



Ardenitec

2013 Corporate Social Responsibility Report

A t e s t i n g p a r t n e r y o u c a n t r u s t

About the Report



Report period and publishing

This is the second corporate social responsibility report of Ardentec Corporation. The report discloses the Company's corporate social responsibility performance from January 1, 2013 to December 31, 2013. This report has also been made available at the company's website; a digital copy may be downloaded at <http://www.ardentec.com>. The next report is expected to be published in June 2015.

Scope of report

This report discloses the economic, environmental, and social aspects of Ardentec's performance, including its Taiwan headquarters and its Singapore and Korea subsidiaries. There were no occurrence of major events during the reported period that would impact the company's organization and businesses.

Drafting Principles and Guidelines

This report was prepared in accordance with Global Reporting Initiative's GRI G3.1 and the AA1000 APS (2008) standards. It discloses the steps taken by Ardentec to ensure business sustainability in a number of aspects, such as stakeholder response, corporate governance, economics, environmental, employees, and social engagement.

Financial figures in this report are expressed in NTD and are CPA-certified. Performances in terms of environment, safety and health are illustrated based on internationally accepted benchmarks and data filed with the competent authorities.

Verification

This report has been reviewed by BSI Taiwan Ltd. in accordance with GRI G3.1 A+ requirements and AA1000 Assurance Standard, type 1. A copy of BSI's Independent Assurance Opinion Statement has been attached in the annexes.

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Letter from the Chairman and President



Friends of Ardentec,

I am glad to share with you once again the wonderful things that Ardentec had done as part of its corporate social responsibilities in 2013. As a corporate citizen, we examine our actions not only for the past and the present, but also for the future. While we strive to improve our performance and competitiveness, we also aim to do more and do better in our corporate social responsibilities.

Since the first day of its inception, Ardentec has set a goal to create a sustainable business by tending to all aspects of social responsibilities, such as stakeholders' interests and the development of society.

The semiconductor industry is changing people's lives at faster speeds than ever, and because of how new technologies have impacted the global environment, it is inevitable, as Ardentec has foreseen, that industry participants will be compelled to incorporate low-carbon, energy conservation, and environmental protection into their business activities. Ardentec has committed resources into monitoring and improving the effectiveness of its carbon reduction, energy conservation and environmental protection efforts. It involves itself in the prevention of pollution, reduction and reuse of waste, and encourages employees to adopt a green lifestyle through tangible actions. These efforts have been made to convert what others perceive as responsibilities into Ardentec's corporate culture.

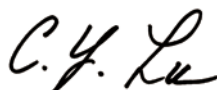
Apart from improving our technologies and service capacities, we believe that ethics, governance, compliance, and transparency are the best services we can provide to customers and the best care we can give to employees. By supporting the public interest and giving back to society, we aim to become a corporate role model that not only contributes toward the growth of economy, but one that parks a cycle of positive changes to come. Doing so would give Ardentec the sustainable business it needs to weather through the rapid changes in the technology industry.

Ardentec sees employees as vital partners and treats them like family members. We offer employees a work environment free of injustice and discrimination, while in the meantime cater for employees' physical and mental health. Integrity is the core value that Ardentec shares with its employees and business partners. We say no to corruption and enforce our respect to discipline and ethics in every action we take. It is our hope for every Ardentec employee to find their purpose through work, and start giving back to society through means such as community services, caring for the disadvantaged, supporting education and charity efforts etc so that Ardentec may grown in pace with society that contributed to its existence.

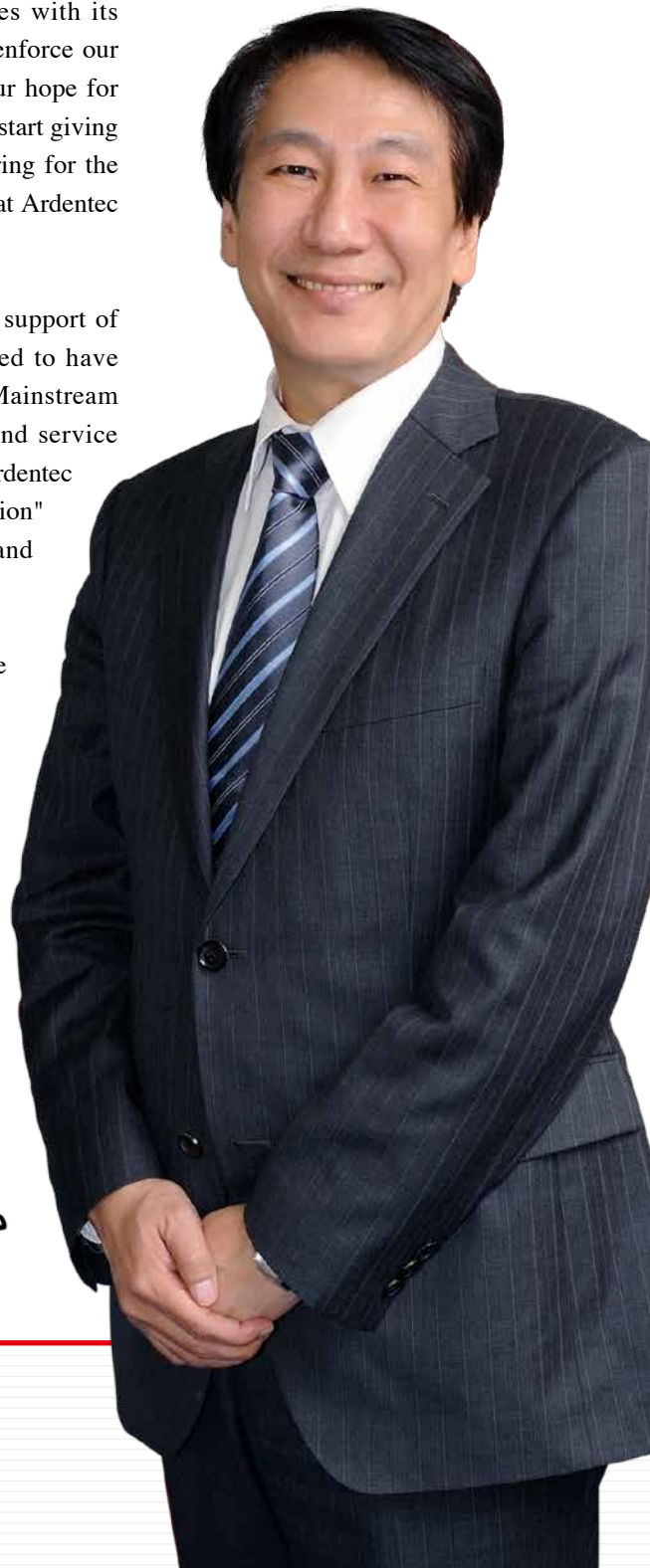
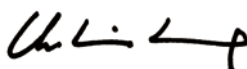
Ardentec's efforts toward business sustainability have won the support of its customers and business partners. In 2013, we were honored to have been named by the Executive Yuan as one of the "Potential Mainstream Enterprises" that possesses global competitiveness, product and service distinction, and technological expertise. This honor has inspired Ardentec to work doubly hard to establish its status as a "Hidden Champion" that has the right technologies, innovation, brand awareness and global competitiveness to inject energy into Taiwan's economy.

Thanks to the efforts of all Ardentec employees and partners, we have won the public's recognition for our business performance, corporate governance, environmental protection, and for our care to society. Ardentec has positioned itself as "A Partner You Can Trust!" Indeed, we live up to that reputation by treating our employees, customers, investors, society, and even the environment, as our partners. In the future, Ardentec will continue fulfilling corporate social responsibilities in the best interests of stakeholders and the environment as a whole, and make society a better place to live in!

Ardentec Chairman Chih-Yuan Lu



President Chi-Ming Chang



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Ardentec

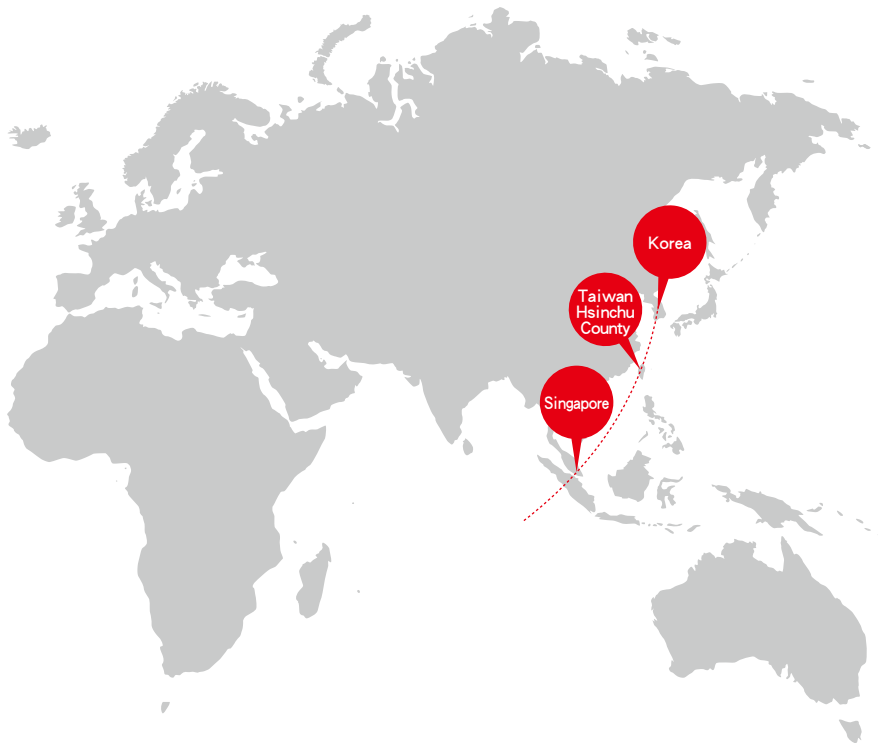
About Ardentec



1.1 Company Introduction

Ardentec was established on October 11, 1999, as a 100% private enterprise. It was publicly listed on GreTai Securities Market in 2005. Headquartered at Hsinchu Industrial Park in Hukou Township, Hsinchu County, Ardentec is a provider of professional semiconductor testing services. Its services include design and production testing for all kinds

of integrated circuits. Ardentec owns three 3 plants (namely Site K, Site T, and Site G) at its Hsinchu headquarters, and is planning introduce its 4th site (Site P) in 2014. A Singapore subsidiary was set up in 2006 and a Korea subsidiary later in 2011 to complete a comprehensive ring of service locations for Ardentec. This creates a comprehensive operational network for sales development and testing in Europe, Asia, and the Americas.



Given the fact that the back-end process of semiconductor production (e.g. testing and packaging) involves substantial capital investments and technologies and production management that are significantly different from the front-end, packaging and testing have evolved to become a specialized profession in the overall semiconductor production. Armed with leading engineering capability, quality system and IT services, Ardentec was able to establish long-term working relationships with major first tier semiconductor companies at home and abroad through vertical integration, and has become one of the top three wafer test service providers in Taiwan. With a specialty in niche services, Ardentec hopes to create a new Blue Ocean in the world's semiconductor industry.

1.2 Corporate Values

Ardentec aspires to be a paragon company that creates a positive cycle conducive to the development of society, the economy and the industry by emphasizing business ethics, exercising diligent in governance, adhering to laws and regulations as well as international rules and standards, making transparent disclosures, and using the "right" business processes to provide customers with the best professional services and provide employees with the best care and benefits. To us, the most enjoyable aspect of corporate management is to engage employees,

customers, suppliers and business partners with "passion" and create the right values through "rationality." These beliefs are the cornerstones of "Ardentec."

