeking more partners to expand this business model, which benefits the company financially while lowering carbon emissions for the environment.

Energy conservation should be applied to our everyday lives and make our lifestyles greener. On the one hand, we seek out businesses needed by society with our venture capital, while on the other, our Foundation holds the Green Inside Project event to discover and encourage practices and individuals who benefit the environment. As of 2014, there have been five Green Inside Project events that have sponsored nearly a hundred winners. We hope that Green Inside Project will make an increasingly bigger impact as it becomes a platform for promoting education and experience.

Ta Ya Group integrates CSR with innovative corporate development strategies in formulating our mid- and long-term goals. For employees, we encourage them to participate in corporate volunteer services in order to increase social participation. For clients, we offer high-efficiency and reliable energy transfer products. For shareholders, we actively answer to a corporate governance evaluation system that achieves higher performance. For the environment, we minimize the impact of our operations and continue to support environmentally-friendly entrepreneurs to enhance our influence.

"We did not inherit our home from the previous generation but have borrowed it from future generations. When we return it, it should be better than how we found it." This should be the true meaning of sustainability. I believe that Ta Ya Group is heading in this direction. Although corporate transformation has its challenges, we hold true to "Enlightened employees, satisfied customers, positive shareholders, and a pristine homeland" as our mission statement, seeking beneficial coexistence with nature as we enter another prosperous decade.

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## Positive Shareholders

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.



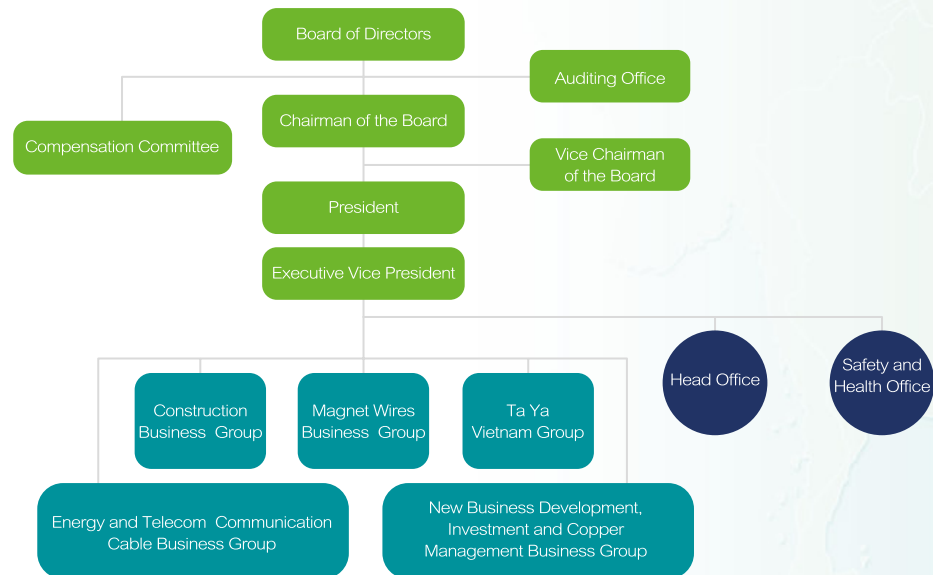
# Company Profile

## History

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.

## Organizational Chart of the Ta Ya Group



Note: For details on affiliated enterprises, see pages 103 to 110 in the 2014 Annual Report.

## Map of the Ta Ya Group



## Core Values

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.

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

For customers, we constantly ask ourselves to provide them with the most valuable products and services (in terms of quality, cost, speed, deadlines, and flexibility) via continuous research and development. For employees, we promise to provide a healthy and safe workplace and establish a fair and open HR development system in order to leverage their talents while improving their sense of participation and ambition.

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. 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.



Mission

Enlightened employees, satisfied customers, positive shareholders, pristine homeland.



Vision

To become the most trusted name in Taiwan's wire and cable industry by 2015

## Our basic management philosophy consists of:

- **Transcendence** : pro-actively seek improvements and constant growth of professional capabilities, management systems, and multi-tasking for all employees. This encompasses the core values of continuously improving quality, process, technique, cost, and service.
- **Compatibility** : achieve the goal of sustainable management and operating-results sharing with all colleagues, customers, shareholders, and business partners via mutual respect, cooperation and teamwork.
- **Prudence** : uphold the principle of honor and adopt a practical and task-seeking attitude. Emphasis on performance, efficiency, details, and implementation as the founding principles of all actions.
- **Innovation** : innovation is the driving force for growth. Constant self-reflection, progress through forward-looking planning, emphasis on both making changes and adapting to changes, and being responsible for the risks after making careful assessments.

## Organization

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: the Energy and Telecom Communication Cable Business Group; the Magnet Wires Business Group; the New Business Development, Investment and Copper Management Business Group; the Construction Business Group; and the Ta Ya Vietnam Business Group.

- **Energy and Telecom Communication Cable Business Group** : Operates the production, development, and sales of electricity and communication cables and monitors affiliated enterprises, including Ta Ya Joint-Engineering Company, AD Engineering Corporation, United Electric Industry Co., Ltd., and Ta Ho Engineering Co., Ltd.
- **Magnet Wires Business Group** : Operates the production, development, and sales of enamel wires and monitors affiliated enterprises, including Heng Ya Electric Ltd. (Hong Kong), Heng Ya Electric (Kunshan) Co., Ltd., Ta An Precision Co., Ltd., and Ta Yi Plastic Co., Ltd.
- **New Business Development, Investment and Copper Management Business Group** : Operates the production, development, and sales of encapsulation solder wires, copper procurement, management of the Taipei Branch, and the evaluation of overseas investments.
- **Construction Business Group** : Operates building construction and sales management.
- **Vietnam Business Group** : Operates the production and sales of electricity and communication cables in Vietnam.

The following are the fields of operation of the three affiliated enterprises and an investment in an associate covered in this Report:

- **Ta Heng Electric Wire & Cable Co., Ltd.** : Operates the production, processing, and sales of wire and cable materials.
- **Cuprime Material Co., Ltd.** : Operates the production, processing, and sales of copper products.
- **Ta Ho Engineering Co., Ltd.** : Operates the design, installation, repair, and support services for electric cables.
- **AD Engineering Corporation** : Operates the planning, design, and installation of water, electricity, fire protection, air conditioning, and clean rooms for buildings and utilities for various production processes.

## Business Development

Prospects for the cable industry are closely linked to the domestic economy due to the local wire and cable industry being a mature and steadily growing market. Domestic sales dominate and are supplemented with export sales. With copper being an essential material, the industry depends heavily on imports, which in turn are often affected by global political and economic factors. The price of copper futures and low gross profit margins are the main factors behind gains and losses in the cable industry.

Over the next few years, the main influences on Taiwan's wire and cable industry include the release of Taipower's Seventh Transmission Investment Project and its related construction work, public construction projects, and the rate at which the IT industry recovers.

- The electric wire market is expected to benefit directly from these factors. The communication cable market is affected the most by its membership to the World Trade Organization. Although the government continuously releases opportunities for web construction to enhance the country's infrastructure, the market is expected to shrink due to an imbalance between supply and demand and heated price competition.
- Sales of enameled wires in Mainland China have not increased as a result of EFCA due to the oversupply of enameled wires in the region. Meanwhile, high copper prices significantly influence the profitability of enameled wires. Ta Ya will respond cautiously to the situation to guard the profitability of enameled wires from the effects of high copper prices.
- Copper wire bonding: IC and LED packaging mostly require palladium-plated copper wire bonding or gold-and-palladium copper wire bonding. Due to intense market competition and falling prices, we will strive to enhance production yield, ensure stable quality, and offer efficient services with customized products.

Since as far back as 1995, Ta Ya has been developing the Vietnam market. Ta Ya (Vietnam) became the first-ever 100% foreign investment company to list on the Vietnamese stock exchange in February 2006. The company produces mainly plastic-insulated electric cables, cross-linked PE electric cables, and bare copper wires.

Ta Ya's export products mainly comprise of enameled wires. In 2014, they accounted for 21.13% of total exports. The main export markets are Hong Kong, China, and India. Other products accounted for less than 2%.

In light of the widespread offshoring of electronics and electrical engineering industries to China and Southeast Asia, Ta Ya is prioritizing the development of new markets to increase its client base as well as develop wires with high added value. Since 2011, the Group has been selected by Japanese companies as their first choice for long-term overseas enameled wire procurement. Our triple-insulation wire sales have made inroads in the China and India markets. With semiconductor factories in Asia mainly located in China, the Philippines, Thailand, and Malaysia, Ta Ya has signed contracts with local agents to incorporate our products for client testing and verification.



## Ta Ya Main Products and Business Contributions

Items of Business	2012	2013	2014
Plastic Wires and Cables	12.32%	11.86%	15.71%
XLPE Power Cables	40.55%	34.52%	20.74%
Rubber Wires and Cables	0.04%	0.25%	0.11%
Bare Copper Wires	10.06%	10.59%	12.03%
Magnet Wires	25.89%	30.05%	29.18%
Telecom Cables and Optical Cables	4.77%	6.86%	6.75%
Construction, Planning, and Other	6.37%	5.87%	15.48%

## Ta Ya Sales (2014)

Item	Category	Amount (1,000 TWD)	
		Quantity (tons)	Amount (1,000 TWD)
Plastic Wires and Cables	Domestic	7,340	1,270,148
	Foreign	24	8,260
XLPE Power Cables	Domestic	6,905	1,666,810
	Foreign	100	20,230
Rubber Wires and Cables	Domestic	36	9,332
	Foreign	0	0
Bare Copper Wires	Domestic	4,299	955,815
	Foreign	23	23,273
Magnet Wires	Domestic	7,283	1,872,453
	Foreign	1,731	501,736
Telecom Cables	Domestic	2,857	548,932
	Foreign	0	0
Construction, Planning Income	Domestic	0	0
Other	Domestic	6,418	1,253,825
	Foreign	0	0
Total	Domestic	35,138	7,581,978
	Foreign	1,878	553,499

## Ta Ya Main Product Sales - by Region

Sales Region	Magnet Wires		Plastic Wires/Cables		XLPE Power Cables		Telecom Cables	
	Amount (1,000 TWD)	%	Amount (1,000 TWD)	%	Amount (1,000 TWD)	%	Amount (1,000 TWD)	%
Asia	379,657	15.99	8,260	0.65	20,230	1.20	---	---
Americas	1,610	0.07	---	---	---	---	---	---
Europe	60	0.01	---	---	---	---	---	---
India	120,409	5.06	---	---	---	---	---	---
Total Exports	501,736	21.13	8,260	0.65	20,230	1.20	---	---
Domestic	1,872,453	78.87	1,270,148	99.35	1,666,810	98.80	548,932	100
Total	2,374,189	100	1,278,408	100	1,687,040	100	548,932	100

## Financial Performance

In 2014, Ta Ya's consolidated revenue was TWD 16.01 billion, which was 5.27% lower than the TWD 16.90 billion in 2013. Operating costs and operating expenses meanwhile accounted for 96.01% and 5.46% of operating revenue, respectively. In terms of profit, net income was TWD 20.45 million, which was 85.66% lower than the TWD 122.16 million posted in 2013.

## Financial Performance (2014)

Unit: 1000 TWD

	Ta Ya	Cuprime	Ta Heng	Ta Ho	AD
Revenue	8,135,478	3,308,849	988,926	177,206	308,555
Gross profit	160,205	(18,328)	41,408	73,166	72,437
Net income	20,454	-42,430	21,423	68,279	24,332
Tax payable	-12,384	-8,671	3,755	11,578	4,752
Employee benefits	413,495	48,532	64,160	27,495	55,799
Donations	2,272	9	150	50	180

Note: Employee benefits include salaries, bonuses, labor and health insurance, pensions, and other employee benefits.

## Select Balance Sheet Items (2014)

Unit: 1000 TWD

	Ta Ya	Cuprime	Ta Heng	Ta Ho	AD
Capital	5,721,808	500,000	215,000	25,000	133,100
Total assets	14,021,990	1,609,814	454,682	156,016	531,356
Total liabilities	6,895,203	979,097	173,991	51,792	340,041
Total equity	7,126,787	630,717	280,691	104,224	191,315

## Better Corporate Governance

### Functions of the Board

The Board of Directors is the highest managing body, charged with the task of electing and nominating top managers, 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 management issues.