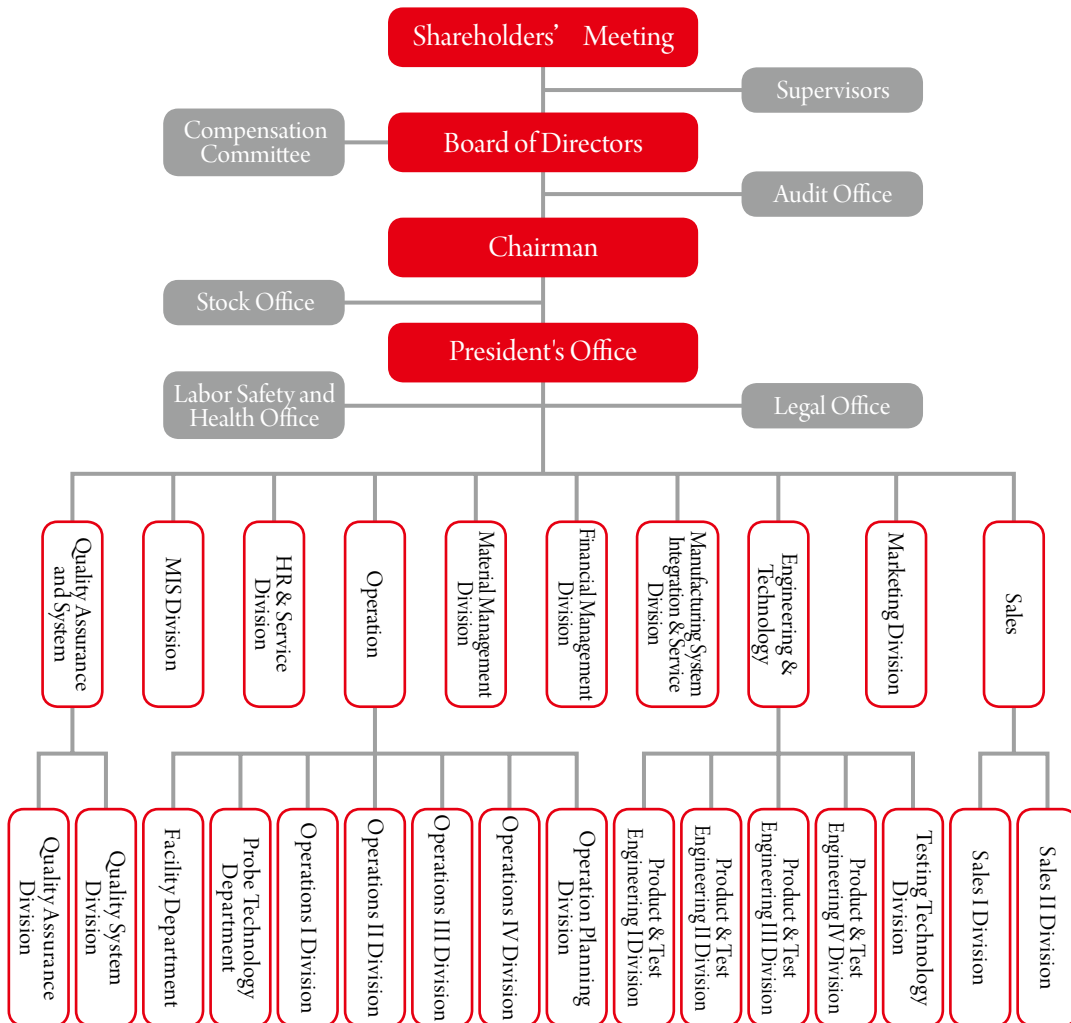


Corporate Values

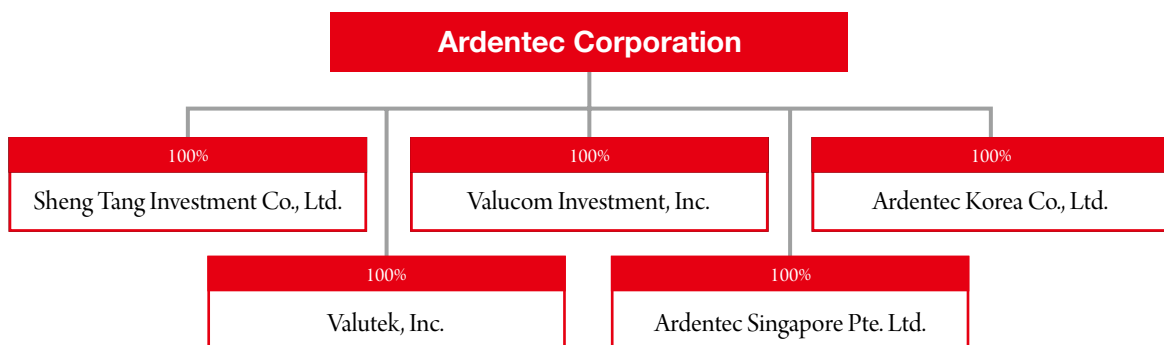
- Strive for excellence; satisfy customers' needs in all aspects
- Embrace passion and innovation to grow with the global semiconductor industry
- Adopt people-centric policies to care for the lives of others
- Commit to business integrity and care for the sustainable development of society and the environment

In addition, Ardentec has incorporated issues of environmental protection, employee care, and society feedback into its corporate governance, and thereby ensure sustainable growth for the Company, the employees, the environment, and society alike.

1.3 Organization



Ardentec and Affiliates



1.4 Professional Services

With consistent high-quality services and professional engineering capability, Ardentec endeavors to provide customers with complete testing solutions. Our testing services include pre-production engineering service, mass production engineering service, probe card service, wafer probing service, final test service, wafer level chip scale packaging (WLCSP) and other back-end and testing services.

To accommodate customers' delivery schedules and their search for the best cost effectiveness, we offer a highly automated information platform and use a rigorous testing system to control the quality of products delivered to customers. Moreover, our outstanding engineering team is capable of providing customers with customized testing services from design to the mass production phase, and therefore shortens the time needed to reach mass production and bring the highest added value to customers.



Pre-production engineering service

While the customer is undergoing IC design, we provide professional suggestions on wafer testing so that products may be in the best quality to undergo testing at the lowest cost, after the pre-production stage.



Mass production engineering service

During the mass production stage, we use precision testing equipment and systems to help customers increase yield and reduce testing costs. We also provide proper management of test programs and data.



Probe card service

We provide complete probe card solutions to help customers design, fabricate and maintain probe cards. We also have a complete management system in place to give customers full control over their probe cards.



Final test service



Others

- Burn-in test
- Laser repair service
- SoC and embedded IC test development
- IC test development and analysis



WLCSP back-end services

We provide services such as grinding, cutting, and picking of the die for wafer-level packaging. This service helps customers reduce logistic costs after completing their tests.



Wafer probing service

We provide testing services for the production process.

1.5 Market Size and Performance

Although fiscal problems in the U.S. and debt concerns in Europe do present uncertainties to the global economy, some of the macroeconomic indicators have shown signs of recovery while developing economies are also recovering their lost momentum. At this critical juncture, we shall remain cautious with our investments while in the meantime taking steps towards improving customer service and compete for customers', shareholders' and employees' best interests using our ever-improving quality as the tool.

Ardentec has secured its foothold in the semiconductors industry. Over the last year, it has seen the volume of its logic and mixed-signal ICs grow while security

control, automotive and communication ICs continued to contribute a significant portion of the revenue. In 2013, wafer testing accounted for 88.6% of the Company's business activities.

In recent years, major IDMs (Integrated Device Manufacturers) in Europe and the United States have outsourced increasing amounts of work to Taiwan's semiconductor manufacturers and are eager to look for local packaging and testing partners. Ardentec, with its rich testing experience and customized services, has won the favor and trust of international clientele, and therefore saw its overseas revenues rising year after year.

2013 Revenues Breakdown (Unit: NTD thousand)		
Product	Sales Revenues	% of Total Revenues
Wafer Test	4,432,409	88.6%
Final Test	315,020	6.3%
Others (equipment rental)	253,758	5.1%
Total	5,001,187	100%

Testing Service Sales Region (Unit: NTD thousand)		
	2012	2013
Taiwan	1,437,853	1,932,342
USA	2,543,393	1,926,427
Singapore	595,498	416,470
Mainland China	105,831	186,553
Others <small>Note</small>	476,247	539,395
Total	5,158,822	5,001,187

Note Primarily consists of European customers, which account for 80% of "Others"

2013 Financial Performance (Consolidated) (Unit: NTD thousand)		
Year	2012	2013
Sales Revenue	5,158,822	5,001,187
Operating costs and expenses	4,123,200	4,002,136
Operating net profit	1,035,622	999,051
Non-operating revenues and expenses	(24,524)	5,380
Pre-tax profit	1,011,098	1,004,431
Income tax expense	199,957	162,337
Current period net profit	811,141	842,094

Note the 2012 figures were revised into consolidated figures

1.6 Development Strategies and Innovations

Previous experiences in providing wafer testing service to semiconductor companies at home and abroad had helped shape Ardentec's core competencies, particularly in key technologies such as process analysis system and advanced testing solutions. Similarly, the near-160 patents owned by members of our R&D team give the Company an advantage in finished/semi-finished product testing and have turned the Company into a leading provider of testing service.

To keep abreast of market trends, Ardentec has been shifting its R&D focus onto IC testing services for smart phones, tablet computers and other handheld devices, and in the last year in particular, the security control ICs and automotive ICs. Apart from IC testing technologies, the Company has also successfully adopted and integrated other related technologies such as Information Technology, logistics management, temperature sensor etc in order to provide customers with integrated product and service solutions.

Information Technology Systems have always been the focus of the Company's R&D efforts. Its goal for developing Information Technology is to improve the overall production quality and efficiency, therefore making products more reliable while reducing the testing costs. Furthermore, the Company has also been refining its testing process analysis system as means of satisfying customers' needs.

As the production capacity of 12-inch wafers grow year after year, Ardentec has taken a more rapid pace in expanding its testing capacities. It has now become the company with the largest capacity among other providers of testing services. Ardentec has secured the opportunities to work with a number of IC foundry service providers in



Taiwan and provide them with testing services for their mass production. We also work with IC design houses to assist them develop testing programs during the IC design phase so that tests can be performed in higher precision during the mass production phase.

In response to the market's demands for one-stop, cutting-edge and automated testing services, Ardentec has coordinated with upstream and downstream participants for more precise job specialization and formed strategic alliances to explore global markets. We also establish a Patent Review Committee with the aim to develop cutting-edge testing, advanced IT and automation technologies as we continue to improve our R&D capacity and services, and take strides towards the goal of becoming a "leading brand in testing solutions and leader in technology development" with comprehensive yet differentiated services. Ardentec's service model has been

certified by the government to conform with the requirements of an emerging strategic industry. This allowed the Company a 5-year tax exemption on new share capitals raised. The latest share capital issue which the 5-year tax exemption applied was in 2013.

※ R&D staff represented about 7.3% of Ardentec's total employees, whereas R&D expenses accounted for about 3% of total revenues.

Key Technologies and Future Developments

Key technologies	Future developments
High-count simultaneous wafer testing technology	Optimal wafer probe control system
IC testing technologies	Improved test irregularity alarm system
Self-developed automatic testing technology	Computer-aided testing quality enhancement project
Automotive IC testing technology	RFID SOC testing system
Security IC testing technology	
WLCSP probing technology	
WLCSP fabrication technology	

1.7 Honors and Accolades

Verification/Certification			
Starting year of validity	Taiwan Headquarter	Site Singapore	Site Korea
2000	ISO 9002		
2001			
2002	QS 9000		
2003			
2004	ISO 9001 ISO 14001 ISO 16949		
2005			
2006			
2007	OHSAS 18001		
2008	ISO 27001		
2009	TOSHMS	ISO 14001 OHSAS 18001	
2010	ISO 14064 IECQ QC080000 Authorized Economic Operator, AEO	ISO 9001 ISO 27001	
2011		ISO 16949	
2012	Implementation of Internal Compliance Program (ICP)	ISO 14064	ISO 16949
2013	CNS15506 Common Criteria (Security Site) <small>Site T</small>		ISO 9001 ISO 14001 OHSAS 18001



Membership

Global Semiconductor Alliance (GSA)
Taiwan Semiconductor Industry Association (TSIA)
Chinese Institute of Engineers, Hsinchu County Chapter
Monte Jade Taiwan
Hsinchu Industrial Society
Hsinchu Industrial Park Association
Hsinchu Industrial Park Safety Alliance
Hsinchu County Nurses Association

2013 Awards

Chairman and CEO Chih-Yuan Lu (PhD) won the 2013 Presidential Science Prizes (Applied Science Division)
Chairman and CEO Chih-Yuan Lu (PhD) was selected ITRI Fellow
Chairman and CEO Chih-Yuan Lu (PhD) was named honorary doctorate by National Chiao Tung University
President Chi-Ming Chang was named 3rd model alumni by Tung Hai University Alumni Association
The Company was identified as one of the Potential Mainstream Enterprises by the Ministry of Economic Affairs during its 1st round of assessment
The Company ranked top 500 in imports and exports in 2012
The Company was ranked second best in trainings organized by Hsinchu County Civil Defense Association



Sustainable Business Framework

2.1 CSR policies

Ardentec believes in sustainable businesses achieved through a balance of corporate competitiveness and social responsibilities. It has established the following CSR policies to support its vision:

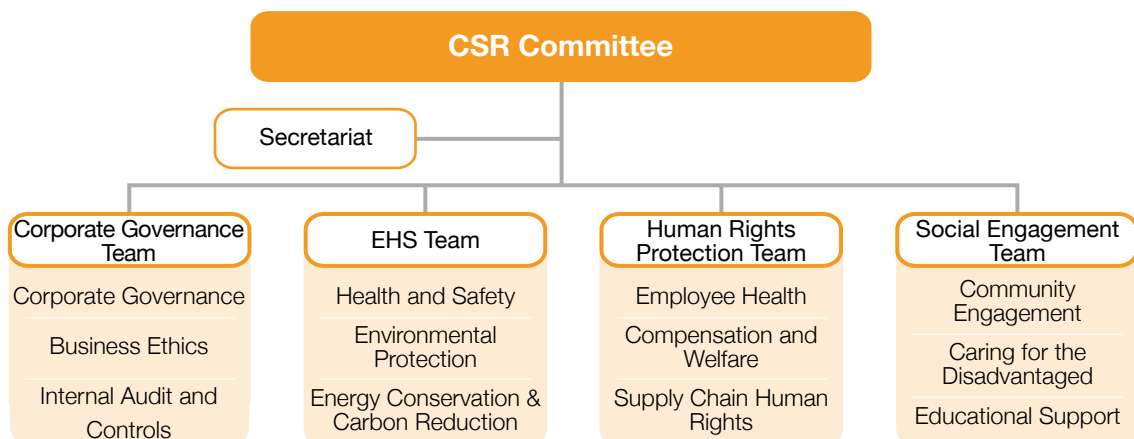


2.2 The CSR Organization

In 2012, Ardentec assembled its "CSR Committee." Chaired by the President and staffed with senior level management cross functions, the CSR committee has been given the mission to oversee Ardentec's corporate social responsibilities. Four teams have been created under the committee to supervise CSR through "Corporate Governance," "Environment, Health and Safety (EHS)," "Human Rights Protection" and "Social Engagement" aspects, and help achieve

Ardentec's goal towards building a sustainable business.

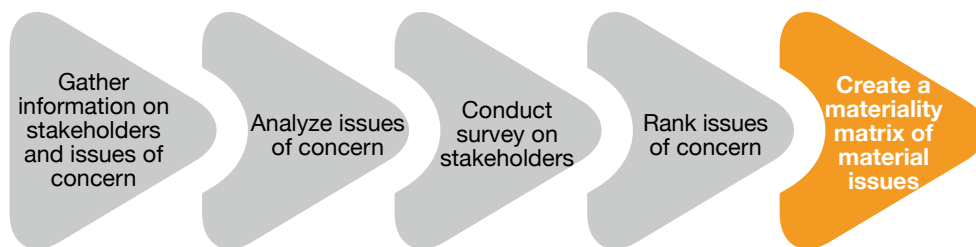
In addition to achieving the Company's goals toward a sustainable business, the CSR Committee is also vested with the responsibility to monitor changes in CSR practices and the corporate business environment both local and abroad, and devise new policies and measures that enable the Company to fulfill its corporate social responsibilities.



2.3 Stakeholders and Issues of Concern

Ardentec takes initiative in establishing transparent and responsive communication channels with its stakeholders in hopes of understanding the issues of concern to them and their expectations towards the Company. Stakeholders' responses provide a key reference to how the Company plans and fulfills its corporate social responsibilities and its goals towards a sustainable business.

In light of the extensive range of stakeholders and issues associated with a company's business activities, we adopt the following process to identify possible stakeholders affected by our routine operating activities, and evaluate their level of concern on each issue and their impacts on the Company:



Ardentec first gathers information on material issues, news and trends identified by leading enterprises of related industries from local and abroad; the CSR Committee then analyzes the issues of concern and categorizes them into

seven stakeholder categories, namely: investors, employees, customers, government and regulatory agencies, suppliers, non-government organizations (NGO), and community and non-profit organizations.