The company is governed in accordance with the six principles provided by the Code of Practice for Governance of Listed and OTC Corporates: a) Establish an effective governance structure; b) Protect the benefits of the shareholders; c) Enhance the functions of the Board; d) Effectively employ the functions of the supervisors; e) Respect the benefits of the stakeholders; and f) Increase information transparency.

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. The Compensation Committee is comprised of three independent directors, who periodically review the Articles and provide suggestions. These tasks include: a) to define and publicize our policies, regulations, standards and structures for performance evaluation and determining the salaries of our directors, supervisors and managers; and b) to periodically review the salaries of our directors, supervisors, and managers. The Ta Ya Board met six times in 2014 with an attendance rate of 90%; the compensation committee met twice with an attendance rate of 100%.

### Ta Ya Board Members

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

Note: Effective June 2015

### Ta Ya Group 2014 Board Meetings and Board Member Details

	Directors	Independent Directors	Supervisors	Meetings Held	Attendance Rate	Female Director(s) and Positions	Age:30-50	Age: over 51
Ta Ya	5	3	2	6	91.67	None	0	10
Cuprime Material	7	0	2	2	100	None, but 1 supervisor	1	8
Ta Heng	7	0	2	1	100	None	0	9
Ta Ho	3	0	2	2	100	None	1	4
AD	7	0	2	5	75.56	1 (14.29%)	0	9

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.

### Ta Ya Shareholder Structure

Financial Institutions	Other Legal Entities	Personal	Foreign Institutions and Foreigners
0.15%	7.37%	85.66%	6.82%

Note: Data as of April 13, 2015.

### Proportion of Total Remuneration of Ta Ya Directors (including Independent Directors)

2012	2013	2014
2.84	3.53	8.2

Note: The total remuneration of directors is the accumulated sum of: salary, retirement pay, surplus allocation rewards, and business execution fees.

## Risk Management and Internal Control System

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

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

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

The control points are designed by procedures in accordance with the responsibilities of each department. The operating procedures must accompany implementation details. A self-evaluation questionnaire is compiled in December of every year in relation to each point in the internal control system. An operating procedure is modified after discussions on the points in question, and the audit plans for the following year are then put forward. After obtaining the agreement of the Board, it will be reported to the competent authority. If misconducts are found, they will become the points of correction for the following year. Other than auditing the audit items in accordance with the law, high-risk items classified by each department after self-evaluations and the current year's items of misconduct are then listed as the major items to be audited in the following year.

In 2014, we audited 19 departments internally, accounting for 90% of the total internal departments. As for our subsidiaries, 17 were planned to be audited, and 16 were actually conducted, accounting for 94% of total subsidiaries. We will continue to increase items to be audited to reduce operational risks and remedy any misconduct every year.

## 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.

On December 16, 2014, the Ta Ya Board of Directors passed the Corporate Governance Code of Practice, the Ethical Management Principles, and the Code of Ethics to establish a sound corporate management system and ensure the company's development.

## Information Disclosure

Ta Ya 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.

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 vote-by-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.

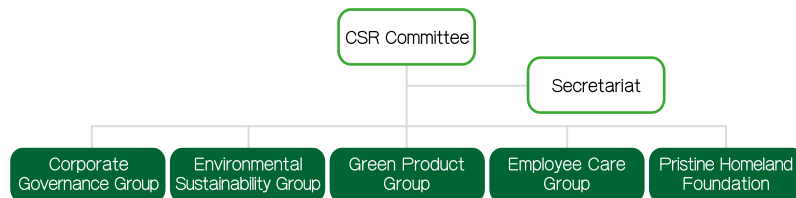
## Commitment to CSR

### Stakeholders Engagement

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

Ta Ya Group believes that communicating with its stakeholders aids in understanding everyone's viewpoints on relevant topics and aids in providing proper responses and measures, which is the basis for CSR implementation. Therefore, we identify and determine key CSR topics via the following steps, and evaluate the relevant topics from the stakeholders with industry experts and the various units.

### Ta Ya Group CSR Committee Organizational Chart



#### Step 1: Identifying Topics

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

#### Step 2: Prioritize

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

#### Step 3: Analyze Results

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

#### Step 4: Continuous Improvements

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

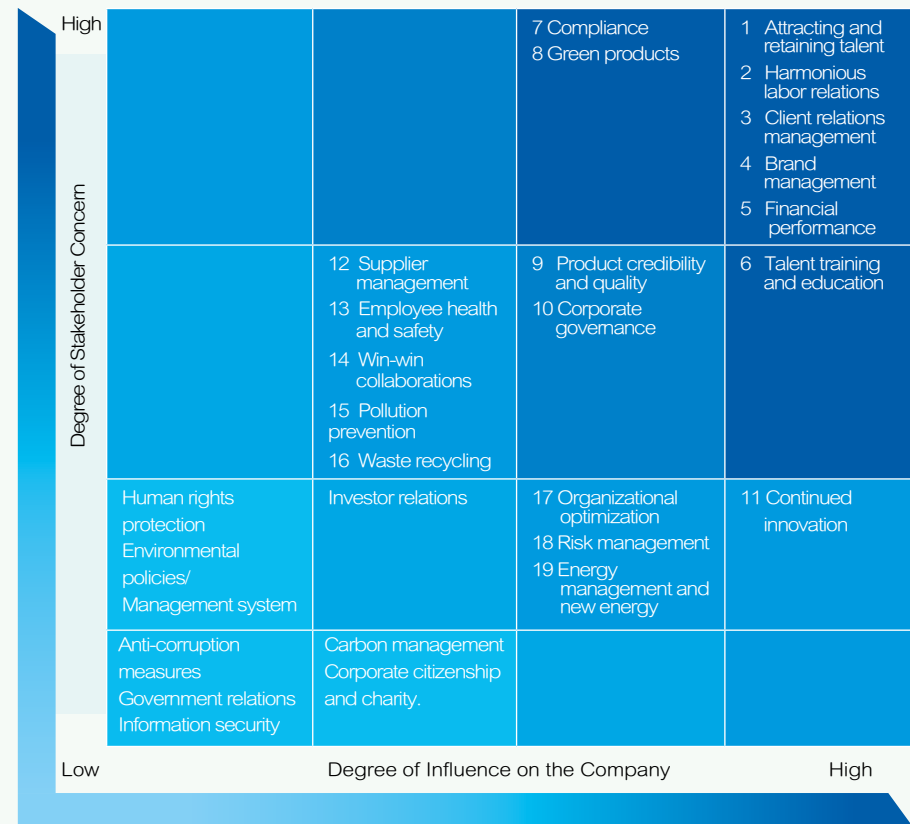
Stakeholders and Materiality

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

Analysis of Materiality

The identification of material issues for this Report was carried out by the first-quarter CSR Committee of 2015 using questionnaires. Based on the questionnaires, issues that concerned external stakeholders were evaluated while considering Ta Ya Group’s core operations. Twenty-nine issues were submitted to the CSR Committee for evaluation based on Degree of Stakeholder Concern and Degree of Influence on the Company. Nineteen (two thirds) of the issues were listed as material.

Materiality Matrix



Item	Priority issue	Internal	External	G4 Material Aspects	Report Chapter	Pages
1	Attracting and retaining talent	Ta Ya Cuprime Ta Heng Ta Ho AD		Labor Relations G4-LA2	Benefits and Care	17
2	Harmonious labor relations	Ta Ya Cuprime Ta Heng Ta Ho AD		Freedom of Association and Collective Bargaining G4-HR4	Labor Harmony	18
3	Client relations management	Ta Ya Cuprime Ta Heng	Client	Results from Customer Satisfaction Survey G4-PR5	Customer Satisfaction Survey	31
4	Brand management	Ta Ya	Shareholder	Other Material Aspects	---	--
5	Financial performance	Ta Ya Cuprime Ta Heng Ta Ho AD	Client	Economic Performance G4-EC1	Business Performance	7
6	Talent training and education	Ta Ya Cuprime Ta Heng Ta Ho AD		Training and Education G4-LA9, G4-LA11	Training	22
7	Compliance	Ta Ya Cuprime Ta Heng		Compliance G4-EN29 Compliance G4-SO8	Environmental Policies and Management Code of Conduct and Anti-corruption Measures	39 9
8	Green products	Ta Ya Cuprime Ta Heng	Client	Products and Services G4-EN27	Innovation Management	33
9	Product credibility and quality	Ta Ya Cuprime Ta Heng	Client	Product and Service Labeling G4-PR3	Product Labeling	30

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12	Supplier management	Ta Ya	Supplier	Supplier Environmental Assessment G4-EN33 Supplier Labor Practice assessment G4-LA15 Supplier Human Rights Assessment HR-11 Supplier Social Impact Assessment SO-10	Supplier CSR Assessment	32
13	Employee health and safety	Ta Ya Cuprime Ta Heng Ta Ho AD		Occupational Health and Safety G4-LA5, G4-LA6	Occupational Health and Safety	19
14	Win-win collaborations	Ta Ya	Supplier	Procurement Practice G4-EC9	Procurement Policies	32
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16	Waste recycling	Ta Ya Cuprime Ta Heng	Community	Sewage and Waste Materials G4-EN23	Waste Management	41
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Note: Brand Management issues include maintaining corporate reputation, continued brand management and value increase. Organizational Optimization issues include reinforcement of corporate visions and organizational adjustments. Relevant measures have been implemented and will be disclosed in future reports.

## 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 Group's External Organizational Involvements

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

### 1. TEEMA

Taiwan Electrical and Electronic Manufacturer's Association The association's mission is to act as the communicator between the government and the people, the promoter of rooting in Taiwan, and the supporter of global businesses. It provides its members with global diversified services for mutual benefit and acts as the bridge between the industry and the government to foster economic growth. The executive director of TEEMA is President Shen Shanghong of Ta Ya. TEEMA has visited Vietnam many times before, with Ta Ya participating in the reception events and facilitating economic trade exchanges between Taiwan and Vietnam.



### 2. Wire & Cable Association Synergy Development Center

The organization assists its members in broadening the perspective and creates business opportunities and visions via the CSD. Other than providing important information on union activities, industry and exhibitions, it also devotes itself to providing members, both foreign and domestic, with trader data, national industrial degree compilations and various information to promote industrial upgrades, improve product quality, lower production costs and further industrial competitive strength. President Shen Shanghong of Ta Ya has been acting as the Vice Chairman of the association since 2002 and is committed to promote its business.



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

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



### 4. Tainan Industry Association

The association assists in communications between local enterprises and the local government, and fosters better understanding of the laws and regulations imposed by the state. President Shen Shanghong of Ta Ya acts as the executive director of the Tainan Industry Association. Ta Ya's participation is aimed at connecting the Tainan government with private industries, thus providing clients in the Tainan region with the best available service and becoming their trusted business partner.



### 5. TwnWEA - Taiwan Wind Energy Association

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



### 6. TWTIA - Taiwan Wind Turbine Industry Association

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



### 7. STGSTA - Southern Taiwan Green Science & Technology Association

The STGSTA promotes environmental concerns and aims to integrate resources from industrial, governmental, academic, educational, and research fields for a better balance between economic development and ecological considerations in order for STGSTA manufacturers to foster innovative developments.



### 8. TNCIA - Tainan County Industrial Association

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



## Corporate Governance Rating

The Financial Supervisory Committee issued the five-year Blueprint for Corporate Governance Enhancements in December 2013. The implementation of corporation governance evaluations is listed as a primary goal for 2014. The reason for its promotion is to utilize the comparison of results of overall corporate governance in the market and to assist investors and enterprises in understanding the positive effects of corporate governance. This is done to promote healthy competition in the industry and improve corporate governance standards so as to further shape and improve the corporate governance culture.

Keeping shareholders satisfied is one of Ta Ya's four missions. By continuously fortifying its corporate governance system and increasing information transparency to ensure shareholder rights, we fulfill our promise of sustainable operations. For the five aspects of evaluation – i.e. the protection of shareholder rights, equal treatment of shareholders, structure and operation of the Board of Directors, information transparency, and the protection of stakeholders and CSR-relevant departments perform reviews and improvements, actively set self-regulatory standards that are above legal requirements and set an example for the industry.



## Enlightened Employees

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 Profiles

### Provide employment opportunities

Ta Ya, Cuprime, Ta Heng, Ta Ho, and AD had a combined staff of 833 in 2014, a slight decrease from 844 in 2013. We offer most employees irregular agreements for them to work long-term and without worry. Our beginning salaries do not vary by gender. Transfers, promotions, and training programs are all based on personal merit. When needs arise for overseas dispatches, we communicate with employees beforehand and offer rewards, including a salary increase and opportunities for promotion.