2.4 Evaluation of Material Issues

After identifying the different categories of stakeholders and their issues of concern, the CSR Committee then conducts a survey to determine the level of stakeholders' concern for each issue and how they impact the Company. Results of the survey are used to rank the issues of concern by their materiality.



2.5 Communication with Stakeholders

For the sake of keeping the lines of communication open with stakeholders, Ardentec has planned the following communication channels and methods based on the needs of each category of stakeholders. Through the use of a timely, reciprocal communication system, we hope to engage stakeholders in examining and feeding back on Ardentec's corporate social responsibilities.

Stakeholders' Communication Channels	
Stakeholder category	Communication methods and channels
 Investors	<ul style="list-style-type: none"> • Shareholders' meetings (at least once a year) • Investor conferences (sponsored by GTSM) • Annual reports (yearly) • Market Observation Post System • Company website • Spokesperson's face-to-face or telephone communications with institutional and individual investors
 Employees	<ul style="list-style-type: none"> • Face-to-face management-employee meetings (quarterly) • Work safety meetings (quarterly) • Labor Safety and Health Committee and its management review meetings (quarterly) • Internal employee exchange e-platform (e.g. intranet) • Employee opinion channels (online suggestion box/physical suggestion box/telephone/email) • Announcements
 Customers	<ul style="list-style-type: none"> • Online service platform • Customer audits • Customer meetings • Customer satisfaction monitoring and surveys (yearly) • Customer visits • Regular contacts • Website
 Government and regulatory agencies	<ul style="list-style-type: none"> • Regulation seminars or public hearings • Financial statements • Reports or responses on demand • Official correspondences
 Suppliers	<ul style="list-style-type: none"> • Supplier training (monthly) • Supplier Code of CSR (yearly) • Consultative organization meetings (yearly) • Supplier audits (yearly) • Information exchange • Face-to-face or phone communication • Procurement contracts
 Non-government organizations (NGO)	<ul style="list-style-type: none"> • Audit meetings • Meetings, visits or phone communications • Academic/enterprise research projects • Internship and employment programs
 Community	<ul style="list-style-type: none"> • Corporate website, e-mail and other means of opinion exchange • Participation in public interest activities • Participation in community education

※ Events are held in irregular intervals unless otherwise specified



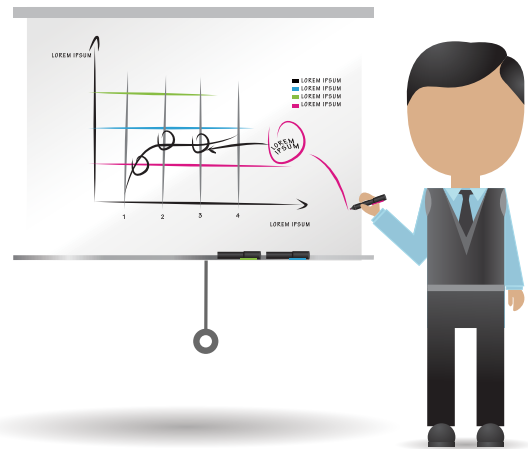
Corporate Governance



3.1 Governance Principles

In the face of an unstable global economy, consumers, shareholders, business partners and other stakeholders are placing higher expectations in the corporate governance of the company. Since the establishment of Ardentec, the Chairman and CEO Chih-Yuan Lu had been inspiring Ardentec employees to respect corporate governance and enthusiastically devote themselves to the sustainability of the environment.

Ardentec formulates its corporate governance framework in accordance with domestic and international laws, regulations and guidelines, such as the Company Act, the Securities and Exchange Act, the ISO (International Organization for Standardization) standards, and EICC Code of Conduct. The company's key rules and regulations regarding corporate governance, including the Articles of Incorporation, Rules for Election of Directors and Supervisors, Rules of Procedure for Shareholders' Meeting, Procedure for Acquisition or Disposal of Assets, Procedure for Engaging in Derivatives Transaction, Procedure for Loaning of Funds to Others, Procedure for Making Endorsement/Guarantee for Others, etc. are available at the corporate governance section of its website (<http://www.ardentec.com>).



Ardentec's Six Governance Principles

- Build an effective corporate governance framework
- Protect shareholders' rights and interests
- Strengthen the functionality and authority of the Board of Directors
- Enhance the role of supervisors
- Respect the rights and interests of stakeholders
- Enhance information transparency

3.2 Board of Directors

Ardentec's Board consists of 9 directors and 3 supervisors. 3 of the directors are corporate entities, which accounts for one-third of total directors. To ensure independence of the board, three director positions (or one-third of total directors) have been made independent. All directors and supervisors are chosen from persons with adequate professional background, technical knowledge and experience. The board has 1 female member, who accounts for 8.3% of the total, and 11 male members who account for 91.7%. In terms of age distribution, 6 members are in the age group of 51 to 60, while the other 6 members are in the age group of 61 to 70.

Ardentec's board functions according to the "Procedure for the Meeting of Board of Directors," a rule that the Company has created in compliance with laws. Ardentec has a robust internal control system in place to facilitate timely disclosure of business, financial and corporate governance information. Supervisors and the chief internal auditor have guaranteed presences in board meetings, while certified public accounts (CPA) are invited to join at times deemed appropriate. As part of the company's integrity policy, Ardentec directors and supervisors are required to disassociate themselves from any

discussion and voting on agendas that pose conflicts against their own interests. Directors' and supervisors' participation in board meetings are disclosed onto the Market Observation Post System for best transparency.

Board members are arranged to undergo on-job training on an annual basis to satisfy the hours, the scope, and disclosure requirements specified in "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and GTSM Listed Companies." Ardentec has incorporated issues of environmental protection, employee care, and society feedback into its corporate governance. In 2013, the Board of Directors conducted further reviews and enhancements to the functioning of the CSR Committee.

The Company has an investors' mailbox (Investors@ardentec.com) and supervisors' mailbox (168_supervisor_a100@ardentec.com) available on its website, which shareholders, employees and other stakeholders may use to offer suggestions to members of the corporate governance system.

List of Ardentec directors

Title	Name	Educational background and experience
Chairman	Chih-Yuan Lu	Ph.D. in Physics, Columbia University, U.S.A. Director and President of Macronix International Co., Ltd. Chairman and CEO of Ardentec President of Vanguard International Semiconductor Corporation Deputy General Director of ERSO,ITRI
Vice Chairman	Shaulong Chin	Master of Science in EE, Texas Tech University, U.S.A. Vice Chairman and Chief Technology Officer of Ardentec President of Ardentec Division director of Vanguard International Semiconductor Corporation
Corporate Director	Representative of Macronix International: Yen-Hie Chao	Department of Material Science and Engineering, National Tsing Hua University Director of Electronic Quality Engineering Center, Macronix International Co., Ltd.
Corporate Director	Representative of Kingwell Investment: Mickey Ken	Vice President of Product and Quality Assurance Center, Etron Technology, Inc. Master of Electronics Engineering, National Chiao Tung University
Director	Chi-Ming Chang	Ardentec Singapore Pte. Ltd. - Chairman Ardentec Korea Co., Ltd. Director Division director of Vanguard International Semiconductor Corporation Deputy Division Director of ERSO, ITRI Ph.D. in Industrial Engineering, Texas Tech University, U.S.A. Director and President of Ardentec
Corporate Director	Representative of Sheng Tang Investment: Chen-Chun Jiang	National Taiwan University of Science and Technology Ph.D. in Industrial Engineering, Texas Tech University, U.S.A. Vice President of Yuan Ze University
Independent Director	Gordon Ta-Hsiung Chen	Ph.D. in Chemical Engineering, University of Houston, U.S.A. Senior Consultant of Lien Hwa Industrial Gas President in Electronic Industry Gas, Praxair Asia President of Praxair Chemax Semiconductor Materials
Independent Director	Wei-Shan Hu	Ph.D. in Financial Management, University of Oklahoma, U.S.A. Vice President of Chung Yuan Christian University
Independent Director	Chen-I Chia	MBA, University of Wisconsin President of Retail Banking Business Group, Bank SinoPac President of Retail Banking Business Group, Chien Hua Bank

List of Ardentec supervisors

Title	Name	Educational background and experience
Corporate Supervisor	Representative of Mega International Bank: Ching- Her Tsai	Department of International Trade, Feng Chia University Branch Manager of Mega International Commercial Bank: Branch Manager of Chiao Tung Bank
Corporate Supervisor	Representative of Chiu Chiang Investment: Jing Amy Chao	Master in Economics, California State University, U.S.A. Director and Chief Financial Officer of Te-Mao-Hsing Investment Vice President of General Administration, China Times
Supervisor	Dahchieh Otto Cheng	Ph.D. in Chemistry, Michigan State University, U.S.A. President of China General Plastics Corporation President of Taita Chemical Company, Ltd.

3.3 Executive Compensation Policy

Ardentec's Compensation Committee was assembled on December 22, 2011. Comprising three independent directors, the committee is responsible for formulating the remuneration policy and regularly reviewing the performance of directors, supervisors and executive officers. The purpose of the committee is to implement a rational remuneration policy that helps the company attract and retain top talent. The committee holds its meetings at least twice a year; a total of 3 meetings were held in 2013.

Ardentec adopts a gender and age-neutral approach when remunerating its management officers. Employees' compensations are set to reflect individual and team performance as well as the future risks of the company, at levels that are comparable to industry peers. Compensations are also formulated in such a way that attracts, inspires and retains top talent.

Compensation for directors and supervisors comprise travel allowances and remunerations. Travel allowance is paid based

on their attendance at board meetings, whereas remuneration is determined based on current year earnings at proportions laid out in the Articles of Incorporation, and distributed once resolved during the shareholders' meeting. Managers are remunerated at levels comparable to industry peers given their roles, while taking into consideration their responsibilities and contributions to the company's targets. Bonuses are determined based on current year earnings at percentages specified in the Articles of Incorporation, and are distributed once resolved in a shareholders' meeting. All remuneration to directors, supervisors and managers **Note** are subject to the Compensation Committee's review and Board of Directors' resolution, and are fully disclosed in the company's annual reports. When discussing remuneration proposals, members of the Compensation Committee would disassociate themselves from discussions that pose conflicts against their own interests.

Note Managers refer to those who are Senior Director grade or above and the Chief Finance Officer

3.4 Ethical Guidelines

Ardentec's belief in being "A Testing Partner You Can Trust" is manifested in its technical service as well as its business activities and employees' conduct.

Business integrity has always been our persistence since the day the company was incorporated. Aside from establishing comprehensive internal control systems and operating procedures, we strictly prohibit any form of corruption, extortion and embezzlement, and offering or acceptance of any illicit benefit that might result in material losses to the Company. The Company also has a variety of communication channels in place that

employees and outsiders may use to report illicit conduct or raise complaints. All reports made will be handled personally by the Company's senior management.

In order to promote ethical conduct, Ardentec has established the relevant internal documents and required all employees to undergo anti-corruption training. As at the end of December 31, 2013, all Ardentec employees had completed their anti-corruption trainings. In 2013, all business personnel and managers graded department head and above had completed their "Conflict of Interest Reports."

3.5 Internal Controls

To ensure the efficiency of business operations, reliability of financial reports and compliance with applicable laws and regulations, Ardentec has designed, implemented and maintained its internal control systems in accordance with "Regulations Governing Establishment of Internal Control Systems by Public Companies" promulgated by the Financial Supervisory Commission. The Company has an independent Audit Office staffed with competent auditors who report

directly to the Board of Directors. The Audit Office devises annual audit plans and carries them out once approved by the Board of Directors. All audit reports are subject to the Chairman's acknowledgment as well as independent directors' and supervisors' review, before they are reported during board meetings. By conducting audits, the Audit Office is able to assist the board and the management with their internal control and risk management.

3.6 Risk Management

Sound risk management, proper crisis management and constant attention to stakeholders' interests are the keys to ensuring business sustainability. In order to manage risks, we have implemented risk assessment methodologies into our various operations.

 <p>Financial risks</p>	<p>Ardentec focuses its efforts solely on the semiconductor testing business, and does not engage in any high-leverage or high-risk investments. Ardentec and its subsidiaries adopt a stringent approach towards cost management; we also monitor our operations and profitability constantly for potential risks, and coordinate to devise strategies to accommodate changes in the economy and ultimately deliver optimal performance and earnings. Each year, the Audit Office joins the company's financial statement auditor to conduct in-depth audits for the purpose of identifying and preventing possible financial risks. The auditor's reports are published on a regular basis, while shareholders' meetings and investor conferences are held and announcements made to the Market Observation Post System whenever deemed appropriate. The Company also makes regular disclosures of financial and business information on its website to keep stakeholders informed of the Company's risk management activities.</p>
 <p>Operational Risk Management</p>	<p>the Company has a "Supply Chain Risk Assessment Regulation" in place to minimize the risks of disruption to the supply of critical resources. The Company has established a set of "Business Continuity Management Procedures" to ensure the continuity of the Company's operations. These procedures provide the basis of which the Company responds to the various types of risks.</p> <p>Ardentec has continually enhanced its abilities in managing operational risks. Every manager has been trained to exercise due diligence in their daily management tasks, which include observing changes in the internal and external environment, and proposing strategies and plans in response to possible risk events.</p>
 <p>Safety Risk Management</p>	<p>with regards to operations, activities, products and services that are likely to cause major impacts on the environment, and causes that may possibly result in injuries, illnesses, loss of property or damages to the work environment, the Company has a set of "Environmental Measurement/ Hazard Identification and Risk Assessment Procedure" in place to help define potential risks and therefore facilitate control and ongoing improvements. The risks identified are then graded and addressed in the company's ESH policies, goals and management guidelines.</p> <p>The Company has devised emergency response plans to address possible disasters. Each site has its own emergency response team in place and holds regular rehearsals to ensure the team's responsiveness. Through the use of ongoing trainings, the Company has been able to develop employees' responsiveness to emergencies and raise their safety awareness which ultimately reduce chances of accidents.</p> <p>The ongoing global climate changes have given rise to unusual weather conditions those pose a risk to the disruption of the Company's operations. The Company has implemented a set of "Emergency Response Control Procedures" that outlines how employees should respond to natural disasters such as Typhoons and earthquakes, and therefore keeping employees and operations safe from climate anomalies.</p>
 <p>Legal and Intellectual Property Risks</p>	<p>the Company has implemented its "PIP Management Specification" to ensure the protection and proper use of intellectual property rights of the technology industry. The Company also has a Legal Office in place to monitor changes in local and foreign regulations, and to manage patents that are relevant to the Company's operations. In addition, the Company has implemented "Law and Regulation Identification Procedure" to help identify laws that are relevant to its businesses. Each department is required to conduct its own regulatory compliance assessments on a regular basis, and adjust their activities to conform with the Company's internal control system if need be, and thereby ensure the legitimacy of the Company's operations at all times. The CSR Committee conducts its performance reviews on a half-yearly basis.</p>
 <p>Information Risk Management</p>	<p>Ardentec requires all employees to duly comply with the Company's security requirements, and take steps to ensure the security of customers' and the Company's information. Information is a critical element of the technology industry as well as the key to customers' businesses. To ensure the most stringent protection on information security, the Company has developed 11 different security documents including an "Information Security Manual."</p> <p>As an enhanced step towards security, the Company has assembled an "Information Security Committee" in 2007 and devised a broad range of security measures to facilitate regular risk assessments. The committee conducts review meetings on a monthly basis, during which they would recommend improvements wherever appropriate. The Company passed "ISO 27001" certification in 2008, and was certified for T System later in 2013. Under the robust protection of Ardentec's information security system, there had been no incidents of leakage of commercial or personal information as of 2013.</p>

A person wearing a large, woven straw hat and an orange protective suit is bent over in a shallow body of water, pulling up a plant with roots. The person is also wearing dark blue pants and tall, dark rubber boots. The background shows a wetland area with green reeds and a blue sky with scattered white clouds. A green rectangular box with a white tulip-like logo is positioned in the upper right corner.