In the staff composition of all five companies, male employees comprise a larger portion than female employees mainly due to the physical requirements, high-temperature workplaces, or around-the-clock shift scheduling. However, at Ta Ya, the percentage of female executives is 15.07%, slightly higher than the percentage of female employees (13.97%).

Ta Ya Group supports employment for the disabled. By the end of 2014, we had employed eight disabled persons, higher than the legal requirement. Moreover, in terms of cultural diversity, the company has three aboriginal employees in its employment. The staff in all five companies is entirely Taiwanese, except for Ta Heng with eight foreign workers (accounting for 8.51%).

Staff Composition (Employment Contract and Type of Employment)

			Ta Ya		Cuprime		Ta Heng		Ta Ho		AD	
			Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%
Employment contract	Irregular Agreement	Male	490	84.48	39	68.42	61	64.89	28	87.5	48	60
		Female	81	13.97	18	31.58	25	26.6	4	12.5	32	40
	Regular Contract	Male	9	1.55	0	0	8	8.51	0	0	0	0
		Female	0	0	0	0	0	0	0	0	0	0
Type of Employment	Full-time	Male	499	86.07	39	68.42	8	8.51	28	87.5	47	58.75
		Female	81	13.93	18	31.58	0	0	4	12.5	31	38.75
	Part-time	Male	0	0	0	0	0	0	0	0	1	1.25
		Female	0	0	0	0	0	0	0	0	1	1.25
Total staff			580	100	57	100	94	100	32	100	80	100

Staff Composition (Gender and Age)

	Ta Ya		Cuprime		Ta Heng		Ta Ho		AD	
	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%
Male	499	86.03	39	68.42	69	82.14	28	87.50	48	60
Female	81	13.97	18	31.58	25	29.76	4	12.50	32	40
Aged 30 and under	102	17.59	3	5.26	17	20.24	0	0	19	23.75
Aged 30 to 50	341	58.79	34	59.65	54	64.29	22	68.75	59	73.75
Aged 50 and above	137	23.62	20	35.09	23	27.38	10	31.25	2	2.5
Total staff	580	100	57	100	94	100	32	100	80	100

Number of Management Staff

		Ta Ya	Cuprime	Ta Heng	Ta Ho	AD
(Deputy) Department Heads	Male	28	8	4	3	9
	Female	7	3	0	0	6
(Assistant) Managers	Male	14	3	4	1	7
	Female	3	0	1	0	2
Associates	Male	7	2	3	0	3
	Female	0	0	0	0	0
Vice Presidents or above	Male	13	4	3	1	1
	Female	1	0	0	0	0
Total		73	20	15	5	28

Supporting Disability Employment

	Ta Ya	Cuprime	Ta Heng	Ta Ho	AD	Total
Required Employment	5	0	1	0	1	7
Actual Employment	5	1	1	0	1	8

Other Diversity

	Ta Ya	Cuprime	Ta Heng	Ta Ho	AD	Total
Number of required aboriginal employees	5	0	0	0	0	5
Number of aboriginals employed	3	0	0	0	0	3
Foreign workers	0	0	8	0	0	8

Note: The foreign workforce consists of 6 with Indonesian nationality and 2 with Thai nationality.

Employee Turnover and Percentages (2014)

	Ta Ya		Cuprime		Ta Heng		Ta Ho		AD	
	Number of People	%	Number of People	%	Number of People	%	Number of People	%	Number of People	%
New Employees										
Aged 30 and under	71	54.2	5	55.56	22	70.97	0	0	14	48.28
Aged 30 to 50	53	40.46	4	44.44	9	29.03	2	100	15	51.72
Aged 50 and above	7	5.34	0	0	0	0	0	0	0	0
Male	122	93.13	5	55.56	26	83.37	1	50	19	65.52
Female	9	6.87	4	44.44	5	16.13	1	50	10	34.48
Resignation										
Aged 30 and under	21	26.25	5	62.5	15	75	0	0	16	64
Aged 30 to 50	38	47.50	3	37.5	5	25	2	66.67	9	36
Aged 50 and above	21	26.25	0	0	0	0	1	33.33	0	0
Male	73	91.25	5	62.5	16	80	2	66.67	12	48
Female	7	8.75	3	37.5	4	20	1	33.33	13	52

Note: New employees refer to those employed within the past nine months. New employee percentage = number of new employees / number of employees as of the end of the year. Resignation percentage = number of resignations / number of employees as of the end of the year.

Ta Ya Lunch Subsidies

Year	2012	2013	2014
Expenditure (TWD)	1,055,130	1,155,630	1,128,820
Estimated number of meals from which employees benefited (annually)	52,756	57,782	56,441
Average number of diners per day	220	240	228

Ta Ya Employee Care Expenditure

Item / Annual total	2012	2013	2014
Group insurance	1,798,975	1,741,768	1,845,386
Consolation money for employee accidents	16,000	47,000	148,000
Club activity subsidy	84,400	55,800	56,484
Domestic tours	1,137,446	979,887	1,216,830
Total	3,036,821	2,824,455	3,266,700

## Welfare and Care

Employee welfare committees have been formed at Ta Ya, Cuprime, and Ta Heng. Their main responsibilities are: the examination, implementation, and supervision of employee welfare affairs; the planning, custody, and withdrawal of employee welfare funds; the allocation, auditing, and budgeting of employee welfare funds; and other relevant employee welfare affairs.

- 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.
- 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.
- 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.

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.

To help employees relieve pressure, bond with each other, stay fit, and enjoy cultural activities, Ta Ya has established clubs for cycling, yoga, hiking, charity, photography, cultural study, badminton, mountaineering, skating, and karaoke, which contribute to the quality of employees' lives.

All Group members are included in the retirement welfare plans. An employee retirement benefits conference was held where the previous retirement pension system was amended. Members who adopted the new system accepted a uniform 6% contribution, while those moving from the old to the new would receive a maximum of 4%-15% of their gross salary. At the same time, we enlisted pension actuaries to do the accounts on the status of the retirement reserve funds.

# Human Rights Protection

## Worker Dignity

Ta Ya Group's Human Rights Policy Statement is defined in accordance with The Universal Declaration of Human Rights, The United Nations Global Compact and The ILO Conventions on Core Labor Standards. It is premised on allowing everyone inside and outside the company to receive fair and respectable treatment. We pledge:

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

In order to implement gender equality, we have defined the Complaints and Disciplinary Measures for the Prevention of Sexual Harassments in the Workplace 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.



To protect the working interests of all employees, we strictly comply with government regulations to clearly state the deadline to inform labor changes in the labor contract. In 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.

## Harmonious Labor Relations

Harmonious labor relations are the cornerstone for our continuous growth. Our personnel management regulations are defined and implemented in accordance with the relevant laws and we pro-actively engage in all welfare measures for the employees. Regular labor-management meetings are held to ensure clear communications. Furthermore, at Ta Ya and Cuprime, there are industry guilds. There have not been labor-management disputes within the Group.

# 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 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%):

1. Chairperson: Undertaken by the General Manager of the communications business group;
2. Executive secretary: Undertaken by the safety and health officer of the safety and health office;
3. 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;
4. Labor representatives: Undertaken by the Managing Director and board member of the industry guild;
5. Occupational safety personnel: One occupational health and safety executive, one occupational health and safety officer, and two occupational health and safety managers; and
6. Medical personnel: Medical personnel of the health and safety office.

The Committee on Occupational Safety and Health at Ta Ya conducts reviews of occupational safety and health at the company based on occupational health and safety laws and regulations. Members of the committee also propose improvement measures to ensure the safety of the employees.

The practices of other affiliated companies are as follows:

- The Committee on Occupational Safety and Health at Cuprime is responsible for deliberating, coordinating, and suggesting matters regarding occupational safety and health. Organization: One health and safety commissioner (10%, undertaken by the plant director), five health and safety representatives (50%, represented by the heads of departments, one labor representative elected by plant employees (10%), and three labor safety personnel (30%, undertaken by occupational health and safety executives).
- To implement the occupational health and safety system and comply with the Labor Safety and Health Act and other relevant laws to ensure safety, health, and hygiene at the workplace, AD has formed the Occupational Safety Section with one Section Chief, one executive officer, and two section officers stationed at construction sites for this task. Meanwhile, safety auditing sessions carried out by the Occupational Safety Section Chief raises awareness of health and safety issues and ensure compliance with the relevant regulations in the workplace. It also checks for the correct use of safety gears to minimize hazards.

## 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 obtained the IECQ/QC 080000 certification in 2007. In addition to caring for the health of the employees, we provide safeguards for consumers, too.

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

The raw materials for magnet wires other than copper wires also include a variety of coatings, and the main ingredients of the coatings are organic solvents. In order to protect employee health and cause no harm to the environment, we have adopted the use of catalysts to make the organic solvents in water and CO<sub>2</sub> via high temperature combustion. We were the first in our peer group to implement this. The bonding wire and PV ribbon products have no adverse effects on safety and health, but the safety of the annealing process for copper bonding wires and both the calendaring and annealing process of PV ribbons must be given special attention.

In addition, 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.

In Ta Ho's occupational hazards statistics, the majority of incidents result from injuries (cuts) in using tools during cable transition operations, the main reason for which is failure to observe standard operating procedures and work arrangements. To prevent further incidents of this type, the company conducts regular health and safety training as well as daily KY Tool Box Meetings (KY-TBM) for information before operations to reinforce awareness of the dangers and prevent mishaps.

Occupational hazards at AD are mainly on the construction sites. Preliminary investigations into incidents have revealed that engineers failed to observe standard operating procedures and work arrangements during operations, leading to grazing and crushing injuries. To prevent further incidents of this type, on-site engineers and department executives have been required to perform regular examinations and regular safety training is held to ensure that workers observe regulations and raise their awareness of the hazards.

Occupational Hazards - Key Indicators

		Ta Ya	Cuprime	Ta Heng	Ta Ho	AD
Injury Rate Occupational Disease Rate	Male	2.098	0	0.69	0	3.75
	Female	0.233	0	0.14	0	1.25
Loss of and Delay Rate	Male	0	0	0	0	0
	Female	0	0	0	0	0
Injury Rate Occupational Disease Rate	Male	4.196	0	2.27	0	0
	Female	0.466	0	0.07	0	7.5
Loss of and Delay Rate	Male	0.066	0.005	0.002	0.001	0.005
	Female	0.007	0.008	0.002	0	0.005
Line of duty death	Male	0	0	0	0	0
	Female	0	0	0	0	0

Note: 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.

## Health Care

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, blood pressure, waist circumference, and blood glucose are among the top five 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:

- **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;
- **Weight management program by the Health Promotion Administration:** A weight-loss class was formed with 163 people participating and 233.5 kilograms of weight lost. Weight loss information is posted on the bulletin board system for the staff;
- **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. 322 people participated;
- **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;
- **Signs in stair cases that:** encourage employees to use the stairs, encouraging exercise in the workplace;
- **The Ta Ya Hiking Track:** 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; and
- **Healthy diet:** An employee cafeteria has been established to provide lunches and dinners.

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). Physical examinations are also provided to employees at Cuprime and Ta Heng annually or once every three years.

## Educational Training

### The Educational Training System

Human resources are essential for the sustainability and transformation of an enterprise. To systemize employee training programs for effective implementation and evaluation and increase corporate competitiveness, Ta Ya introduced the Talent Quality Management System (TTQS) to improve training effectiveness.



Our 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.

The Group is committed to cultivating talent. 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.

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	V	V	V
Professional personnel	X	V	V	V



Reflecting Ta Ya’s commitment to the training of employees, we invested TWD 2.06 million in 2014 for training, which accounted for 0.03% of our revenue. Total training hours were 5,861; the average training expense per employee was TWD 3,575, with an individual average of 10.11 hours. In 2012, the Health and Safety Office organized nine company-wide retraining sessions as required by law, thereby raising the total training hours as a result. In 2013 and 2014, the hours were similar. Every year, Ta Ya plans training programs based on organizational strategies and departmental objectives, with employees learning from outside sources and active training of internal instructors to develop an organization with a sense of identity.