Environmental Protection

4.1 Environmental Sustainability Policy

Ardentec adopts an environmental sustainability policy that aims to "prevent pollutions and develop green operations in every way that complies with laws." As a citizen of this planet, Ardentec believes in harmonic coexistence with the environment. It has an "Environmental Sustainability Policy" in place to achieve sustainability goals such as energy conservation, carbon reduction, and preservation of natural habitats. When we evaluate our purchase/lease of plant sites or plan our operating activities, our first consideration is to stay away from habitats and natural reserves that are rich in biodiversity, and be as close to customers' place of business as possible to minimize the carbon footprint of our transportation. Dormitories have all been placed within walking distance of the plant sites, in order to reduce the amount of carbon emitted due to the use of transportation.

Given the ongoing problems of global warming, energy crisis, and climate changes, reducing greenhouse gas emission has become the first priority in preventing climate change. In addition to complying with the government's environmental protection guidelines and



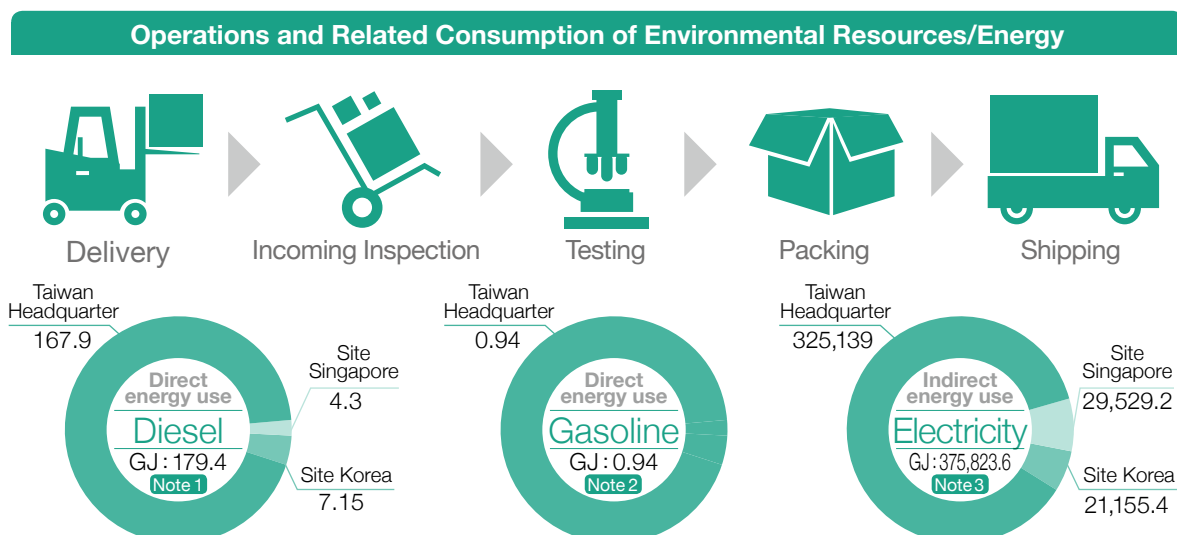
Ethan Lai / photography

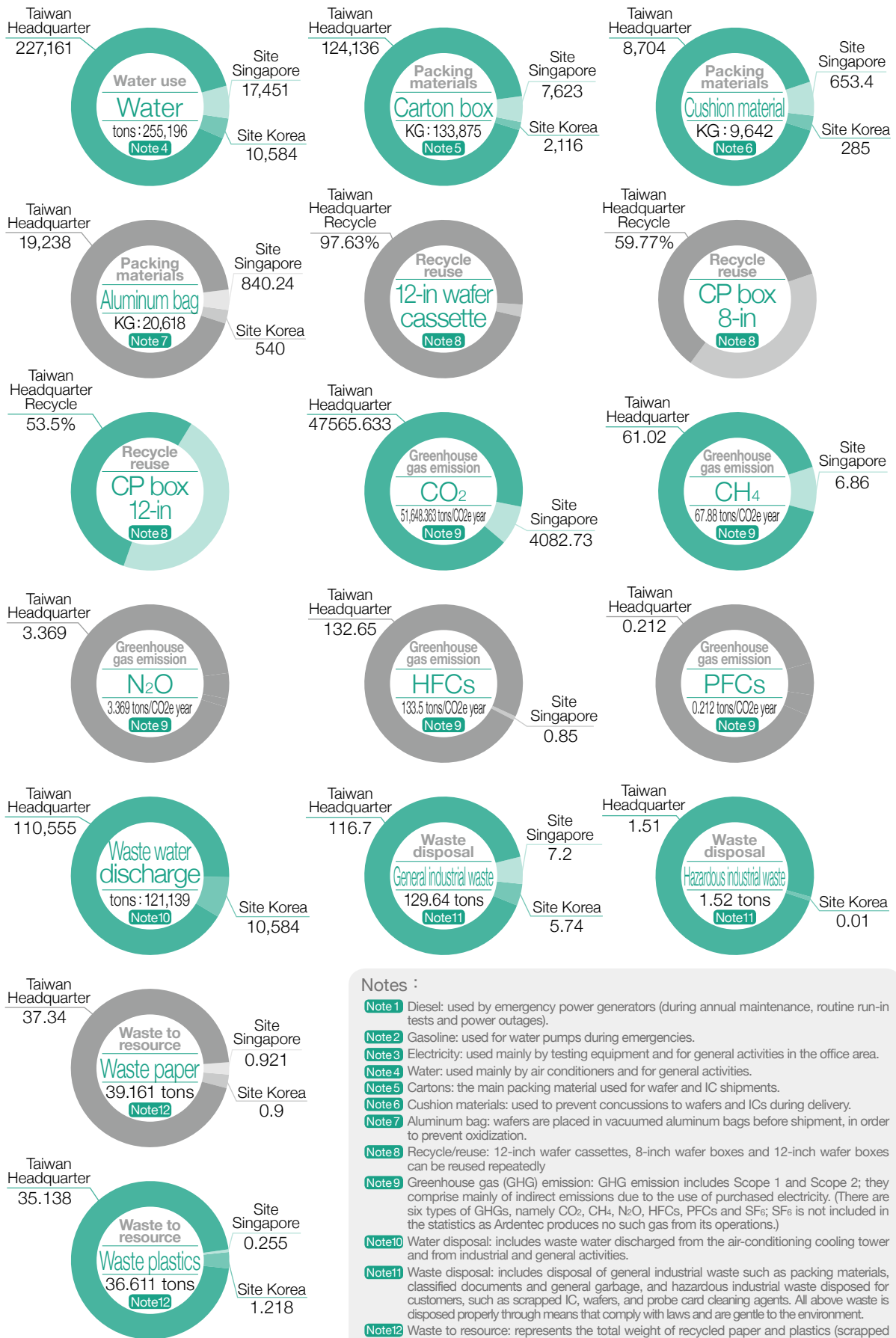
obtaining certifications, Ardentec has also taken further steps to review its operations given the characteristics of the supply chain it plays part of and impacts from global climate changes. It was able to introduce measures to survey and reduce greenhouse gas emission, promote the recycling and reuse of waste etc and progressively achieve its sustainability goals.

As a provider of semiconductor testing services, technology and testing equipment are Ardentec's key service resources, and electricity is the main form of energy used. In light of the ongoing climate changes and the inevitable rise in energy costs, Ardentec has committed resources in a number of energy-saving solutions to minimize impacts on its cost structure. Meanwhile, the Company also devotes itself to the reuse of waste as part of its cost optimization.

4.2 Disclosure of Environmental Information

Ardentec's processes mainly involve wafer testing and final testing of ICs. The primary resource it consumes is electricity, which is used to keep testing equipment run for 24 hours a day. The following presents details of waste produced and water, electricity, oil, and refrigerant consumed during site operations, cooling, transportation and personnel activities:





4.3 Green Management System

Given the ongoing issue of global climate changes, the Company has implemented an integrated management system based on the characteristics of its supply chain. This management system not only gives the Company a comprehensive view of its entire operations, but also allows greenhouse gas to be surveyed and controlled at the source.

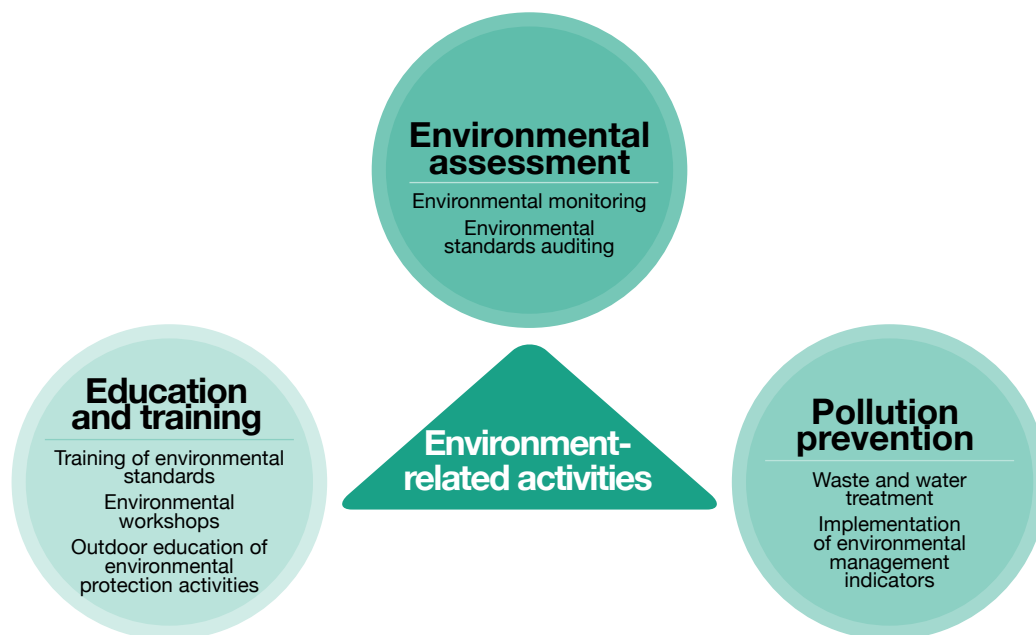
By developing a QC 080000-compliant hazardous substance process management system and an ISO14001-compliant environment management system, Ardentec is able to ensure that its services continue to conform with customers' and global standards on hazardous substance processing. The Company has also devoted itself in energy conservation and environmental protection, and has been able to project its care for Earth's natural resources into real actions.

In 2013, Ardentec incurred NT\$4,945,417 of environment-related expenses in total (headquarters: NT\$3,020,716; Site Singapore: NT\$1,180,701; Site Korea: NT\$744,000). These expenses were mainly classified as operating and administrative costs, and comprise items such as environmental inspection fees, pollution prevention, environmental monitoring, environmental education, and sponsorship to environmental protection organizations. We work with impartial, third-party certification agencies such as BSI and UL as well as professional recyclers,

waste disposal companies, and environmental monitoring agencies. In addition, the Company has continually introduced waste recycling, reuse and energy conservation measures into various plant sites and the work environment; in 2013, the energy conservation measures saved Taiwan Headquarter and Site Singapore 1,755,903 kilowatt hours of power usage and reduced carbon emissions by 932.7 tons in total.

In the future, we shall make even further improvements to the achievements described above, while in the meantime devote greater attention to customer care, supply chain/contractor management, and development of low-power consumption services so that Ardentec has more diverse means through which to ensure a sustainable environment. Furthermore, we will incorporate the concept of environmental accounting into our internal management, and develop assessment tools and statistics that may help determine the effectiveness of Ardentec's annual environmental expenses. We have also organized environmental sustainability campaigns to convey to employees and stakeholders the level of devotion the Company has committed.

※In 2013, there were no incidents of major leakage or pollution by Ardentec's headquarters or its Singapore and Korea subsidiaries that resulted in fines or litigations.



4.4 Greenhouse Gas Survey

The global warming phenomenon has led to a series of climate changes that directly or indirectly impacted the ecosystem. As a result, greenhouse gas reduction has been identified by many governments as one of the main strategies to mitigate global warming. The increasingly stringent restrictions on carbon emission will inevitably pose barriers on corporate trade. It is foreseeable that green products and green industries characterized by low energy consumption and low greenhouse gas emission are the only ones that the public are in favor for. Reducing energy consumption and carbon emission not only minimizes impacts on the ecosystem, companies may also have the potential to reduce operating costs through more efficient use of energy.

Greenhouse gas surveys provide the quantifiable data needed to devise emission reduction strategies, and the benchmark against which future performance and improvements can be measured. In 2011, Ardentec adopted international standards by commissioning BSI to conduct ISO 14064 greenhouse surveys at Site T. All three sites in Taiwan have completed their greenhouse gas surveys, whereas the Singapore subsidiary had also been reviewed in 2013. Operations and greenhouse gas emission of the Korea subsidiary are relatively small at the moment, but surveys will be arranged in the future as activities grow. The Company takes initiative to participate in annual ISO14001 environment management audits. Results from greenhouse gas surveys and environmental information disclosed are taken into consideration to formulate

greenhouse gas reduction strategies. Meanwhile, carbon reduction plans and targets are devised given the prevailing risks of climate change, whereas energy conservation projects are developed and embedded as part of the Company's long-term strategies. These steps have been taken with the goal of influencing outside suppliers and contractors, and eventually reduce carbon emission for the entire industry.

There are three different scopes of greenhouse gas emission. Scope 1 covers direct emission of GHG, and the survey covers emissions from production activities, emergencies, and transportation. The range of gases surveyed includes CO₂, CH₄, N₂O, HFCs, PFCs and SF₆. Scope 2 covers indirect emission of GHG, and the survey covers indirect emissions that arise due to the use of purchased electricity. The range of gases surveyed includes CO₂, CH₄ and N₂O. Scope 3 covers indirect emission of GHG that the Company has no control over. This type of emission mainly arose from contractors' activities, employees' travels and meals etc. For this reason, Scope 3 has been excluded from this year's report. Ardentec will extend its carbon reduction efforts in the future, inviting employees and contractors to reduce carbon footprint based on the framework described above.

In addition to GHG emitted during business operations, Ardentec will progressively move towards disclosing Scope 3 emissions, and explore feasible solutions that may help achieve the Company's energy and GHG targets.

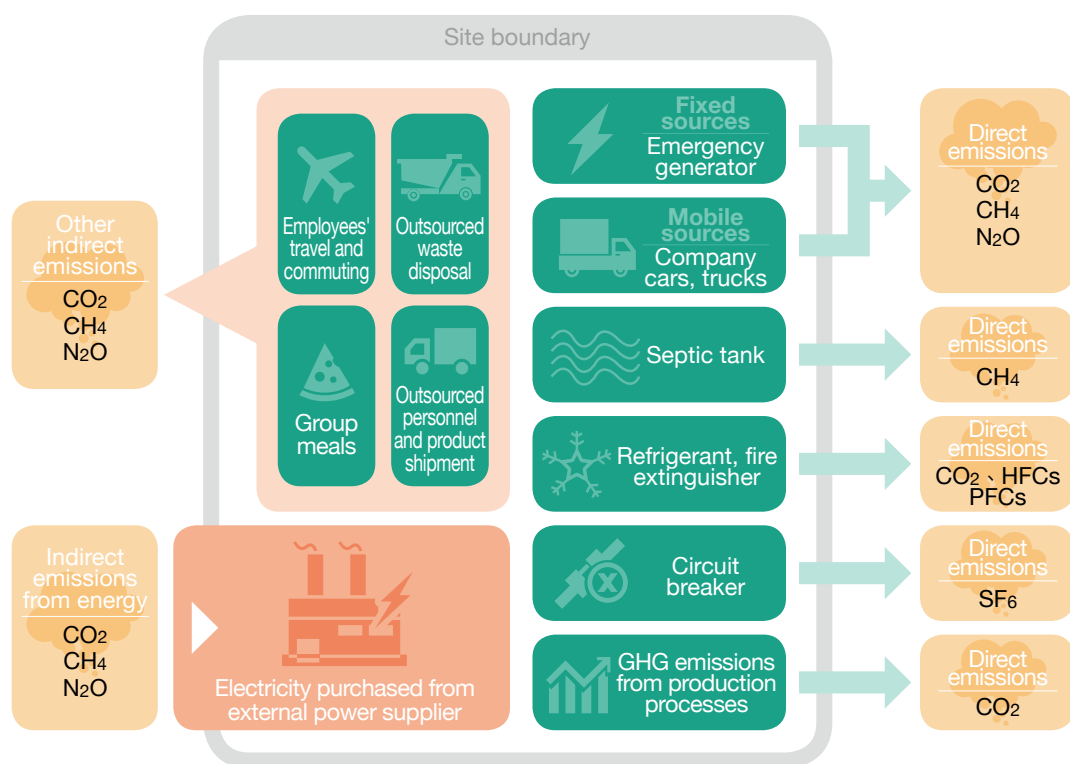
2013 ISO 14064 GHG Emission Opinion Statement



Opinion statement for Taiwan Headquarter



Opinion statement for Site Singapore



Scope of GHG emission		
Scope	Coverage	Source of emission
Scope 1 Direct GHG emission	Emission of GHG while generating electricity, heat, steam, or during combustion of fossil fuel.	Diesel (gasoline) used in emergency generators
	GHG emitted from transportations that the Company has control over.	Diesel (gasoline) used in trucks and company vehicles
	Fugitive emissions.	Methane gas from the septic system, refrigerant used in the air-conditioning system, carbon dioxide used in fire extinguishers, and SF ₆ used by electric switches
	GHG emissions from biological, physical or chemical processes.	Chemical reactions
Scope 2 Indirect GHG emission	Emission of GHG from purchased supply of electricity, heat, steam, or outsourced combustion of fossil fuel.	Purchased electricity
Scope 3 Other indirect GHG emissions	Indirect GHG emissions from sources not owned or directly controlled by the entity but related to the entity's activities.	Vehicles used by suppliers or for employees' commuting and travel, fuels used in outsourced employee cafeteria, outsourced wastewater treatment, outsourced waste disposal etc.

※The types of GHG have been classified given Ardentec's business characteristics; it does not represent that Ardentec is an emitter of all GHG types



Disclosure of GHG Emission

Electricity is the main type of energy used by Ardentec. The Company conducts annual surveys on GHG emissions to determine how its business activities have impacted the environment.

According to a recent GHG survey, emissions of CO₂, CH₄ and N₂O were mostly indirect as they arose due to 24-hour operations of the testing equipment on purchased electricity. HFCs from air-conditioning refrigerants were the second largest group of GHG emitted.

2013 GHG Emission by Scope and Site

Greenhouse gas	Scope 1	Scope 2	Total
Taiwan Headquarter	336	47,427	47,763
Site Singapore	8	4,082	4,090
Total	344	51,509	51,853

2013 GHG Emission by Category (unit: tons of CO₂e/per year)

Greenhouse gas	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	Total
Taiwan Headquarter	47,565.63	61.02	3.37	132.65	0.21	0	47,763
Site Singapore	4,082.73	6.86	0	0.85	0	0	4,090
Total	51,648.36	67.88	3.37	133.5	0.21	0	51,853

※The above figures represent Scope 1 and Scope 2 emissions of GHG, including CO₂, CH₄, N₂O, HFCs, PFCs and SF₆. SF₆ is not included in the statistics as Ardentec produces no such gas from its operations.

※In 2013, the Company also emitted small amounts of R123, R22, HCFC-141b and HCFC-124 controlled by the Montreal Protocol

4.5 Managing for Reduced GHG Emission

Energy Conservation Projects

Ardentec has actively instructed each plant site to devise their own energy conservation projects. The CSR Committee has been assigned to oversee all departments that supply water, electricity and gas, and for which it has formed a Quality Control Circle (QCC) by assembling energy conservation task forces across different sites that specialize in optimizing energy efficiency. The projects they have launched include the following:

"Chiller Disperse Temperature Optimization," "Lighting Efficiency Improvement," and "Energy-efficiency Make-up Air Unit" by **Taiwan Headquarter**

"Cooling Tower Efficiency Enhancement" and "Energy-efficient Vacuum" by **the Singapore subsidiary**

"Power Supply Improvement," "Lighting Power Source Improvement," and "Air-conditioning Power Source Improvement" by **the Korea subsidiary**

In the future, the Company and its subsidiaries will introduce further projects to achieve power and greenhouse gas targets they have set for 2014 and years thereafter.



Chiller Disperse Temperature Optimization:

The chiller accounts for 15.4% of total power usage. By adjusting the server room temperature, we were able to reduce the use of ice water and hence lessen the chiller's load. In addition, by adjusting the temperature of water dispensed through the chiller based on outside temperatures, we were able to reduce power consumed by the chiller.

Energy-efficiency Make-up Air Unit

An energy-efficient make-up air unit has a filter attached at the intake that removes particles and pollutions in the air, and effectively reduces the need to replace HEPA. The filter works by heating and cooling vapor, which not only minimizes loss of pressure but also enables air supply at a consistent temperature. The unit also comes with a feature that recycles ice water back to the ice water system, and in doing so reduces pipe temperature and lessens the chiller's load. Coolants dispensed through the chiller are recycled and reused, which allow the unit to require fewer pumps. Lastly, the unit uses a new heating method that allows effective control over air disperse temperature and hence saves energy.



Compressor Energy Saving

By changing the valve used in the compressor, we were able to solve problems in the original design where the butterfly valve could not be closed tightly. With lesser air leakage, the compressor was able to work at a lesser load and save energy.

Operations of the Korea subsidiary are relatively insignificant at the moment, but the Company is still actively exploring opportunities to save energy. Outside of production activities, the Company begins

saving energy by having computers go into sleep mode automatically, and turning off lights and air conditioning when not in use. Although there is no data on the amount of energy saved, employees have been able to demonstrate good energy-saving habits so far.

There is a consensus among Ardentec employees to save energy from the little things in life. By changing work habits bits by bits, they were able to drastic reduce the carbon footprint of their lifestyles.

GHG Reduction Results in 2013				
Energy conservation projects	Site	Reduced power usage (KWH)	CO ₂ emission reduced (tons)	Power expense saved (NT\$)
Chiller Disperse Temperature Optimization	Taiwan Headquarter	946,986	503.8	2,481,103
Lighting Efficiency Improvement		93,852	49.9	245,892
Energy-efficiency Make-up Air Unit		628,946	334.6	1,647,839
Cooling Tower Efficiency Enhancement	Site Singapore	74,727	38.5	455,170
Vacuum Energy Saving		11,392	5.9	69,389
Total		1,755,903	932.7	4,899,393

※Calculations for the Taiwan Headquarter were made using the energy conversion rate published by the Ministry of Economic Affairs:

KWH (1 kilowatt · hour) x 0.532 = CO₂ (emission)

KWH (1 kilowatt · hour) x 2.62 = power expense (NT)

※Calculations for Site Singapore were made using the energy conversion rate published by Singapore Power:

KWH (1 kilowatt · hour) x 0.5146 = CO₂ (emission)

KWH (1 kilowatt · hour) x 0.2565 x 23.747 = power expense (NT)

(The above amounts were converted using the 2013 monthly average rate of SGD 1 = NT\$ 23.747 published by the Ministry of Finance)



Lighting and Air-conditioning

Ardentec has adopted a section-based control over office lighting and air-conditioning. A number of energy-saving measures have been introduced specifically for lighting and air-conditioning during night times and public holidays; these include: concentrated work areas for night shift and holiday shift employees, and turning off lighting and air-conditioning when leaving office. Lighting and air-conditioning are just the beginning of a series of conservation measures that the Company has planned for the future.

Office lighting and air-conditioning have been divided into sections with operating hours clearly detailed. Corridors have been placed with light sensors so that lighting is turned off automatically when there is sufficient outdoor light. Corridors where people seldom visit have infrared sensors built in and

power turned off by default. Only when people pass through the area will the lighting turn on automatically.

Saving Energy on the MIS

The MIS Department has outlined energy-saving measures for all types of devices. Employees' terminals, wafer test monitors, hard drives and screens are shut down, dimmed and set to go into sleep mode under pre-configured circumstances to reduce energy consumption.

Mitigating Global Warming "Meat-free Monday"

Starting since 2009, Ardentec has implemented a company-wide "Meat-free Monday" program. By having one day a week free of meat and poultry, we not only help reduce

carbon footprint in our diet but also promote healthier low-carbon eating habits.

Use of Unbleached, Reprocessed Paper

According to the studies conducted by British firm Tesco, the amount of energy required to recycle paper waste and produce reprocessed paper is only 10% to 40% of that used to produce from wood. In addition, the use of reprocessed paper reduces GHG emission by 47%, air pollution by 28%, water pollution by 33%, and solid waste by 54%. In an attempt to preserve our forest, Ardentec has adopted the practice of using only "unbleached, reprocessed toilet paper and paper towel" since 2010. By reusing our resources, we can reserve



Joe Huang / photography

our forest as habitat for a great number of species, and in the meantime reduce the impact of garbage processing on the environment. Furthermore, without the bleaching process, there would be lesser pollution to our air and water.

4.6 Water Resource Management

Use of Water Resources

The bulk of Ardentec's water usage was for air conditioner cooling in its 24-hour test rooms. Other water usages include general and fire safety purposes. Even though it uses a relatively small amount of water, Ardentec is also committed to "reduce, recycle and reuse" water resources. Ardentec currently draws water supply entirely from the public water system. Site T and Site K consume more water than Site G because of their larger production capacity. In 2012, the three plant sites in Taiwan used 198,837 tons of water in total. In 2013, the three plant sites in Taiwan plus Site Singapore and Site Korea used 255,196 tons of water in total.

※Source of water for Taiwan sites: Paoshan No. 2 Reservoir in Hsinchu.

(unit: tons)

Use of Water Resources, 2012 and 2013			
2012	2013		
Taiwan Headquarter	Taiwan Headquarter	Site Singapore	Site Korea
198,837	227,161	17,451	10,584

Taiwan Headquarter 2013: Site T used 8% less water compared to 2012, whereas Site G used 21% less and Site K used 42% more compared to 2012 because of new production procedures.

Waste Water Discharge and Water Conservation

75% of waste water discharged was generated by the air conditioner cooling tower, whereas the 25% was generated from general activities such as toilets and

kitchens. All waste water had been discharged into the water treatment plant of Hsinchu Industrial Park as required. The discharge of water by Ardentec does not pose any impacts on biodiversity.

To conserve water usage, Site T and Site G made adjustments to the electric conductivity of their coolants (1180 μ s \rightarrow 1280 μ s) in 2013, which reduced coolant discharge as well as the amount of water replenished.

Ardentec also took on a more active step towards replacing water conservation facilities at various plant sites, and tightened its management over the use of water. With these water conservation measures underway, the Company expects to increase the percentage of water recycled/reused in 2014. By recycling condensed water from air-conditioning and waste water from RO, the Company was able to reuse water for the cooling tower, and therefore make the best use of available resources that not only lessened impacts on the natural environment, but saved costs in the process.

(unit: tons)

Waste Water Discharge, 2012 and 2013			
2012	2013		
Taiwan Headquarter	Taiwan Headquarter	Site Singapore	Site Korea
70,920	110,555	※	10,584

Site Singapore's waste water was generated only from general activities; because water was discharged into the landlord's water treatment pool without individual flow measurements, no calculation could be made as a result.