Training Hours (by Gender)

Gender	Female			Male		
	Training Hours	Total Employee Number	Average Training Hours	Training Hours	Total Employee Number	Average Training Hours
TaYa	1118	81	13.80	4743	499	9.51
Cuprime	81	18	4.5	273	39	7
Ta Heng	30	25	1.2	70	69	1.01
Ta Ho	0	4	0.00	390	28	13.93
AD	922	32	28.81	1475.5	48	30.73

Class	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
TaYa	3122	422	7.06	683	92	7.42	2056	46	44.70
Cuprime	149	37	4.03	191	11	17.36	14	9	1.56
Ta Heng	60	67	0.9	22	16	1.38	18	11	1.64
Ta Ho	100	18	5.56	278	11	25.27	12	3	4.00
AD	1213.5	53	22.9	876	15	58.4	308	12	25.67

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.

Educational Training of Ta Ya (by Gender)

Gender	Female			Male			Total Weighted Average Time
	Training Hours	Total Employee Number	Average Training Hours	Training Hours	Total Employee Number	Average Training Hours	
2012	1456	76	19.16	7070	491	14.40	15.04
2013	1699	80	21.24	4907	517	9.49	11.07
2014	1118	81	13.80	4743	499	9.51	10.11

The Educational Training System of Affiliated Enterprises

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

## Performance Evaluation

Ta Ya 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.

The Group 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; and

- AD conducts performance evaluations in April and October each year in accordance with the Lv3 to Lv4 Promotion Procedure and the Annual Promotion Evaluation Procedure. Employees first do a self-evaluation in accordance with the work handbook, competency inventory and KPI indicators before the unit manager reviews their performance. The results of the evaluation are categorized into O (Outstanding); S (Successful); I (Improvement Needed); and U (Unacceptable). Employees who qualify for promotions will be openly notified afterwards and be commended in the monthly conferences.

## Activities of volunteers

In 2013, Ta Ya formed a cable safety volunteer team and implemented volunteering promotional services with great success. The following year, the volunteer team upped their collaboration with external organizations by participating in the levee cleaning event at Shanhai Canal Greenway at the Taijiang Branch of Tainan Community University and took part in the maintenance event organized by Wetlands International at the Erren River wetland. We call upon employees and their family members to participate in volunteering and social services that further our ideal of a better world.

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



# Activities of volunteers



# Succession Planning

Since Ta Ya's founding 60 years ago, the issue of cultivating quality successors for the sake of sustainable development has been a key consideration. We believe that building an organization that prospers, with happy employees who enjoy a good balance between work and family life and enthusiastically advance the company's interests, will be better for society and will foster stability and development. The company's succession planning is premised on the Shift-Rotation System and the Learning Passport:

## Shift-Rotation System

- In line with the company's long-term plans and reserve personnel requirements, rotation allows for the understanding of work details of each department to be managed in the future. The company's competitive strength and cultivation of future talent is achieved through systemizing projects, allowing manpower allocation to be more systematic so as to provide a comprehensive horizontal experience and to develop vertically to improve organizational efficiency.

## Learning Passport

- The Learning Passport is a plan derived through analyzing the requirements of a job, and establishing the learning modules and basics required for evaluations.
- The content of the plan is discussed with the current job holder and the potential successor and uses the job-related abilities of the employee as the basis to find the direction of learning.
- Results of the plan's execution factor in the performance evaluations for discussion and feedback to ensure effective control.

In 2014, we continued with the succession plan and implemented executive advancement programs to enhance the knowledge and intelligence of the successors. With material shadow training, successors can apply their knowledge in practice and specifically plan and execute policies, gradually internalizing the training so that they are able to succeed in carrying out the mission, vision, and goals of the company and realize business philosophies.



## Satisfied Customers

Ta Ya Group believes that superior product service is the basis for supporting satisfied customers. Quality products use quality raw materials as a starting point. We carefully select the upstream factories for our materials and adequately implement local procurement. We choose to reduce the environmental impact of our products and minimize the consumption of natural resources in the course of our manufacturing procedures. To protect public health and safety, we adopt environmental protection laws as the basis for assessing the possible environmental impact of our manufacturing process prior to implementation.

Our dedication to product innovation and quality improvement was showcased in the 600V Green Wire, which is considered to be the best choice for consumers thanks to its obtaining the EPA Green Mark and exceeding the EU RoHS standards. In response to international efforts in reducing the impact of climate change and promote energy-saving and carbon-reduction practices, Ta Ya was the first in the industry to obtain Carbon Footprint Certification for its 161kV XLPE Power Cables and Triple Insulation Layers Wire (TILW) (0.6~1.0mm) products. The Group promotes customer satisfactory surveys to discover topics of public attention and expectations in order to incorporate them as part of our corporate growth.



# Products and Business Groups

## Overview of the Four Major Business Groups

Ta Ya is made up of the Energy and Telecom Cable Business Group, the Magnet Wires Business Group, the New Business Development, Investment and Copper Management Business Group, and the Construction Business Group.

### Energy and Telecom Cable Business Group



The business group's primary products are crucial to modern-day infrastructure and include power, communication and optical cables. Power cables are suitable for use in power transmission and distribution systems, ranging from 600V to 345kV. We are the first domestic power cable company to successfully develop and obtain the commission from Taipower for the manufacturing of 345kV power cables.

Communication cables are primarily used in a variety of communications and information transmissions, including telecommunication, information networks, cable television and wireless communication systems. To fulfill the information society's demands for digitizing information and communication services, and to provide high-end communications for clients, we introduced the microcomputer nitrogen triple-insulated foam extrusion machine, auto-storage and other integrated computer manufacturing systems sourced from foreign professional technical factories. We implemented various quality assurance systems and also cooperated with foreign technical professional manufacturers to implement high-quality processes in producing high-quality products for both the domestic and foreign markets.

With increasing demand for high-speed Internet bandwidth, only optical cables can adequately satisfy the demand. In response, our Power Communications Group efficiently devoted a large amount of resources to the R&D of optical cables, which were successfully produced to meet the requirements of Chunghwa Telecom, fixed-line companies, and cable TV operators. The optical cables produced by Ta Ya all meet ITU and IEC standards. Low-smoke, non-toxic and fire-resistant optical cables usable between buildings were successfully developed in 2002, providing a complete telecommunications product service.

With its focus on product innovation and quality improvements, Ta Ya developed the 161kV and 345kV XLPE Power Cables ahead of its peers. In line with the company's approach in caring for people and the environment, its product designs include a series of low-smoke halogen-free cables, heat/fire-resistant cables, and low-smoke non-toxic optical cables, among others. Of these, the 600V Green Wire, which exceeds the RoHS standards and obtained the first domestic EPA Green Mark, has demonstrated our competitive advantage compared to rivals. We are proud of our Green Wire, which has no impact on the environment and leaves no adverse effects on human health, providing the best and safest choice for consumers.

## Magnet Wires Business Group

# 2

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

Ta Ya is the largest domestic manufacturer of magnetic wires. As the first in Taiwan to introduce the cutting-edge IN-LINE automatic magnet wire manufacturing equipment from Europe, we subsequently became an ISO/TS16949-certified magnetic wire manufacturer in 2005, placing us in a leading global position in the electronic, electric and automotive industries. In order to maintain the competitive edge of our products, we adopted a variety of precision computer testing equipment in implementing strict online quality control operations. Our products achieved the goal of being “high-quality, light, high-temp resistant, nano-tech, and non-toxic,” as recognized by both consumers and the industry.

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

## New Business Development, Investment and Copper Management Business Group

# 3

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

Ta Ya was founded over half a century ago and has amassed decades of experience in manufacturing copper wires. With the copper refining techniques of our affiliated companies, from upstream to downstream, we have fully mastered the manufacturing techniques and characteristics of copper materials. We use line-drawing equipment, eye mode and line-drawing oil from major European factories, which are all certified by ISO9001, ISO14000 and ISO/TS16949 standards. We maintain strict process control over the materials and labor to meet the demands of various copper and stranded wires, providing clients with stable and trustworthy products.

In addition, in view of the development trend of high value-added products, Ta Ya also expanded into materials manufacturing for the electronics industry. We allocated our R&D to this field in 2003, integrating the technical resources of academia and successfully developed copper wires specifically suited for the intensive-pitch encapsulation industries. Our technical quality and strengths are comparable to major factories in Switzerland, Japan and Korea, and is the only unit able to pass the 25 μm copper wire full-reliability test of ASE Kaohsiung.

## Construction Business Group

# 4

In Taiwan, our primary business is the re-programming of non-primary manufacturing idle assets. This includes land rentals of idle factories, the renting or selling of excess offices from self-developed cases, and using such assets for urban renewal, as well as reclassifying public or private offices for the development of new higher-value assets. We obtain suitable land properties through open bidding or via brokerage agencies and self-develop new cases. Additionally, in Vietnam, our business group provides services to Taiwanese merchants and foreign property owners to assist their planning and construction of factories, offices, and dormitories. We also provide engineering supervision services.

## Product Information Labeling

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

- **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.

The contents of certain products are clearly labeled with, for example, the lead-free label (LR), the low-smoke halogen-free label (LSFH), or the phthalate-free label, while others are marked for cadmium compounds, mercury compounds, tin compounds, polybrominated biphenyls (PBBs), and polybrominated diphenyl ethers. Products with chloroparaffins or those that have a chlorine weight ratio of 50% or higher are labeled EM-IL.

Based on customer demand and export requirements, product certification system information is labeled on the external packaging of the product, such as for the ISO9001 quality management system, ISO/IEC 17025 General requirements for the competence of testing and calibration laboratories, OHSAS 18001 Occupational Health and Safety Management System, ISO14001 environmental management system, Taiwan Occupational Safety and Health Management System (TOSHMS), and IECQ QC080000 Hazardous Substances Process Management certifications.

- **Magnetic Wires Business Group :** All enameled wire products are labeled. In addition to occupational health and safety certifications, including OHSAS18001, ISO14001, and TOSHMS, quality assurance certifications contain IECQ QC080000 Hazardous Substances Process Management, SONY GB (ID: 0762), ISO9001 quality management system, ISO/TS 16949 Automotive Quality Management System, and many other product certifications. There is also information on the Restriction of Hazardous Substances (RoHS) Directive 2002/95/EC, Measures for Administration of

Pollution Control of Electronic Information Products (for certifying that the product does not contain hazardous substances or that the materials are recyclable), and “e” certifications, labeled on the external product packaging. Based on customer demand and export requirements, certification system information is labeled on the external packaging of the product, such as the ISO9001 quality management system, the TS 16949 Automotive Quality Management System, the OHSAS 18001 Occupational Health and Safety Management System, the ISO14001 environmental management system, the Taiwan Occupational Safety and Health Management System (TOSHMS), IECQ QC080000 Hazardous Substances Process Management, and SONY GB (ID: 0762) certifications.

- **New Business Development, Investment and Copper Management Business Group :** The group’s products are all labeled, where appropriate, with the Ta Ya cable mark, cable type, specifications, quantity, date of manufacture, and expiration date. As per ISO and EU requirements, the external packaging is labeled with ISO9001, TS16949, OHSAS 18001 Occupational Health and Safety Management System, ISO14001 environmental management system, IECQ QC080000 Hazardous Substances Process Management, and RoHS information.
- **Cuprime Material :** 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 wires are certified by TUV Rheinland (Germany) and UL (U.S.). The selection of materials for production are made with environmental-friendliness as a top priority, and the products are manufactured in compliance with international hazardous substance management regulations, with RoHS and REACH information appropriately labeled on the products. The network cables are manufactured in compliance with the C2 version of the ANSI TIA-EIA 568 standards and are certified by UL. The product and external packaging are labeled as per UL standards.





## Customer Relationship Management

### Quality Assurance

We uphold an ethos of “quality first, client first, speedy service” in providing the best service to our clients. 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 reflecto-meter OTDR, polarization mode dispersion analyzer PMD, geometric characteristics meter); low-smoke and non-toxic laboratory; and a variety of heat/flame-resistant testing equipment. We are the first manufacturer in our industry to be certified by the ISO/IEC 17025 E001 ROC electric field testing laboratory. 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 magnetic wire and TILW of the Magnetic Wires Group have obtained ISO 9001, ISO/TS16949, IECQQC080000, SONY GREEN PARTNER, SONY GREEN BOOK (No.0762) certifications, as well as various other domestic and foreign quality product safety certifications. Ta Ya is also the first domestic wire and cable manufacturer to obtain the ISO/TS 16949, IECQQC080000, and the TILW Carbon Footprint Certification, and the first among our peers to pass the ROC laboratory certification system ISO/IEC 17025 laboratory testing.

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

## 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.

- **Energy and Telecom Cable** : The survey consists of five categories, including service, quality, manufacturing, customer evaluation, and competitive benchmarking. Points are given in accordance with the level of satisfaction. Negative marks are given for “bad” or “unacceptable” responses. In terms of stability and durability scores, satisfactory levels in 2014 increased by 0.72% and 0.10%, respectively, demonstrating clients’ high rating of the Ta Ya brand and its product quality achieved through the efforts of its business groups. On the delivery achievement score, the satisfaction level was at 94.55%, marking a considerable increase from the previous year’ s 90.73%, and reinforcing the success of implementing the improvement program in the previous year. Looking ahead, we will continue to strive towards the ultimate goal of achieving 100% satisfaction.
- **Magnetic Wires** : In 2014, the customer satisfaction survey issued 37 questionnaires with 36 returned (response rate: 97.30%). There were six aspects in the survey - service, quality, manufacturing, hazardous substances, delivery, and competitive benchmarking - with five satisfaction levels. The satisfaction objective for 2014 was 85, and the satisfaction result was between “Good” and “Fair.
- **NIC** : There was no objective in 2014 due to a smaller number of survey samples. However, client feedback and solutions have been discussed at operational management meetings.
- **Cuprime** : Customer satisfaction surveys are performed every season. The categories surveyed include service, quality, and delivery, adding up to 20 categories in total. If the scoring does not reach the set annual target, a Correction and Prevention Measure List is immediately applied to the relevant units for improvements and prevention.
- **Ta Heng** : A satisfaction survey is conducted with major clients in October of every year. The survey covers product quality, pricing, delivery, documentation, packaging, development of new products, response to sample requests, response to client inquiries, client complaints handling, and sales communications skills. An “Excellent” rating is 10 points, and a “Good” rating is 8 points. In 2014, the average satisfaction score was 8.37 points.
- **Ta Ho** : Customer satisfaction surveys are performed after the conclusion of each project. Survey categories include product, quality, safety, service, delivery dates, and others. The issues raised from customer feedback are handled with adequate response strategies after internal discussions. In the 2014 general rating, “Excellent” and “Good” each accounted for 50%.

# 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.

The Green Policy of the Group is: a) to be in compliance with Sony GB standards; and b) to work with suppliers with no harmful substances. In 2014, the top-three countries of Ta Ya's procurement were Japan, Taiwan and Chile. Most of the copper cathode used by Cuprime is imported. While the procurement policy of the Group is to prioritize Taiwanese sources in order to cultivate domestic industries and minimize the environmental impact of material transportation, some raw materials are not available locally so can only be procured from overseas.

Ta Ya Supplier Categories (2014)

Type	Description	Region	Number of suppliers	Ratio
Material	Suppliers of copper sheets for cables and enameled wires, copper and aluminum wires, optical fibers, varnish, plastics chemistry materials, insulation, and packaging	Domestic	307	18%
		Foreign	92	5%
Equipment	Suppliers of machinery, equipment, instruments, and information software and hardware	Domestic	703	40%
		Foreign	57	3%
Engineering	Contractors for construction, civil engineering, steel structures, air conditioning, fire protection, pure water supply, wastewater treatment, environmental engineering, interior design, electrical engineering, and utilities	Domestic	90	5%
		Foreign	0	0%
Other	Suppliers of molding, lighting, accessories, environmental protection, occupational health and safety, pneumatic and hydraulic equipment, welding, transportation, testing, printing, stationery, hygiene, and miscellaneous materials and services	Domestic	487	28%
		Foreign	12	1%
Total			1748	100%

Proportion of Procurement in Taiwan

	Ta Ya	Cuprime	Ta Heng
2012	22.27	3.63	98.07
2013	23.35	2.83	97.31
2014	32.05	5.97	97

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

## 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.

In 2013, 23 suppliers were reviewed, 22 of which were HSF suppliers, and only one had an average of less than the required four points. Of the 26 suppliers reviewed in 2014, 22 were HSF suppliers, with only one scoring less than four points. In 2015, 31 suppliers are expected to be reviewed, 26 of which will be HSF suppliers.

For a supplier with an average of less than four points, procurement personnel investigate the failing criteria and offer advice, information, and positive guidance. With our support, we have found that suppliers typically make improvements.

While contractors are currently not required for regular review, Ta Ya organizes general safety training sessions to which they are invited, thus enhancing their awareness of correct safety and health measures. The company encourages all partners to voluntarily contribute to the improvement of society and the environment when pursuing economic prosperity, thereby achieving sustainable development.

## Innovation Management

### Enameled Wires Milliken Conductor , Lead-Sheath and Optical Fiber Composite Power Cable

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 development of various products to reinforce our competitive advantage. Our R&D department meets regularly to review research results. In 2014, R&D expenses were TWD 43.77 million (0.54% of net revenue), a slight increase from 2013.

Given that electricity loss is positively correlated to the square of the current, transmission losses can be minimized by transferring electricity with high voltage and low current. Knowing this, Ta Ya developed the industry-first 161kV and 345kV cross-linked polyethylene cables, which significantly increase the production capacity of high-voltage cables in Taiwan while helping Taipower lower transmission losses substantially.

Between 2012 and 2014, with resources from the industry, government, and academia, Ta Ya successfully developed the 400kV 2000m<sup>2</sup> enameled wires Milliken conductor , lead-sheath and optical fiber composite power cable to minimize the transmission loss of high-voltage cables, increase transmission capacity, and achieve the next milestone in smart monitoring.

The Milliken conductor is able to lower conductor usage, or transmit more electricity with the same conductor cross-sectional area (i.e. with the same amount of copper), while transmitting the same electricity (MVA). The design lowers conductor loss, heat, and usage of copper, insulation, and anti-corrosion covering.

Ta Ya meanwhile is committed to developing optical fiber cables to meet the demands of modern information transmission and storage requirements. Optical fibers are capable of high-volume transmission, high transmission speeds, and a high range, making them suitable for meeting the increasing demands of Industry 4.0, digitization, intelligentization, Big Data, and digital homes.

1. Enameled wires Milliken conductor, lead-sheath and optical fiber composite power cable has achieved the following objectives:

- **Minimizing AC impedance** : The AC impedance of 2000 m<sup>2</sup> Milliken conductor cables is 73.26% that of similar traditional conductor cables, and 94.27% of traditional 2500 m<sup>2</sup> conductor cables. In other words, for the same conductor cross-sectional area, transmission loss is reduced to 73.26%. In 2014, Taipower's transmission loss rate was 4.09%, of which cable loss accounted for 2.12%. With full adoption of Milliken conductor cables, the cable loss rate can decrease from 2.12% to 1.55%. Assuming that gross generation is 213.429 million kWh, energy savings can be 1.21 million kWh annually. Milliken conductor offers more transmission capacity than traditional conductors, and will be able to satisfy power grid transmission capacity demands under high-temperature conditions.
- **Product carbon footprint and carbon emission reduction** : As calculated by carbon footprint software, the carbon footprint of the 2000 m<sup>2</sup> Milliken conductor cable from material procurement, production, to delivery is 5.07 kgCO<sub>2</sub>e/Kg, 12% less than 2500 m<sup>2</sup> traditional conductor cables, or the equivalent of 40,320 kgCO<sub>2</sub>e/Kg less carbon emissions per kilometer.
- **Optical fiber composite power cable** : To meet the demands of smart grids, Ta Ya developed the optical fiber composite cable, where optical fibers are embedded in electric cables, intelligentizing the power grid. With embedded optical fibers and analytical instruments, damage detection, cable fault detection, real-time temperature, and heat transmission capacity monitoring can be performed on the grid, enabling the smart grid of the future.
- **Functional location lead-sheath power cable** : Ta Ya developed lead-covered electric cables and submarine cables, which are suitable to be used as direct-buried cables, explosion-proof cables for petrochemical plants, or as cables in humid, corrosive, and submarine conditions.

2. High-voltage cable lengthening : The maximum length of high-voltage cables is limited by production equipment. Decreasing the number of high-voltage cable connectors can lessen the weaknesses in the cables and increase system reliability while also reducing the number of manholes and related construction costs, which lowers the amount of wasted construction materials and ensures better road quality.

3. DC solar cable (PV-CQ) development : As a promising source of renewable energy, demand for high-capacity solar power plants has led Ta Ya to collaborate with solar energy EPC contractors to develop the 1500V DC solar cable, which is capable of transmitting larger amounts of electricity. Its materials are strictly resistant to sunlight, low temperatures, impact, and harsh environments while possessing low-smoke zero-halogen qualities.

4. Last mile and large-cluster optical fiber development : In the age of Big Data and the digital home, Ta Ya is committed to complete the last mile by developing environmentally-friendly flat optical cables. We have also introduced advanced machinery and successfully developed slotted core cables to offer large-cluster optical cables at customer centers.

## New Opportunities with Industry 4.0

Industry 4.0 refers to the wireless control, automation, digitization, and intelligentization of manufacturing and is also known as the fourth industrial revolution. Its influence is evident in the increased permeation of wireless communication, smart control, and digitization of cables. To help industries face the challenges and demands of the future, Ta Ya is committed to developing digital and optical cables, such as the Cat series, optical fibers for functional locations (e.g. flat optical cables, micro-cluster optical cables), and optical fiber composite control cables. It is also developing high-frequency, high-speed, large-capacity signal transmission electric and optical cables for its clients.

- To meet future demands for smart and automated production equipment (e.g. robots, robot arms), Ta Ya has begun developing cables in ultra-small sizes with bending resistance, small-bend radius, flexibility, anti-interference shielding, and have high-frequency, high-capacity, and high-speed transmission capabilities. These cables also have surge protection, attenuating surge suppression, a long service life, and are highly reliable.
- In addition, the smart equipment of future factories must prevent surges and electromagnetic interference, and Ta Ya has successfully designed and patented a lightning-conducting cable to minimize the damaging impact of lightning strikes. This cable has efficient lightning-transfer and ground potential rise minimization capabilities that effectively prevent damages to smart equipment.
- With insights into the future opportunities that come with new trends, the company will also establish new collaborations with automation, robot arms, power control, and conversion systems, as well as smart monitoring system providers to develop and provide the products they need.

## Development of Magnet Wires

The R&D department at Ta Ya's magnet wire business group continues to minimize the use of hazardous substances to help clients develop energy-saving products.

- Since 2011, as a result of demand from a number of electronics clients, we developed enameled wires with a low-residual solvent (total specific VOC less than 1ppm), thus minimizing the organic solvents released due to heating during operation that may contaminate the internal components of the products and affect service life. With coating selection, cleaning machinery prior to production, and changing the material of coating the pipeline, we were able to lower the specific VOC of the enameled wires from five solvents to 0.05ppm from 0.15ppm previously. The process was completed in 2013, and production has resumed.
- We began developing high-lubricity enameled wires in 2010 to reduce the use of external wax oil. The solvents for wax oil are highly volatile, and affect the environment and human health, but they are needed. Whereas the coefficient of static friction of enameled wires using external wax oil is 0.05, the coefficient can be as high as 0.1 without it. We set out to use more environmentally-friendly materials other than wax oil to achieve similar performance results as wax oil. After adjustments, we used self-lubricating coating and lowered the coefficient of static friction of enameled wires to as low as 0.065, which is close to the performance of external wax oil. Looking ahead, we will continue to make improvements to the lubrication of the product.
- Since 2011, we have developed heat-conducting enameled copper wires for induction motors. Using heat-conducting materials, the heat in the enameled wire coil resulting from electricity transmission is transferred to the exterior to be released, so as to prevent softening of the insulation layer of the enameled wire that causes short circuits, and to lower the temperature of the equipment to increase motor efficiency. As tested by clients, temperatures in motors have been reduced with heat-conducting enameled copper wires. The cooling effectiveness varies according to the part of the motor. In the winding part, the temperature drop can be as much as 1.5° C. We will continue to enhance its heat-conducting efficiency going forward.
- We have developed textile-covered enameled copper wires since 2013 for use in wireless charging. The synthetic fiber coating enhances insulation while offering higher precision in coiling and is therefore widely used in wireless charging technologies. The product specifications have been confirmed, and we will continue collaborating with wireless charging equipment providers to enhance charging efficiency.