4.7 Waste Management

Management Principles

Ardentec generates two types of waste from its operations: general industrial waste and hazardous industrial waste. All waste is disposed in manners that comply with law. The Company engages certified service providers to dispose waste, and is not involved in any import or export of hazardous industrial waste. The Company turns waste into resources by recycling and reusing resources wherever it can. Meanwhile, the Company also exercises enhanced management over waste control in order to reduce waste further. For safety reasons, the Company adopts centralized treatment of waste produced through various sites. The centralized approach also enables the Company to identify the source of waste and

apply controls accordingly. Meanwhile, the Company engages recycling companies to put waste into best use.

In 2012, the Taiwan Headquarter produced 129.55 tons of general industrial waste, and 3.19 tons of hazardous industrial waste in total. In 2013, the Taiwan Headquarter produced 116.7 tons or 10% lesser general industrial waste compared to 2012, and 1.51 tons or 52.7% lesser hazardous industrial waste as compared to 2012. In 2013, the Taiwan Headquarter plus Site Singapore and Site Korea produced 129.64 tons of general industrial waste, and 1.52 tons of hazardous industrial waste in total.

Waste Items and Treatment (unit: tons)							
Category	Waste type	2012	2013			Cause of waste	Treatment
			Taiwan Headquarter	Site Singapore	Site Korea		
General industrial waste	Mixture of waste plastic	38.16	27.1	0	1	Packing materials	Incineration
	Mixture of waste paper	22.19	25.6	0	1	Shredded confidential documents	Incineration (not suitable for recycling)
	Daily living wasting	68.65	64	7.2	3.74	General garbage	Incineration
Hazardous industrial waste	Waste electronic components, leftovers and substandard items	0.91	0.45	0	0.01	Scrapped IC/wafer ①	Chemical treatment
	Waste liquid with pH of 12.5 or higher	2.28	1.06	0	0	Alkaline solution from probe card rinsing ②	Chemical treatment

① Scrapped ICs and wafers are customers' waste that Ardentec processes on their behalf; they are not generated from Ardentec's services.

② Refers to waste solutions generated from probe card rinsing.

Reduced Use of Packing Materials

With the concept of resource recycling and reuse in mind, Ardentec has specifically requested for employees to sort and recycle the waste they produce. Cartons and wafer cassettes are being reused as much as they can be, and unless specifically requested by customers, the wafer cassettes that carry customers' input materials are thoroughly cleaned by third-party companies and used repeatedly when shipments are made to the customer. The Company also takes initiative to negotiate with customers for the reuse of packing materials, so that waste can be reduced to the minimum. In the meantime, the Company is exploring all possibilities to avoid one-time wear and tear of packing supplies, and to increase the chances of

which packing materials can be reused. Cartons received from all kinds of purchases are being used for other purposes as much as they can be. By collaborating with upstream and downstream participants, Ardentec is able to reduce waste and reuse resources to a greater extent that achieve its goals of sustainability.

Resource reuse in 2013

97.63% of 12-inch wafer cassettes were reused
Reuse of cartons: 8-in: 59.77%; 12-in: 53.5%

※Carton reuse: cartons received from purchases are reused for shipments. The calculations were based on the fact that one 12-inch carton holds 1 wafer cassette, one 8-inch carton holds 2 wafer cassettes, and one 6-inch carton holds 4 wafer cassettes.

Quantity of Resources Recycled and Reused					
Item	Source of waste	Method of reuse	Kg		
			Taiwan Headquarter	Site Singapore	Site Korea
Waste paper	Carton boxes and general documents	Paper raw materials	37,340	921	900
Waste wafer cassette	Scrapped wafer cassettes	Plastic raw materials	23,516	130	1,000
PVC	PVC gloves	PVC raw materials	5,830	75	158
Waste plastic	Plastic bags, bubble wraps, and other plastic	Reused by the recycling agent	5,792	50	60
Mixed metal scrap		Recycled by recycling agent to extract precious metals or for other purposes	265	88	120
Scrap iron	Engineering waste, scrapped equipment...	Recycled by iron recycling agent to extract other metals	166,511	50	20
Others	Scrapped servers, monitors, lamps, batteries...	Reused by the recycling agent	1,228	25	20

4.8 Waste Reduction Initiatives

Refrain Use of Disposable Dining Utensils

There has already been excessive use of disposable dining utensils in Taiwan. Most of the disposable dining utensils are made from fossil materials that produce high amounts of carbon when incinerated. They also pose substantial liabilities to waste disposal and risks of water pollution. 75% of disposable chopsticks contain bleach, sulfur dioxide, hydrogen peroxide and a number of chemical substances that are harmful to our health. As Ardentec believes in the idea that "health comes to those who are friendly to the environment," it launched a campaign that "refrains use of disposable dining utensils" in 2010, and started encouraging employees to bring chopsticks to their meals. Meanwhile, the cafeteria was instructed to use only environmentally friendly utensils. Through real actions, the Company was able to cut back on the use of disposable dining utensils that are difficult to decompose. If the Company has 600 people having lunch each day, it could save nearly 160,000 meal's worth of disposable dining utensils each year, and reduce the amount of carbon they emit and the level of pollution they could have done to the environment.



Reuse of Paper Waste

Since Ardentec was first incorporated, the Chairman has been urging Ardentec employees to care for the sustainability of the society and to fulfill this mission through daily actions. For more than 14 years of its existence, Ardentec has never purchased any envelopes or memo pads for internal correspondence. Instead, any envelopes that Ardentec receives over the course of business are refurbished with one-side printed paper, which allows the envelope to be used another 20 times, and then refurbished again another 20 times... Effectively, each envelope can be used as many as a hundred times. Paper waste that have been printed on one side are gathered and sent to our printing partner, where they are cut and glued into memo pads free of charge. As a result, the life of each tree that went into the making of paper is used to the extreme in Ardentec. All employees are aware that every time we reuse our resources, we save one tree from disappearing and preserve room for more biodiversity.

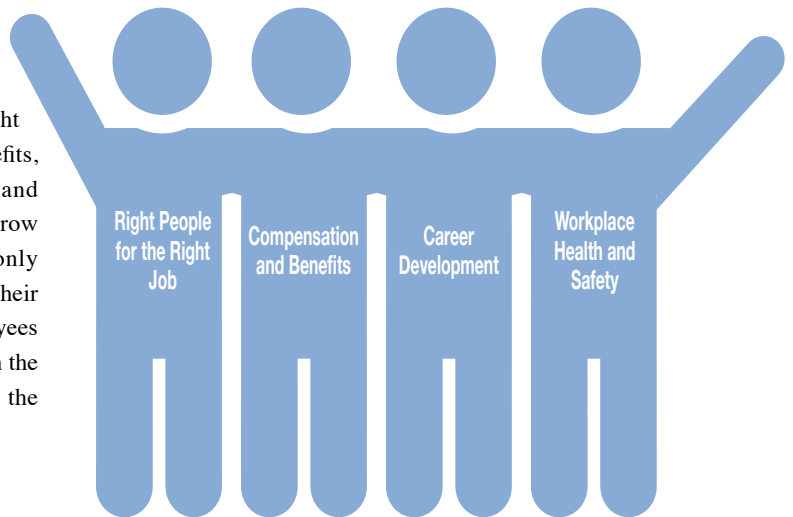


Employees as Partners



5.1 Employee Partnership Policy

By viewing employees as partners of the Company, Ardentec has developed an employee partnership policy that is centered around 4 core values: "Right People for the Right Job", "Compensation and Benefits", "Career Development", and "Workplace Health and Safety". Through empathy and trust, we strive to grow with our partners. We hope that employees not only enjoy their work, but also the time they have with their families. Moreover, we long to see Ardentec employees become the core of the Company's competitiveness in the global semiconductors industry, working alongside the Company for a brighter future.



5.2 Right People for the Right Job

Ardentec evaluates the professional skills of job applicants with discreet standards and a systemic assessment process. Moreover, we look for hard-working professionals who have similar beliefs and are willing to grow with Ardentec. We comply with local employment regulations in every place we do business. We give priority to hiring local talent under the principles of equal opportunity and recruiting the right people for the right job.

One of Ardentec's business philosophies is to ensure the sustainability of its business and to provide people with more opportunities to look after their families. We adopt a recruitment policy that hires local residents as the first priority. When production requirements increase to an extent that our existing workforce no longer suffices, Ardentec would then file an application with the local labor administration to hire foreign workers in manners compliant with laws, so that it could grow its business further and create more jobs for the local population. When hiring foreign workers, Ardentec chooses only to collaborate with workforce agencies that have demonstrated sound records of humane practices. The head of human resources and the department in need of recruitment would personally visit the countries through which workers are sourced, and interview them to ensure that all workers are hired through legal procedures and have their human rights protected.



Talent Recruitment Procedure



Resume screening



Interview



Offering



Onboard

Ardentec prohibits the hiring of child labor aged below 16. It has a due diligence process in place that verifies the age of any employee it hires and ensures compliance with labor regulations local to the place of business. Ardentec's headquarters and subsidiaries in various countries all adopt the policy of hiring local workers as the first priority. Ardentec treats every employee fairly and equally; employees have the same opportunities for recruitment, rewards and promotions regardless of their race, religion, or gender. All employment contracts are established with the consensual agreement between the employer and the employee. As required by law, any changes to the terms of employment would need to be consented by the employee. Ardentec sources talent through supportive and protective workforce agencies. It takes into consideration the suitability of disabled persons to create job opportunities for them, and thereby increases the chances for the socially disadvantaged to work at the Company. In addition to making changes to the nature of work and the working environment, the Company also provides disabled employees with full training so that they can realize their best potentials on their own, and improve their quality of life while contributing towards



the development of society. With regards to the hiring of disabled employees, in 2013 the Company reached 133% of the requirement stipulated in "People with Disabilities Rights Protection Act."

Meanwhile, the Company also requires its suppliers to avoid unfair treatments and eliminate any form of forced labor (including slavery, use of trafficked, imprisoned, or debt-burdened labor etc). It is imperative for labors to perform work out of their own free will. This initiative ensures that Ardentec's CSR extends to other ends of the supply chain.

5.3 Compensation and Benefits

Ardentec employees' salaries are set at a highly competitive level within the given industry. Review of salary is in no way connected to employees' gender, and while doing so the Company ensures full compliance with labor regulations local to its places of business. Ardentec regularly evaluates employees' salaries relative to peer levels and the company's performance. Performance appraisal is conducted in the first quarter of each year, during which employees' salaries are adjusted according to contributions

2013 Employee Salary Comparison by Gender

	Female	Male
Managerial	1.00	0.98
Engineering	1.00	1.00
Administrative	1.00	0.98
Technical	1.00	0.94

Notes:

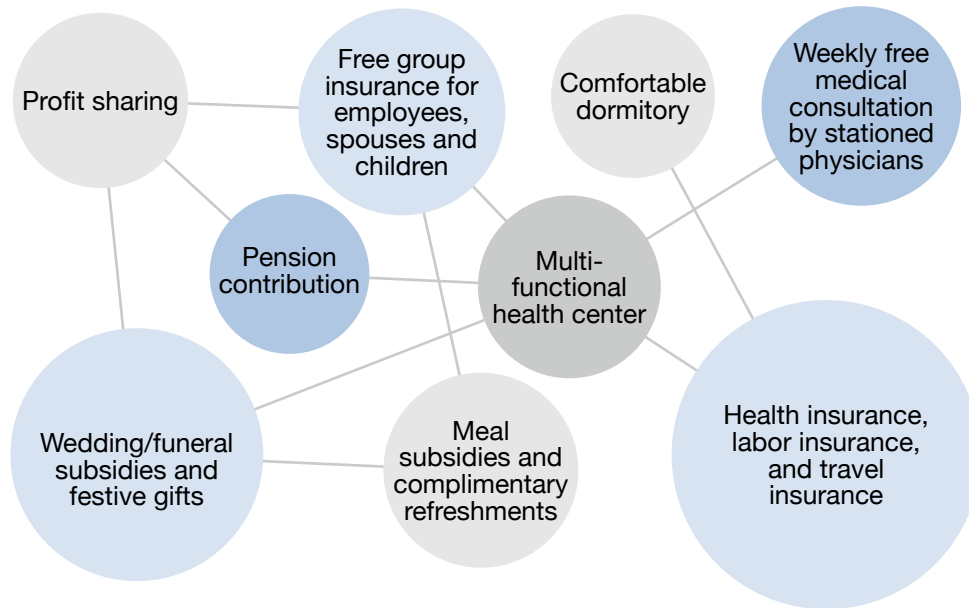
- (1) Salary is presented in fixed terms without adjustments such as leave, overtime pay etc.
- (2) Employees' salaries are revised according to performance and responsibilities, and are not discriminated based on gender, race, religious beliefs or marital status.

and performances in the previous year. This ensures that the Company remains competitive in the search for talent. In addition to salaries, the Company also has operational benchmarks and bonus systems in place to guide and reward employees' performance. In 2013, the Taiwan headquarters and subsidiaries spent a total of NTD1,259,366,000 on employees' salary, welfare and training.

The Articles of Incorporation states that employees are entitled to share the Company's earnings when the Company is profitable on governmental accounting base. This system is consistent with Ardentec's view that employees are its closest business partners. In 2013, employees of the Taiwan headquarters were paid profit sharing bonuses totaling NTD 90,946,187.

Ardentec remunerates its employees under the principle that everyone is treated equal. Employees' salaries, rewards and bonuses are determined based on their performance and contribution without taking into account their gender, age, race, religion, political association or marital status.

Welfare



We take care of our employees even beyond retirement, and therefore we contribute to employees' pension accounts on a monthly basis, both under the new system and the old system, as required by law. Every year, the Company hires actuaries to calculate the rate of employees' pension contributions, in order to ensure that monies provided to the defined benefit account held with Bank of Taiwan and amounts budgeted for pension contributions do suffice to guarantee employees' lifestyles after retirement. Every quarter, a Pension Supervisory Committee comprising of employee and management representatives would review the pension account and discuss issues regarding employees' retirement.



The Singapore subsidiary complies with local regulations by contributing to the government-managed Central Provident Fund (CPF), whereas the Korea subsidiary follows the "Pension Protection Act" and makes contributions to a "Defined Contribution Retirement Pension" (DC) plan that the employer and the employees have agreed upon.

In 2013, the Taiwan headquarters and its subsidiaries made pension contributions totaling 5.3% of employees' salaries. In order to provide employees with ideas of how they may enrich their retirement life, we invited a retired Vice President to talk to employees about life after retirement.