## Offshore Renewable Energy

The ocean contains unlimited renewable energy, and Ta Ya believes that renewable energy is key to our having a pristine homeland. Therefore, we have been actively investing in the development of related technologies with our existing capacities. In addition to developing various specialized submarine cables, Ta Ya and Ta Ho have both been involved in the planning of offshore power grids and submarine cable installations. With an increase in the demand for marine engineering in the future, Ta Ya and Ta Heng have been actively investing in the development and certification of boat cables to offer higher-quality and more economic products to domestic shipbuilders.

Since March 2014, Ta Ya, in collaboration with Ta Ho, the Metal Industries Research and Development Center, and National Taiwan Ocean University, completed the Renewable Energy Offshore Power Grid Technology Research Project. Using the marine test field at National Taiwan Ocean University, wave, current, and depth data have been collected for evaluating the design, production, quality, and installation of submarine cables. We have successfully developed the 33kV optical fiber composite submarine cable, which can be used for connections between offshore wind turbines and power transmission to islands. Functionally, in addition to power transmission, the cable can be used for turbine control, data transmission, and real-time capacity monitoring. In terms of submarine cable research, we have successfully completed the: 1) three-phase double armor submarine cable design and production and offshore submarine power grid installation planning; 2) submarine cable connection technology and installation; and 3) in-plant technical development of connector technologies. We have now moved on to developing offshore grid-failure detection technologies and real-time monitoring systems.

We have spared no effort in researching submarine cables and underwater power grids for wave power, Kuroshio Current power, ocean current power, and floating generators. In 2014, we dispatched personnel to the Industrial Technology Research Institute to study submarine cable design and dynamic simulation analysis, using advanced software to analyze the dynamic behavior of submarine cables. In 2015, we continued to collaborate with the institute in the design, production, testing, and validation of dynamic (umbilical) submarine cables for wave power.

## Helping Hands to Green Products

Electricity powers all industries. Now, with the rapid increase of environmental issues, green energy has attracted plenty of development interest in every country. Ta Ya is playing its part by providing high-quality basic materials and products for the green energy industry.

Our tin-coated PV ribbons and bare PV ribbons are the best quality in the industry when measured for tensile strength, yield strength, and elongation. Meanwhile, our solar cell DC cable is near mass production. For electric vehicle motors and inverter motors, Ta Ya offers anti-surge enameled copper wire products and was the first wire and cable manufacturer in Taiwan to acquire the ISO/TS 16949 certification.

When it comes to energy conservation, the company developed, ahead of its rivals, the 345kV XLPE power cables and 400kV stranded conductor power cables, which assist in reducing the consumption of electricity during transmissions. And in response to the increasing demands for Internet speed and bandwidth, Ta Ya successfully developed a complete series of fiber optic cables, reducing the energy required in data transmissions. Looking ahead, the company will expand its efforts into clean renewable energy in response to the “Solar Panels on All Rooftops, Wind Turbines on Seas and Lands” policy objectives of the government, and continue doing its part for our pristine homeland.



## Pristine Homeland

As a company, we believe that the environment is the basis for business operation. Through our commitment to CSR and taking environmental, social, and economical aspects into consideration, we adopt the best environmental management guidelines, minimize the environmental impact of production, engage in carbon management, and contribute to the mitigation of global warming.

With the Greeninside Blog and the Green Inside Project, Ta Ya hopes to inspire green thinking in our staff and the public. Toward that end, we founded the Pristine Homeland Foundation to address issues in local communities and the environment and demonstrate our long-term social commitment.

## Usage of Energy Resources

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

### Volume of Energy Usage

	Ta Ya	Affiliated Companies	Total	Ta Ya	Affiliated Companies	Total	Ta Ya	Affiliated Companies	Total
	2012 年			2013 年			2014 年		
Petro (L)	2,401	30,946	33,347	3,281	34,167	37,448	25,617	44,790	70,407
Diesel (L)	58,029	43,833	101,862	55,800	40,386	96,186	73,170	42,932	116,102
Natural Gas (m3)	0	1,504,887	1,504,887	0	1,376,663	1,376,663	0	1,765,923	1,765,923
LPG (kg)	2,775	560	3,335	2,370	540	2,910	1,584	640	2,224
Electricity (kWh)	41,909,386	8,142,169	50,051,555	42,232,867	8,913,012	51,145,879	40,776,000	9,665,800	50,441,800

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

### Volume of Main Raw/Source Materials

Item(Unit)	Ta Ya	Affiliated Companies	Total	Ta Ya	Affiliated Companies	Total	Ta Ya	Affiliated Companies	Total
	2011			2012			2013		
Copper (KG)	24,111,945	15,417,621	39,529,566	24,367,988	13,836,881	38,204,869	22,264	39,162,937	39,229,991
PVC Powder (KG)	1,081,676	0	1,081,676	950,522	0	950,522	871,200	0	914,132
XLPE particles (KG)	1,756,265	51,700	1,807,965	1,021,571	83,700	1,105,271	1,295,648	102,975	3,164,546
Plastic pellets (KG)	0	2,176,037	2,176,037	0	2,390,150	2,390,150	143,686	1,017,036	1,161,362
Plasticizer (KG)	0	0	0	452,024	0	452,024	446,800	0	10,112,600
Varnishes(KG)	845,714	0	845,714	938,052	0	938,052	995,880	0	995,880
Fiber Optic Wires(KM)	195,165	0	195,165	267,235	0	267,235	107,613	0	107,613
Iron spools (new and used) (PCS)	5,138	0	5,138	4,391	0	4,391	3,779	0	3,779
Wooden spools (new and used) (PCS)	3,146	0	3,146	3,820	0	3,820	12,806	22,378	35,184
Shrouding (new and used) (PCS)	157,941	0	157,941	183,449	0	183,449	84,126	8,550	92,676
Plastic spools (new and used) (PCS)	289,632	0	289,632	360,902	0	360,902	409,203	3,489	412,692
Corrugated case (PCS)	341,030	3,300	344,330	347,627	2,600	350,227	391,921	35,568	427,489
Pallets (PCS)	10,279	1,790	12,069	15,084	1,770	16,854	10,440	4,357	14,797
Liquid nitrogen (KG)	243,930	0	243,930	192,800	0	192,800	183,670	0	183,670
Palladium salts (g)	1,400	0	1,400	4,200	0	4,200	3,500	0	3,500
Gold salts (g)	0	0	0	400	0	400	45,400	0	45,400
Charcoal (KG)	0	53,980	53,980	0	49,110	49,110	0	70,000	70,000

### Total Heat Value of Energy Consumption (GJ)

	Ta Ya	Cuprime	Ta Heng	Ta Ho	AD	Total
2012	153,180.32	79,435.34	8,779.99	1,602.83	730.26	243,728.74
2013	154,276.38	75,478.86	10,326.79	1,651.44	823.80	242,557.27
2014	150,371.00	93,586.82	10,753.25	1,076.21	1,339.49	257,126.77

### Heat Value Intensity (2014)

	Ta Ya	Cuprime	Ta Heng	Ta Ho	AD	Total
Total Heat Value (GJ)	150,371.00	93,586.82	10,753.25	1,076.21	1,339.49	257,126.77
Revenue (m)	8,135	3,309	989	177	309	12,919
Intensity	18.48	28.28	10.87	6.08	4.33	19.90



## Environmental Policy and Management

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:

1. Continue the implementation of environmental management policies and goals, in order to reduce our environmental impact in the process of operations;
2. Comply with environmental regulations and other issues in response to global environmental protection movements;
3. Value labor safety and health, reduce the risk of disasters;
4. Continue the implementation of waste reduction and promote pollution prevention measures;
5. Improve the promotion of environmental protection concepts to all colleagues to enforce resource and energy recycling, and reduce waste of resources and energy; and
6. Proactively participate in all kinds of environmental protection events, and use the Internet and relevant advertisements to raise awareness of environmental issues.

Emissions of Stationary Pollution Sources (tons)

Year	Item	Ta Ya	Cuprime	Total
2012	Sulfur Oxides (SO)	0	1.33	1.33
	Nitrogen Oxides (NO)	0	0.49	0.49
	Volatile Organic Compounds (VOC)	14.188	0.70	14.888
	Particulate Pollutants	0.555	3.75	4.305
2013	Sulfur Oxides (SO)	0	0.75	0.75
	Nitrogen Oxides (NO)	0	0.94	0.94
	Volatile Organic Compounds (VOC)	12.441	0.66	13.101
	Particulate Pollutants	0.156	4.09	4.246
2014	Sulfur Oxides (SO)	0	0.82	0.82
	Nitrogen Oxides (NO)	0	0.22	0.22
	Volatile Organic Compounds (VOC)	14.32	0.69	15.01
	Particulate Pollutants	0.156	1.75	1.906

## Pollution Prevention Management

### Air Quality Management

Ta Ya has installed pollution prevention equipment at stationary sources of pollution where the pollutants are volatile organic compounds and particulate pollutants. The equipment contains catalytic converters, bag filters, and Venturi scrubbers. Reports and inspections on stationary pollution sources are done in accordance with the relevant air-pollution prevention regulations. At Cuprime, reports are submitted periodically and inspections are carried out once a year. The EPA has certified the emissions from stationary pollution sources at Cuprime to be within limits, and do not require prevention equipment.

### 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

Ta Ya, Cuprime, Ta Heng, Ta Ho, and AD 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 Dajue River.

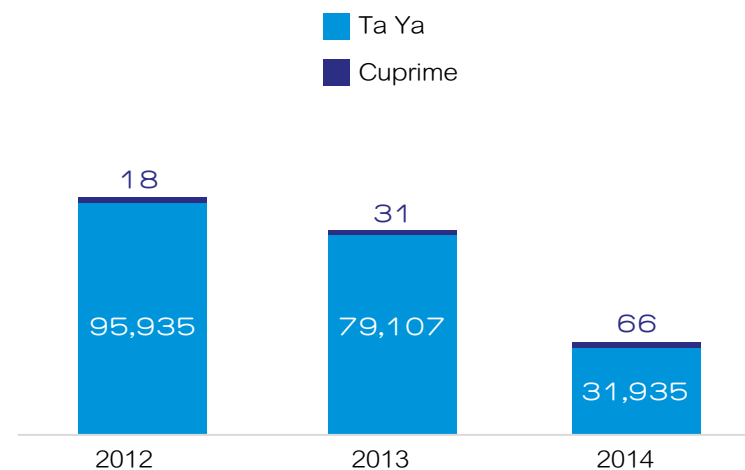
On the topic of wastewater recycling, both the Ta Ya PVC and PE extrusion process and the cooling water used in the CV production line use the soft water circulation system, as soft water is able to be recycled and repurposed, further conserving water resources. Magnet wire manufacturing also uses pure water recycling - excluding the tap water used to clean pure water barrels, 1,800 tons of water is conserved annually. At Cuprime, used water is collected by wastewater tanks to be processed and repurposed as circulating cooling water for the manufacturing area. Recycled water in 2014 amounted to 1,456 cubic meters (6.6% of total water consumption).

Additionally, we promote storm water recycling. Since 2011, there have been storage tanks with capacity of 60 tons distributed throughout the Ta Ya factories for gardening, washing toilets and factory floors. In total, 200 tons of water is saved annually. Currently, Ta Heng has a water reservoir of 150 tons, and a portion of the reservoir is reserved for the purpose of storm water recycling. The water provided by the reservoir is used in water circulation for extrusion equipment and washing toilets.

Water Consumption (tons)

	Ta Ya	Cuprime	Ta Heng	Ta Ho	AD	Total
2012	84,630	25,941	3,917	1,155	561	116,204
2013	83,537	19,435	2,546	1,890	588	107,996
2014	91,165	21,990	3,350	400	723	117,628

Wastewater Discharged (tons)



Note: Construction on Ta Heng's new wastewater collection facility is expected to be completed by the end of 2015. Wastewater emissions are not recorded at Ta Ho and AD.

Wastewater Quality

Items	Effluent standard	2012		2013		2014	
		Ta Ya	Cuprime	Ta Ya	Cuprime	Ta Ya	Cuprime
Chemical oxygen demand	100 mg/L	24.2	20.5	6.8	20	9.5	26.4
Biological oxygen demand	30 mg/L	4.8	--	1.8	--	1.3	--
Suspended solids	30 mg/L	5.5	<1.0	2.5	<1.0	1.8	3.05
Heavy metal - copper	3 mg/L	ND	0.17	ND	0.295	0.419	0.685

## 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.

General Waste Disposal Amount (tons)

2014	Ta Ya	Cuprime	Ta Heng	Total
Waste Oil	126.97	8.71	0	135.68
Waste Fiber	34.46	0	0	34.46
Waste Wooden Boards	136.49	1.86	0	138.35
General waste	231.39	10.063	25.75	267.203
Waste Wires/Cables	0	0	184.631	184.631

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

Ta Ya Harmful Industrial Waste Disposal

	2012	2013	2014
Waste Solvents (tons)	16.75	14.78	(Temporary placement in situ)
Handling Costs (dollars)	238,064	121,410	0

Note: In-situ placement of waste solvents at the end of 2014 was 46 tons. They were temporarily placed in situ because the limited amount prevented cost-effectiveness of contracting a treatment service. Other affiliated enterprises do not produce harmful industrial wastes.

Recycling Income

2014	Ta Ya	Affiliated enterprises	Total
Income from recycling (TWD)	1,785,434	235,504	2,020,938
Expenditure on waste treatment (TWD)	2,135,552	197,178	2,332,730

## Green Procurement

Ta Ya supports the government's Green Procurement Program, and procures five or more green products that qualify, including those with the Green Mark, Energy Label, water-saving label, Energy Star, green building materials seal, carbon label products, and second category green products, among others. Procured items that meet the standards in the recent three years include inverter equipment (air conditioners, air compressors, and inverters), cartons, and energy-saving lights. The total green procurement cost for 2014 was TWD 3.44 million.

Resource Recycling Amounts (tons)

	Recycled Item	Ta Ya	Affiliated enterprises	Total
2012	Waste Wires/Cables	1312.70	82.43	1395.13
	Waste Metal Composites (iron)	111.38	33.36	144.74
	Waste Paper	74.55	2.19	76.74
	Waste Plastic Composites	59.96	98.74	158.70
2013	Waste Wires/Cables	956.51	62.28	1018.79
	Waste Metal Composites (iron)	161.67	45.47	207.14
	Waste Paper	59.30	1.43	60.73
	Waste Plastic Composites	30.10	5.90	36.00
2014	Waste Wires/Cables	808.0247	0	808.0247
	Waste Metal Composites (iron)	165.061	38.55	203.611
	Waste Paper	45.068	3.27	48.338
	Waste Plastic Composites	40.125	0.67	40.795

Packaging Material Recycling Efficiency

	Item	2012			2013			2014		
		Quantity	Conserved %	Cost Savings	Quantity	Conserved %	Cost Savings	Quantity	Conserved %	Cost Savings
Ta Ya	Wooden Shaft	4,790	57.92	37,203,763	5,715	60.33	31,295,933	6,038	49	30,772,725
	Iron Shaft	3,337	52.64		3,304	48.04		3,549	46	
	Plastic Shaft	10,954	91.6		15,529	91.5		18,766	92	
	Sealing Plate	67,813	46.18		92,189	45.82		75,876	45	
Ta Heng	Used Wooden Shaft	3,320	66.2	3,457,355	4,489	63.7	4,596,555	4,599	31	3,106,603
	Used Stack Board	0	0		450	32.9		1,209	55	
Total				40,661,118			35,892,488			33,879,328

## Response to Climate Change

### 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.

Mitigation strategies can be further categorized into clean production techniques at the factory, providing green products, and a devotion to the green energy industry. While Ta Ya itself operates in a low-energy industry, we still continuously pay attention to reducing energy consumption, and review the performance of our mitigation initiatives via periodic greenhouse gas inspections and product carbon footprint accreditations. At the same time, we also assist in the development of green products. The tin-coated and bare PV ribbons that we manufactured are essential elements in solar power cell production. Ta Ya also developed anti-surge magnet wire products specifically for wind turbine generators, electric car motors, and inverter motors. And with regard to green energy, we have expanded and made further commitments to clean renewable energy in response to the government's "Solar Panels on All Rooftops, Wind Turbines on Seas and Lands" policy objectives.

Adaptation strategies can also be categorized into three areas, including attention to water resource issues, holding Green Inside competitions annually, and promoting corporate volunteer teams. While water consumption within the company itself is relatively low, storm water recycling equipment have nevertheless been installed in all factory sites. Externally, we support river symbiosis, organic agriculture, and low-carbon travel, to name a few, through our endorsement of the Green Inside competitions. This initiative assists in responding to extreme weather conditions. Lastly, through our fostering of corporate volunteer teams, we disseminate awareness of cable safety, expand collaborations and fields of service, and raise disaster prevention awareness.

### 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 CO<sub>2</sub>e. 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 91%, while the emission of stationary combustion sources, manufacturing process emissions, mobile combustion sources, and dispersive GHG emission sources (Scope 1) accounts for 9%. 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.

Ta Ya's total emissions in 2014 were estimated at 21,498.20 tons CO<sub>2</sub>e, 17.21% lower than that of the base year. Electricity consumption is the main source of carbon emissions in the company's manufacturing processes, of which the production of enameled wires consumes the largest amount of energy. Since 2012, Ta Ya has gradually implemented energy-saving enhancement or replacement of enameled wire coating machines. However, because the power consumption per unit product is higher during the trial run, energy-saving effectiveness was less significant in 2014. The power consumption per unit product in cables, on the other hand, has been significant. The optimization and energy efficiency enhancement of equipment and processes will consistently be one of the major aspects in our sustainable development.

Greenhouse Gas Intensity (2014)

	Ta Ya	Cuprime	Ta Heng	Ta Ho	AD	Total
GHG Total	21,503.765	6,844.738	1,516.894	82.082	133.499	30,082.713
Revenue (m)	8,135	3,309	992	177	309	12,919
Emission Intensity	2.64	2.07	1.53	0.46	0.43	2.33

Intensity = Total Emission (tons CO<sub>2</sub>e) / Revenue (m)

## Energy-Saving and Carbon-Reduction Measures

In 2014, the Group continued to implement the many energy-saving and carbon-reduction measures to achieve production process optimization. Ta Ya has 15 cooling tower fan motors with inverters installed. Assuming that the daily operation time is 16 hours, they save 65,604 kWh (236.17GJ) of energy annually and reduce carbon emissions by 34.9 tons CO<sub>2</sub>e. The company has reassigned the existing 100-horsepower air compressor as a backup, and purchased a new 50-horsepower air compressor for regular use to match the actual demand and minimize electricity wastage. Ta Heng replaced its air compressor and added an inverter, which saves 172,680 kWh (621.65GJ) of energy annually and reduces carbon emissions by 91.87 tons CO<sub>2</sub>e.

In terms of lighting, Cuprime has implemented plant-wide replacement of traditional lighting with LEDs. At the new office, AD installed only LED lighting. In addition to using the efficient and durable electrodeless lamps, Ta Heng has adopted electricity-free total internal reflection lighting equipment.

Total internal reflection light pipes use high-efficiency lenses to collect natural light into the system and distribute it evenly with special pipes and enhancement. Light pipes offer energy savings and healthy advantages. They are capable of fully replacing electricity-powered lighting during daytimes. It is a non-recurring investment that consumes no energy and is maintenance-free. The light provided is evenly distributed without flickering or glare. The light collection device is furnished with anti-UV coating to filter out harmful radiation and protect users.

In 2014, Ta Heng installed 17 sets of light pipes, effectively increasing lighting levels. Meanwhile, the annual power saving was 65,604 kWh (194.17GJ) of energy, with carbon reduction of 28.69 tons CO<sub>2</sub>e.

Total Emission of Greenhouse Gasses (Estimated, unit: tons CO<sub>2</sub>e)

		Ta Ya	Affiliated Co.	Total
2012	Direct Emissions	165.85	3,008.41	3,174.25
	Indirect Emissions	22,295.79	4,331.63	26,627.43
	Subtotal	22,461.64	7,340.04	29,801.68
2013	Direct Emissions	160.69	2,764.20	2,924.89
	Indirect Emissions	22,045.56	4,652.59	26,698.15
	Subtotal	22,206.24	7,416.79	29,623.03
2014	Direct Emissions	259.469	3,541.33	3,800.799
	Indirect Emissions	21,244.296	5,035.88	26,280.176
	Subtotal	21,503.765	8,577.21	30,080.975

Note: The source of the discharge coefficients is the Energy Industry Greenhouse Gas Reduction website. Direct discharge comes from the combustion of gasoline, diesel, natural gas, and liquefied petroleum gas. Indirect discharge comes from the discharge of the generation of the electricity purchased. The global warming potential (GWP) version is the IPCC Fourth Assessment Report (2007).

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

Year	Cable	Magnet Wire
2012	737.41	3626.52
2013	655.06	3535.03
2014	606.38	3586.66

Note: Cables include electricity cables and communication cables. Communication cables and electricity cables are in the same category because the production of the former is objectively low. The energy consumption per unit product from 2012 to 2013 was re-calculated.

## Environmental Education and Social Welfare

### Pristine Homeland Foundation

We began contemplating the implementation of CSR in 2007 and attempted to conceive of projects with long-term commitments that benefited society at large. Multiple attempts since then have helped us accumulate crucial core abilities in preparation of long-term implementation. This helped us to submit our application to the EPA at the end of 2011 to establish the Green Inside initiative in Tainan.

Since inception in 1955, our roots have always been in Taiwan. The local culture and the passion of the Tainan people not only promoted our love of this land, but also promoted the CSR of local corporations to preserve the beauty of the local environment with sustainable development methods.

The philosophy of the Pristine Homeland Foundation is based on environmental protection, caring for all life forms, a sustainable Earth, and related environmentally-friendly concepts that foster a beautiful home and nurture the future of coexistence between the environment and us. We are dedicated to sponsoring concrete protection-oriented actions and the long-term promotion of environmental education. Furthermore, we also disseminate the influence of Green Thinking via cultivating environmentally-friendly talent, and call upon our employees and their families to join volunteer services and devote themselves to social welfare in a large-scale manner.

### Green Inside Blog

Established in February 2011, the Green Inside Blog provides employees and the public with approachable environmental conservation concepts through a blog format and on Facebook with the aim of promoting daily environmental protection habits.



[www.greeninside.com.tw](http://www.greeninside.com.tw)



[www.facebook.com/greeninside](https://www.facebook.com/greeninside)

### Delonix Regia Forum

Beginning in September 2012, Ta Ya Group's Pristine Homeland Foundation organized the Delonix Regia Forum at the Magic School of Green Technologies at National Cheng Kung University. The forum brings together experts and local residents to discuss the practice of green living in all aspects of life.

The theme of the 2014 forum was "learning from the beauty of nature," which extended to domestic tourism and the exploration of new fields in the tourism industry. The founder of Chura-boshi Company in Japan, Taku Yamada, was invited to speak about this theme. He worked in the U.S. before returning home to start his own business. Yamada and his business are well-known in Taiwan, and this was his first time in Taiwan as well as his first formal lecture overseas.

Yamada is also an iconic figure in the Satoyama Initiative, which encourages young people to return to their homeland to recreate the Satoyama landscape of integrated production, ecology, and lifestyle. The initiative is practiced in Taiwan in various forms. In addition to keynote speeches, the seminars feature experts in related fields to promote the exchange of experiences and practices.

In this vein, guests at the 2014 Delonix Regia Forum included iLOHAS Social Enterprise co-founder, Baggio Chang; L-instyle Boutique Travel Service General Manager, Zhi-Wei You; the CEO of the Taijiang Branch of Tainan Community University, Mao-Cheng Wu; and the Managing Director of the Foundation of Historic City Conservation and Regeneration, Yu-Huang Chang. The attendees all agreed that responsible tourists should be respectful of local cultures and lifestyles.

## Green Inside Project

The Ta Ya Green Inside Project is a campaign to bring together friends who care about the environment and are devoted to doing their part around a specific topic or issue. Other than providing physical (cash rewards) and invisible (exchange platform) assistance, we encourage decentralized, smaller, and diversified experimental projects that promote a healthy competition of ideas, which also reduces the cost of trial and error. We will continue to support individuals, organizations, and educational institutes with the same ideals to fortify Ta Ya's differentiated CSR brand.

### Topics of the Green Inside Project include:

- First Session : Supporting Society's Micro-entrepreneurs;
- Second Session : River Symbiosis - Creative River/City Renovations;
- Third Session : The Southern Spirit - Humanity and Ecology;
- Fourth Session : Low-carbon Transportation; and
- Fifth Session : Learning from the beauty of nature.