We expect our employees to maintain the right work-life balance, which is why we encourage them to

Year-end banquet



Ardentec has a number of club activities including: soft pitch, mountain climbing, badminton, yoga, snooker, cycling, basketball, table tennis, belly dancing, photography, water activities, and triathlon.

exercise, socialize, travel and participate in various recreational activities with their families. For this reason, the Employee Welfare Committee organizes employee trips on an annual basis at times when their children are on summer vacation, as well as family days, year-end gatherings etc to make employees feel like part of the team. Each year, the Company would organize a biking tour for employees and their families to help them enjoy a low-carbon lifestyle. In 2013, the Vice President of Operations led a team of staff and climbed to the top of Yushan and its surrounding peaks.

Each club would organize events from anything between fun and games to the physically challenging. Since family members are invited to join, these events became good opportunities for participants to learn more about each other and work more closely as a team.

5.4 Education and Training

Talent training is the key to sustainable business for any company. In Ardentec, nurturing talent in the direction of the Company's growth has become one of the critical management focuses. We have developed a multitude of training solutions that are centered around the Company's goals and employees' career development. Through the use of systematic learning roadmaps, we have built an environment where employees may learn and grow on the job.

Our annual appraisals are also closely tied to employees' training plans, as managers and their subordinates are invited to discuss individual performance, goals, and training needed to accomplish such goals, so that training programs can be custom-tailored to assist every employee in their career paths.

Ardentec offers five different types of training:



Technical skill development is one of the major focuses in the Company's training. Employees who have been trained on Ardentec's testing procedures and system operations are given the responsibility to pass on their knowledge and bring new comers to the expected standard of professionalism. In 2013, Ardentec received a subsidy of NTD415,000 under the Intelligent Electronics Institute program organized by Industrial Development Bureau, Ministry of Economic Affairs, for its dedication to talent training.



In an attempt to improve the capabilities of the management team, the Company invited world-class multinational management experts in 2013 to conduct a workshop about customizing Ardentec's management framework given its industry characteristics, specialization and long-term goals. Meanwhile, the management also took the opportunity to convey the Company's long-term goals and visions. In 2013, the Taiwan headquarters and the Singapore subsidiary both completed the workshop that not only improved the capabilities of the management teams, but also developed a consensus towards the Company's visions.

Apart from the five main types of training, the Company has also organized seminars featuring a variety of topics to broaden the scope of employees' learning and to enrich their lives.

Ardentec emphasizes particularly on the education of human rights and ethics; in 2013, 100% of Ardentec employees completed training on "Human Rights and Ethical Guidelines". Even the security guards completed their share of human rights training to ensure that their practices are consistent with Ardentec's level of respect towards human rights. In 2013, the Taiwan headquarters organized approximately 800 hours of human rights

Below are the topics of seminars held in 2013

Seminar topic	Category
Tax return	Practical knowledge
Emotion management	Self emotion improvement
The perfect retirement finance management	Self financing
Retirement - redefining my role in the life	Life planning
CPR	Health and safety

Employees were also entitled to the on-going educations below:

- (1) Training at overseas institutions.
- (2) Working at overseas subsidiary/parent companies for practical multinational experience.
- (3) Quarterly managers' forums where managers may develop leadership skills by discussing trends of the industry, regulatory developments, upcoming international standards, business planning, and share practical experiences.



training in total. The Singapore and Korea subsidiaries will begin their human rights trainings from 2014.

In 2013, Ardentec's headquarters and subsidiaries organized 46,267 hours of training and received 23,808 enrollments in total. On average, every male employee was trained 29 hours in a year while every female employee was trained 34 hours in a year. 99.5% of the Company's employees had undergone training in the last year.

2013 Training Hours by Job Role and Gender

Job role	Male	Female
Managerial Note	16.8	19.5
Engineering	30.3	35.7
Administrative	10.3	12.3
Technical	36.5	37.2

Note refers to managerial roles of deputy manager and above

5.5 Workplace Health and Safety

Safety is an issue that concerns not only individual employees but their family members as well; as a result, Ardentec has identified "safety" as the most important rule in its workplace. To ensure that Ardentec's employees



and suppliers have a healthy and safe workplace in which to perform their jobs, we have actively co-operated with the government's efforts on disaster preventions and health promotions, and thereby incorporate "safety" into our work culture while in the meantime minimize accidents, injuries, and occupational illnesses.

In order to enhance the safety and health of our workplace and to provide a platform through which employees may involve in health and safety issues, the Company has established an Environment, Health and Safety (EHS) Committee as the organization in charge of reviewing and coordinating health and safety affairs. The Vice President

of Operations serves as the chairman of the Committee, while the head of Labor Safety and Health Office acts as its secretary. The Committee has 19 members, nine of whom are representatives elected by employees, which made up 47% of total Committee members and was higher than the percentage of employee representatives recommended by law.

The EHS Committee holds quarterly meetings to review and inspect the operational conditions of the Company and recommend with respect to environment, health and safety. The meetings provide employees with a direct and transparent communication channel through which their representatives can reflect directly or communicate their views on workplace health and safety. Meeting conclusions are properly documented and filed on record.

We comply with labor health and safety regulations, and commit ourselves to implement safety rules and measures that conform to the requirements of law. Ardentec has implemented both OHSAS 18001 and TOSHMS systems. These systems enable the Company to identify potential risks in their daily operations, so that audit practices can be applied at the proper timing to control risks and make ongoing improvements.

In an attempt to raise employees' awareness towards occupational health and safety while in the meantime comply with "Regulations for Labor Safety and Health Education and Training" and OHSAS 18001 requirements, Ardentec has organized a series of safety and health training courses that cover anything from "Emergency response", "First aid", "Risk management", "Environmental protection", "Fire safety", "Work safety and health" to "System management". These courses have been provided to minimize risks of occupational injuries to our employees.

As part of Ardentec's goal towards absolute workplace safety, the suppliers are also required to complete their "Suppliers Trainings" and inform their workers of the occupational risks involved before proceeding with the assigned tasks.



As a member of the local community, Ardentec has joined the Hsinchu Industrial Park security alliance to contribute its practical experience towards the health and safety of Hsinchu Industrial Park. In 2013, Ardentec was assigned to the Technology Development Team of the security alliance, and was responsible for the planning of training events for all occupants of the industrial park based on their individual characteristics. These trainings were intended to raise occupants' awareness towards industrial risks, the methods of managing industrial risks, as well as improve their abilities to implement proper operating procedures and respond to emergencies, which ultimately enhance self-protection against disasters within Hsinchu Industrial Park. These measures have been taken to ensure the sustainability of park occupants.

Each year, The Labor Safety and Health Office compiles statistics on the frequency and severity rates of disabling injuries using definitions provided by the Ministry of Labor. The office also calculates lost day rates and absence rates using GRI's definitions to determine how effectively the Company has managed occupational hazards and how the Company is able to improve. To emphasize the importance of workplace safety, the Company has made attempts to promote employees' awareness through uses of different themes from time to time.

Ardentec has never encountered any accident that resulted in the death of its employees. There were 29 occupational incidents in 2013, 6 of which occurred at the workplace while 23 were traffic accidents. The 6 workplace incidents were: accidental fall from chair, causing pain at the tailbone; tripping by power wire, causing contusion at the left knee; accidental drop of machine cover that caused injury to the

Declaration of workplace health and safety policy and OHSAS 18001 certificate



TOSHMS Certificate



left foot; and injury to the right foot when moving machinery. All above injuries were of minor severity. The frequency rate of disabling injuries was 1.68 for the Taiwan headquarters in 2013, whereas the severity rate of disabling injuries was calculated at 3.46; compared to the manufacturing sector average of 1.94 and 130 published respectively by the Ministry of Labor, Ardentec's accident rates were relatively safe. Based on the definitions of GRI 3.1, the lost day rate was calculated at 0.335, and the absence rate at 0.00048.

※Frequency and severity rate of disabling injuries were calculated using data published by the Ministry of Labor in its Annual Labor Statistics Report. The formulas are as follows:

Frequency rate of disabling injuries = number of disabling injuries / total work hours elapsed x 1,000,000

Severity rate of disabling injuries = total work days lost / total work hours elapsed x 1,000,000

※The lost day rate and the absence rate were calculated using data defined by GRI 3.1 indicator LA7. The formulas are:

Lost day rate (LDR) = (total days lost due to occupational injuries / total hours worked) x 200,000

Absence rate (AR) = (total days of absentee days over the period / total of workforce worked for the same period) x 200,000

※Given the condition of Ardentec's workplace and employees' work nature, there are no concerns of occupational illness

※The number of days absent includes medical leaves, menstrual leaves, occupational injury leaves, and disease control leaves



Occupational injuries and absences

Item	Male	Female	Total
No. of occupational injuries	11	18	29
Frequency of disabling injuries	2	2	4
Work days lost	2	6.25	8.25
No. of times delayed	0	2	2
No. of days delayed	0	4	4

缺勤相關資料

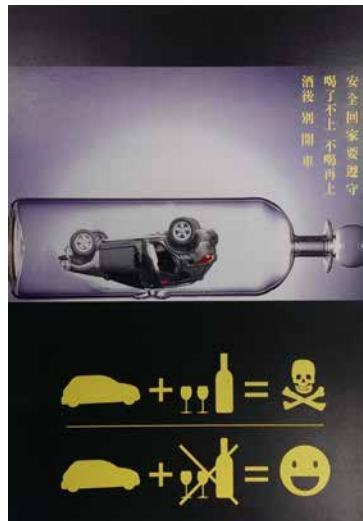
Item	Male	Female	Total
No. of absent days	464.8	1,029.3	1,494.1

※The above statistics do not include commuting accidents

To reduce the number of traffic accidents, Ardentec has collaborated with Hsinchu County Government on a number of traffic and driving safety seminars, and partnered with vehicle servicing companies to provide safety inspections for employees' vehicles. Furthermore, traffic safety has become part of the training modules conducted during orientation.



To enhance employees' awareness on traffic safety, we have designated August to be the Traffic Safety Month each year, during which employees are invited to participate in a series



of traffic safety events and competitions. This series of events included a design competition for "Come Home Safely" cards, posters, and fun videos where the winners were presented rewards personally by the executive management. The designs were rated and voted by all employees, and in doing so, each employee was self-motivated to read the messages conveyed by each design and hence served the purpose of this activity. The winning designs were then displayed at every plant site.

In addition to the workplace safety at Ardentec, we also directed our care to the workplace safety of other occupants within Hsinchu Industrial Park. In an attempt to help more companies identify the risks of their operations and to prevent accidental falls, Ardentec joined Northern Occupational Safety and Health

Center, Ministry of Labor, to organize an "Accidental Fall Prevention Seminar" in 2013. During the seminar, participants were given a speech on risk identification and a thorough demonstration of how to prevent accidents during rooftop works. Apart from sharing of knowledge, the seminar also provided practical demonstrations on safety inspection, tool box arrangement, use of protective gear, ladder climbing, and working on scaffolds and rooftops. These demonstrations were arranged to improve the safety awareness of other peers, and to see proper safety measures implemented in daily operations. The demonstration seminar received 80 participants from 58 companies inside Hsinchu Industrial Park.



Healthy Workplace Program

Employees' work-life balance and health have always been a major goal at Ardentec. We are dedicated in providing employees with a healthy and comfortable environment, and we have a Healthy Workplace Program that does more than arranging regular medical check-ups, but also includes inviting nursing professionals and instructors to give lectures, and arranging physicians to station at the workplace for fixed number of hours. Furthermore, infirmary and a fitness center is furnished with to promote the idea of healthy living.

The infirmary has been given the responsibility of raising employees' health awareness and organizing health promotion activities. There are nine major focuses in the Company's health management:

Medical Check-ups We arrange once every two years a medical check-up for all employees. In addition to examining occupational illnesses based on employees' work nature, age, and potential health risks, as required by law, the check-up also covers physical examination of various body systems and organs as well as chest X-rays, urine tests and blood tests. We work with major hospitals and arrange to have employees meet face-to-face with physicians to discuss the results of their medical check-ups and ways that they can better manage their health.

Medical Counseling

Resident physician: because it is common for employees of the technology industry to neglect their health conditions, the Company has therefore developed a comprehensive health management system in collaboration with Linkou Chang Gung Memorial Hospital, in which occupational illness specialists are invited to station at each plant site to help prevent, consult, and treat both general and occupational



illnesses and injuries. Meanwhile, the resident physician also offers professional advices toward a healthy work environment, and comments on employees' medical check-up results. In addition to Ardentec employees, the resident physician also provides health consultation for employees' family members and community residents.

Resident nurse: in an attempt to provide more comprehensive and more timely health management services to employees, we have nurses stationed at various plant sites to treat minor injuries and provide more timely medical attention, as well as consulting employees and their families on daily healthcare, inoculation, and healthy living.

Health Tracking If any anomalies are found in employees' medical check-ups, the resident nurse would take the initiative to remind employees to arrange face-to-face consultation with the resident physician, and provide the necessary care and advises as to how the employee may take care of their own health. Employees whose health check-ups reveal higher risks are followed up closely. If health condition poses any concern, the Company will discuss with the employee's line manager for possible shift in job duties.

Emergency Aid Employees who fall ill or are injured while working are given immediate medical attention; their conditions are assessed to determine whether extensive medical care is needed. Those who need hospital care will be properly prepped and arranged before dispatch.



Pandemic Disease Control The Company provides employees with updates on communicable diseases local and abroad as well as the proper ways of preventing them.

Care for Female Employees

The following have been offered as care to female employees:

- Annual cancer screening for women, including pap tests and breast ultrasounds.
- Dedicated parking lot spots for pregnant employees
- Colored cleanroom suits for pregnant employees, which serve as a reminder to other co-workers
- Fully furnished nurseries at every plant site.

Emergency Aid Facilities "Automated External Defibrillators (AED)" were deployed at every plant site in 2013, which could be used to revive injured workers as soon as an emergency occurs.

Health Promotion Activities The Company's health promotion activities are organized not only for the employees, but also for their family members and community residents. In 2013, Ardentec Taiwan collaborated with local hospitals to provide healthcare services, first aid training, CPR courses, health seminars, and smoking cessation sessions. Below is a list of health promotion activities organized in 2013.