## Social Welfare

The Group continues to participate in local artistic, cultural, and policing welfare initiatives to promote a friendly neighborhood and to implement the ideal of "taken from the community, use on the community." For example, Ta Ya sponsored the 2014 Tainan Arts Festival, and AD provided uninterrupted support for the Anqing Elementary Baseball Team from 2011 to 2014.

Charity Donations (unit: 1000 TWD)

	Ta Ya	Affiliated Co.	Total
2012	4,526	365	4,891
2013	3,550	390	3,940
2014	2,272	389	2,661

## The Winner of the Southern-Spirit Award

Heng-Chia Chang was born on the side of the Beigang River. He began bird-watching during university. He then joined the Wild Bird Society of Chiayi and founded the Wild Bird Society of Yunlin. Since 2000, he has been contributing to the ecosystem in Yunlin and has been involved in the protection of the fairy pitta, the farmland tree frog, and the Chinese white dolphin. In 2008, he founded an environmental storytelling team to inspire environmental awareness among younger generations through stories and picture books.

Chang first encountered the Formosan golden bat in Shuilin Township, Yunlin in 1995. He did his master's thesis on the bat, and his research showed that the numbers of both tree-dwelling and residential bats had declined over the past decade. This prompted him to initiate a rescue movement. When the Kuokuang Petrochemical Plant (Eighth Naphtha Cracking Plant) development project was officially suspended, Chang considered the possibility of establishing a long-term station to attract more people to Yunlin for sustainable local development.

The Formosan Golden Bat's Home is the first facility in Yunlin to receive the Environmental Education Facility Certificate. Chang and the Taiwan Sustainable Union have steadfastly supported the project with both human and material resources. The Formosan Golden Bat's Home was designed with nurturing bat ecology and the available environmental resources in mind. It is a destination for school field trips, training of teachers, and weekend family activities, making it the best location for showcasing the features of Shuilin Township and furthering environmental education.

# Cultivating Environmentally-Friendly Entrepreneurs

In the past, we dedicated ourselves to reducing the environmental impact caused by business operations. Going forward, we will continue to utilize Green Inside as the platform to cultivate environmentally-friendly entrepreneurs to strengthen our influences.

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

We believe these green startup entrepreneurs are assets of our society, as they offer three benefits: first, they protect and improve the environment; second, they assist and revitalize the local economy and industries; and lastly, they are role models for the next generation of industries and entrepreneurs committed to environmentally-friendly efforts. The realization of a pristine homeland must rely on the perseverance of such individuals for generations to come.







## ASSURANCE STATEMENT

### SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE TAYA ELECTRIC WIRE & CABLE CO., LTD.'S CORPORATE SOCIAL RESPONSIBILITY REPORT) FOR 2014

#### 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 2014 (hereinafter referred to as CSR Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and data in accompanying tables, contained in this report.

The information in the TAYA's CSR Report of 2014 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 2014. Our responsibility is to express an opinion on the text, data, graphs and statements 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 (GRI) Sustainability Reporting Guidelines (2013) 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:

- evaluation of content veracity at a moderate level of scrutiny for TAYA and moderate level of scrutiny for subsidiaries and applicable aspect boundaries outside of the organization covered by this report;
- AA1000 Assurance Standard (2008) Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2008); and
- evaluation of the report against the Global Reporting Initiative Sustainability Reporting Guidelines (G4 2013).

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, EICC, 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 2014 verified is accurate, reliable and provides a fair and balanced representation of TAYA sustainability activities in 01/01/2014 to 12/31/2014.

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 G4 Core Option and AA1000 Assurance Standard (2008) Type 2, 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, sector association, and governmental authorities are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, TAYA may consider having more direct involvement of stakeholders during future engagement.

##### Materiality

TAYA has established 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. Further discussion on the materiality of GRI G4 aspects, market presence, is recommended.

##### Responsiveness

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

#### GLOBAL REPORTING INITIATIVE REPORTING GUIDELINES (G4 2013) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

##### Principles

The report, TAYA's CSR Report of 2014, is adequately in line with the GRI G4 Core Option. The material aspects 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 aspects and boundaries, and stakeholder engagement, G4-17 to G4-27, are correctly located in content index and report.

##### General Standard Disclosures

G4-2 and more governance related GSDs may be considered for disclosure in future reports.

##### Specific Standard Disclosures

More discussions on the future objectives and targets set for each material aspects are recommended. It is recommended to include information required by EN7, EN32, LA3, LA14, HR10, SO9 in future reports.

Signed:

For and on behalf of SGS Taiwan Ltd.



**AA1000**  
Licensed Assurance Provider  
000-8

Dennis Yang, Chief Operating Officer  
Taipei, Taiwan  
19 October, 2015  
WWW.SGS.COM

## GRI G4 Index General Standard Disclosures

Indicators	Disclosure Item	Our Response	Page Number	Identified Omission	External Assurance
Strategy and Analysis					
G4-1	Provide a statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	Chairman's Statement	1		V
Organizational Profile					
G4-3	Report the name of the organization.	Editorial Principles	Cover		V
G4-4	Report the primary brands, products, and services.	Overview of the Four Major Business Groups	28, 29		V
G4-5	Report the location of the organization's headquarters.	Company Profile	4		V
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Company Profile	6		V
G4-7	Report the nature of ownership and legal form.	Company Profile	8		V
G4-8	Report the markets served.	Company Profile	6		V
G4-9	Report the scale of the organization.	Financial Performance	7		V
G4-10	Report the total number of employees.	Employee Profiles	16		V
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	None	---		V
G4-12	Describe the organization's supply chain.	Supplier Management	32		V
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	None	---		V
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	Response to Climate Changes	42		V
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	None	---		V
G4-16	List memberships of associations and national or international advocacy organizations.	External Organizational Involvement	13		V
Identified Material Aspects and Boundaries					
G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents.	Organization. Please refer to Ta Ya's 2014 Annual Report p.103.	6		V
G4-18	Explain the process for defining the report content and the Aspect Boundaries.	Analysis of Materiality	11		V
G4-19	List all the material Aspects identified in the process for defining report content.	Analysis of Materiality	11		V
G4-20	For each material Aspect, report the Aspect Boundary within the organization.	Analysis of Materiality	11		V
G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	Analysis of Materiality	11		V
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	<ul style="list-style-type: none"> <li>Packing material recycling efficiency in 2012 is TWD 40,661,118, and 2013, TWD 35,892,488.</li> <li>The energy consumption per unit from 2012 to 2013 is re-calculated. Cable in 2012 is 737.41, and 2013 is 655.06.</li> </ul>	---		V
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	None	---		V

Indicators	Disclosure Item	Our Response	Page Number	Identified Omission	External Assurance
<b>Stakeholder Engagement</b>					
G4-24	Provide a list of stakeholder groups engaged by the organization.	Stakeholders Engagement	10		V
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	Stakeholders Engagement	10		V
G4-26	Report the organization's approach to stakeholder engagement.	Stakeholders Engagement	10		V
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	Stakeholders Engagement	10		V
<b>Report Profile</b>					
G4-28	Reporting period for information provided.	Editorial Principles	Cover		V
G4-29	Date of most recent previous report (if any).	Editorial Principles	Cover		V
G4-30	Reporting cycle.	Editorial Principles	Cover		V
G4-31	Provide the contact point for questions regarding the report or its contents.	Editorial Principles	Cover		V
G4-32	Report the 'in accordance' option the organization has chosen.	Editorial Principles GRI G4 Index	Cover 48~51		V
G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report.	Editorial Principles External Assurance Statement	Cover 47		V
<b>Governance</b>					
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	Functions of the Board	8		V
<b>Ethics and Integrity</b>					
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Core Values Code of Conduct and Anti-Corruption	5, 9		V

## Specific Standard Disclosures

Material Aspect:		Indicators	Disclosure Item	Our Response	Page Number	Identified Omission	External Assurance
Economic	Economic Performance	Generic Disclosures on Management Approach		Financial Performance	7		V
		G4-EC1	Direct economic value generated and distributed.	Financial Performance	7		V
		G4-EC3	Coverage of the organization's defined benefit plan obligations.	Welfare and Care	17		V
	Procurement Practices	Generic Disclosures on Management Approach		Supplier Management	32		V
		G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	Supplier Management	32		V
Environment	Materials	Generic Disclosures on Management Approach		Usage of Energy Resources	38		V
		G4-EN1	Materials used by weight or volume.	Usage of Energy Resources	38		V
	Energy	Generic Disclosures on Management Approach		Usage of Energy Resources	38		V
		G4-EN3	Energy consumption within the organization.	Usage of Energy Resources	38		V
		G4-EN5	Energy intensity.	Usage of Energy Resources	38		V
		G4-EN6	Reduction of energy consumption.	Energy-Saving and Carbon-Reduction Measures	43		V
	Water	Generic Disclosures on Management Approach		Environmental Policy and Management	39		V
		G4-EN8	Total water withdrawal by source.	Water Resource Management	40		V
		G4-EN10	Percentage and total volume of water recycle and used.	Water Resource Management	40		V
	Emissions	Generic Disclosures on Management Approach		Environmental Policy and Management	39		V
		G4-EN15	Direct greenhouse gas (GHG) emissions (SCOPE 1).	Greenhouse Gas Inspection	42		V
		G4-EN16	Energy indirect greenhouse gas (GHG) emissions (SCOPE 2).	Greenhouse Gas Inspection	42		V
		G4-EN18	Greenhouse gas (GHG) emissions intensity.	Greenhouse Gas Inspection	42		V
		G4-EN19	Reduction of greenhouse gas (GHG) emissions.	Energy-Saving and Carbon-Reduction Measures	43		V
		G4-EN21	NOX, SOX, and other significant air emissions.	Air Quality Management	39		V
	Effluents and Waste	Generic Disclosures on Management Approach		Environmental Policy and Management	39		V
		G4-EN22	Total water discharge by quality and destination.	Water Resource Management	40		V
		G4-EN23	Total weight of waste by type and disposal method.	Waste Management	41		V
		G4-EN24	Total number of volume of significant spills.	None	---		V
	Products and Services	Generic Disclosures on Management Approach		Innovation Management	33		V
		G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	Innovation Management	33		V
	Compliance	Generic Disclosures on Management Approach		Environmental Policy and Management	39		V
		G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	None significant fines. Ta Ya violated Waste Disposal Act and fined TWD 60,000 in 2014.	---		
Supplier Environmental Assessment	Generic Disclosures on Management Approach		Supplier CSR Evaluation	32		V	
	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	Supplier CSR Evaluation	32		V	

Material Aspect:	Indicators	Disclosure Item	Our Response	Page Number	Identified Omission	External Assurance	
Labor Practices and Decent Work	Employment	Generic Disclosures on Management Approach		Employee Profiles	16		V
		G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	Employee Profiles	16		V
		G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part time employees, by significant locations of operation.	Welfare and Care	17		V
	Occupational Health and Safety	Generic Disclosures on Management Approach		Occupational Safety and Health	19		V
		G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Occupational Safety and Health	19		V
		G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and gender.	Occupational Safety and Health	19		V
	Training and Education	Generic Disclosures on Management Approach		Educational Training	22		V
		G4-LA9	Average hours of training per year per employee by gender, and by employee category.	Educational Training	22		V
		G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Educational Training	22		V
	Supplier Assessment for Labor Practices	Generic Disclosures on Management Approach		Supplier CSR Evaluation	32		V
G4-LA15		Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.	Supplier CSR Evaluation	32		V	
Human Right	Supplier Human Rights Assessment	Generic Disclosures on Management Approach		Supplier CSR Evaluation	32		V
		G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken.	Supplier CSR Evaluation	32		V
Society	Compliance	Generic Disclosures on Management Approach		Code of Conduct and Anti-Corruption	9		V
		G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	None.	---		V
	Supplier Assessment for Impacts on Society	Generic Disclosures on Management Approach		Supplier CSR Evaluation	32		V
		G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	Supplier CSR Evaluation	32		V
Product Responsibility	Product and Service Labeling	Generic Disclosures on Management Approach		Product Information Labeling	30		V
		G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.	Product Information Labeling	30		V
		Generic Disclosures on Management Approach		Customer Satisfactory Survey	31		V
		G4-PR5	Results of surveys measuring customer satisfaction.	Customer Satisfactory Survey	31		V



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