Name of activity	Partners
Blood Donation Drive	Hsinchu Blood Donation Center
Oral care seminar	Sato Pharmaceutical
Eye care seminar	Pfizer/Catholic Mercy Medical Foundation
Eye press examination	Hsinchu Universal Eye Center
Community cancer screening	Hsinchu Industrial Park Service Center, Liver Disease Prevention & Treatment Research Foundation at NTU Hospital, Saint Paul's Hospital in Taoyuan County, Hsinchu County Public Health Bureau, Hukou Township Public Health Center, Xinfeng Township Public Health Center, Catholic Mercy Medical Foundation
Hepatitis screening	Liver Disease Prevention & Treatment Research Foundation
"Smoke-free Living" seminar	Da An Hospital
Women cancer screening	Chang Gung Hospital
"Fatigue and Stress Relief" seminar	Hsinchu Lifeline Service Center



Zero Second-Hand Smoke Workplace Ardentec has supported the government's policies by introducing programs that protect its workplace against second-hand smoke. The Company prohibits smoking at any indoor space, and has created designated smoking areas outside the office. Physicians and nurses were invited to conduct seminars that inspire employees to quit smoking at their own will.

Weight Loss Contest

The infirmary organizes annual weight loss contests to promote the right diet and exercises for officer workers who sit for most part of the day. Apart from diets and exercises, the Company also invites nutritionists to provide one-on-one counsel and host seminars on nutrition advices.



Ardentec has passed all Healthy Workplace certifications issued by the Health Promotion Administration, Ministry of Health and Welfare, since 2009.

The following is a weight loss course organized in 2013

Week	Course	Contents
1	Opening declaration	1. Opening declaration 2. Measuring blood pressure, waistline, weight and BMI 3. Explanation of program details
2	Preventing injuries from exercises	Teaching the proper knowledge on exercising
3	Be your own nutritionist	1. Learning obesity and its risks on health 2. Profiling various weight loss methods 3. Setting personal weight loss targets 4. Keeping records on diet
4	Calorie calculation	1. Learning the six categories of food and their calories 2. Learning nutrition labeling
5	Enjoy food without worries	Tips for eating out
6	Fat cutting tips	Tips on low grease diet
7	Healthy cooking	Tips on low-calorie cooking
8	Preventing weight regain	1. How to prevent regaining weight? 2. Disadvantages of regained weight 3. What if the weight is regained?
9	Performance summary	Commendation

5.6 Labor-Management Harmony

Employee Communication

"Communication" is the path to harmony, and Ardentec is dedicated to building a harmonic partnership with its employees. Ardentec offers a friendly working environment where employees can express any opinions face-to-face with their line managers, or raise suggestions via phone or email to any relevant department within the Company. In order to provide a more open means of communication through which the Company may respond quickly and effectively to employees' queries, Ardentec has implemented a set of "Employee Protection and Communication Regulation" that offers a diverse and comprehensive range of communication channels from labor-management meetings to online and physical opinion/grievance boxes. Meanwhile, employees are encouraged to raise suggestions or problems concerning their work and the environment to the decision makers. Furthermore, Ardentec has assembled a number of committees comprising of representatives from both the management and the employees, whose responsibilities are to discuss various issues and to maintain sound communication. In an environment of open communications, Ardentec was able to develop trust between the management and the employees; there has never been any employment-related dispute that result in losses or negatively affect employee relations.

Apart from managing communications with workers, the Human Resource Department also engages in constant

discussions with the authority about protecting workers' rights. The local authority is therefore quite familiar with the Company's employee relations. The authority did not conduct any inspections on the Company's employment terms in 2013.

Labor-Management Meetings :

Participants of labor-management meetings include 5 management representatives comprising of the Vice President of Operations and division-head managers or above, and 5 employee representatives elected directly by employees from those below the grade of division head. Labor-management meetings are held on a quarterly basis, or at any time deemed necessary. If no foreign worker is elected as an employee representative, a foreign worker communication meeting will be held beforehand, and proposals made during the session will be submitted to the quarterly labor-management meeting for discussion. The quarterly labor-management meetings ensure that employees are given the chance to express opinions. During the quarterly meetings, employees are able to raise suggestions regarding employment relations, employment terms and welfare, and discuss with the management to reach an acceptable solution. Most of the suggestions raised during labor-management meetings are able to reach solutions that are acceptable to both sides. This channel of communication permits discussions of any topic ranging from the management system, the employment terms, to employees' welfare. All issues discussed are recorded on file to enable follow-up tracking.

Any changes to the Company's operations that require an adjustment to employees' jobs are discussed through labor-management meetings and notified to affected employees at the earliest time possible. Meanwhile, all necessary assistance is given to employees to effect the new arrangement. For any employees out-stationed at overseas subsidiaries, Ardentec would provide the necessary subsidies and make arrangements to have employees' family members accompany them overseas.

Employee Complaints :

Employees may file complaints personally to their line managers or to Human Resource Department should they encounter any problems at work, including but not limited to physical or verbal violence, coercive conducts, sexual harassment or assault. Handlers of employee complaints



are required to discuss and explore solutions in the shortest time possible. Employees may file complaints anonymously by sending e-mails using their personal e-mail addresses to grievance@ardentec.com, and by describing clearly the circumstances, details and evidence involved. Where a complaint involves other employees, the investigator would be required to protect the human rights of all those involved during investigation. All complaints, whether identified or anonymous, will be investigated with corrective measures implemented where appropriate. Line managers and the Human Resource Department have the responsibility to resolve employees' complaints, while in the meantime giving employees the rightful protections they deserve, including the right to confidentiality. However, employees are expected to file complaints on the basis of truth, and refrain use of abusive language.

Suggestion box :

Suggestion boxes have been made available online and at the cafeteria, which employees may use to express opinions on an identified or anonymous basis. Queries raised through the suggestion box are answered or looked into by the relevant functional units. Where improvements need to be made, the underlying issues will be followed upon until completion, while in the meantime good communication with the proposer is maintained. Anonymous opinions that do not involve any particular person are announced publicly once resolved. Suggestions that have been deemed practical are mostly implemented in the end. In 2013, the Company received a total of 24 anonymous suggestions via online, e-mail and physical suggestion boxes. Suggestions submitted online and via e-mail were fully replied; suggestions raised through physical boxes at various plant sites are announced to the entire company along with replies made by the relevant departments.

Apart from the means described above, the Company also has other internal channels of communication in place, such as work safety meetings, Labor Health and Safety Committee meetings, and Employee Welfare Committee



Physical suggestion boxes are placed at cafeterias of each plant site; any suggestions received through which are forwarded by the HR and Service Division human Resource Department to the relevant department, where the head of department would offer its reply and have the reply announced or passed on to the employee once confirmed by the HR & Service Division.

meetings. The Employee Welfare Committee has the authority to determine employees' welfare, including the choice of caterer for employees' meals.

Work-life Balance

We admire employees who enjoy their work or are self-motivated in learning, and we also care for employees' work-life balance. We ensure strict compliance with local regulations regarding employees' work hours. The Taiwan headquarters, for example, adheres to the terms of the Labor Standards Act by providing "at least one day's rest for any seven-day period" and "at least 30 minutes of break time for every four consecutive work hours", while limiting work hours to "no more than 12 hours a day" and "no more than 46 overtime hours in a month". If there is a need to arrange overtime working, we would demand line managers to make overtime arrangements only with employees who are willing to participate. In order to ensure that employees' work hours are managed according to the above rules, the Company has implemented an electronic overtime application system that caters for all overtime scenarios. Overtime arrangements that do not comply with such rules

will be automatically rejected by the system without exceptions. Ardentec has strict rules to ensure that it does not exceed its authorities when managing employees' work hours and rights. There were no incidents of forced labor or violation of employees' rights in 2013.

Ardentec's Employee Welfare Committee has signed an agreement with a nearby daycare center to provide their children with proper pre-school education at discounted rate.

Respect for Career Plans

Employees who wish for a change of role or to take on different career plans may do so by raising a transfer request, subject to department head's approval. Employees who wish to resign may do so freely by serving a required period of notice. Managers and human resource staff would stay in contact with employees who have left Ardentec, and invite them back to work at a proper time.

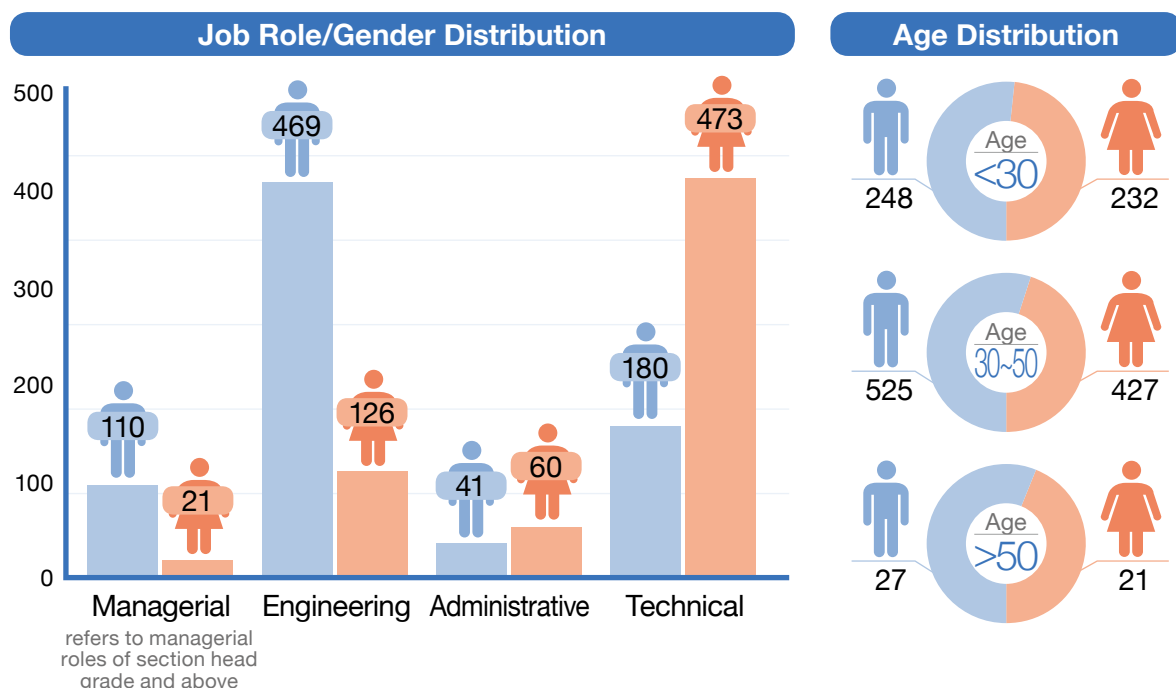


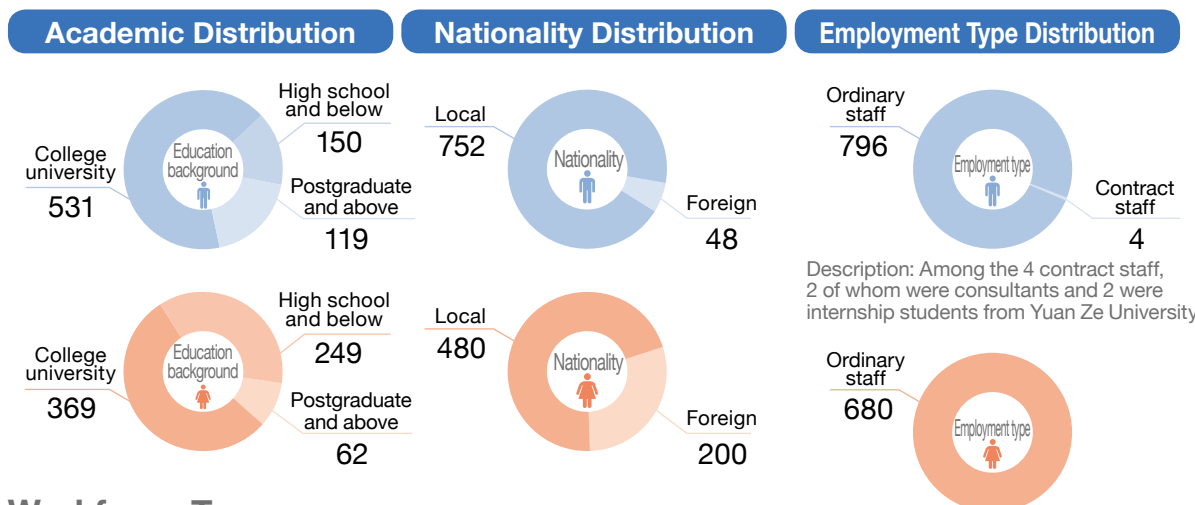
Respect for Freedom

The Company respects employees' freedom to associate with any legitimate organization or union. This conviction has also been conveyed to suppliers to ensure that they do the same. Neither the Company nor its suppliers was involved in any violation of freedom in the reporting year.

5.7 Workforce Structure

As of December 31, 2013, Ardentec had 1,483 employees worldwide with a gender distribution of 1.18:1 (male:female). Details of which are as follows:





Workforce Turnover

In 2013, the Company maintained its policy to hire local workers and new immigrants as a priority in all parts around the world. Distribution of gender, age and nationality has been detailed below:

2013 New Recruits			
Item		Count	Percentage
Gender	Male	296	46%
	Female	347	54%
Age	<30	325	51%
	30~50	314	49%
	>50	4	1%
Nationality	Local	480	75%
	Foreign	163	25%

In 2013, 402 employees worldwide left Ardentec (expiry of employment contract does not count as attrition), representing an average attrition rate of 27.1%. The attrition rate includes all resignations after the date onboard. The attrition of new recruits was mainly due to: (1) Highly common skill sets among technicians of different industries, which makes them interchangeable in other industries; (2) Differences in career plans, such as change of role, further education and family reasons.

※Calculation of attrition rate: number of people resigned in the current year / average employee size in the current year

2013 Resigned Employees			
Item		Count	Percentage
Gender	Male	202	50%
	Female	200	50%
Age	<30	198	49%
	30~50	200	50%
	>50	4	1%
Nationality	Local	374	93%
	Foreign	28	7%



Ardentec respects what employees have planned for their careers. It adopts an equal gender perspective and accepts applications for up to two years of child care leave of absence. In 2013, the Taiwan headquarters had 25 females and 9 males who went on child care leave of absence. There were also 4 males and 10 females who were due to resume work in 2013. 9 of them resumed work, which represented a resumption rate of 75%; 3 females chose to leave work by the end of their child care leave to devote to child care full-time. There were 7 employees who were due to resume work in 2012; 2 of whom applied for another long-term job suspension after resuming to work, whereas 4 of the other 5 employees remained on the job in 2013, which represented a retention rate of 80%. In 2013, a total of 24 females applied for maternity leave, and 37 males applied for paternity leave.

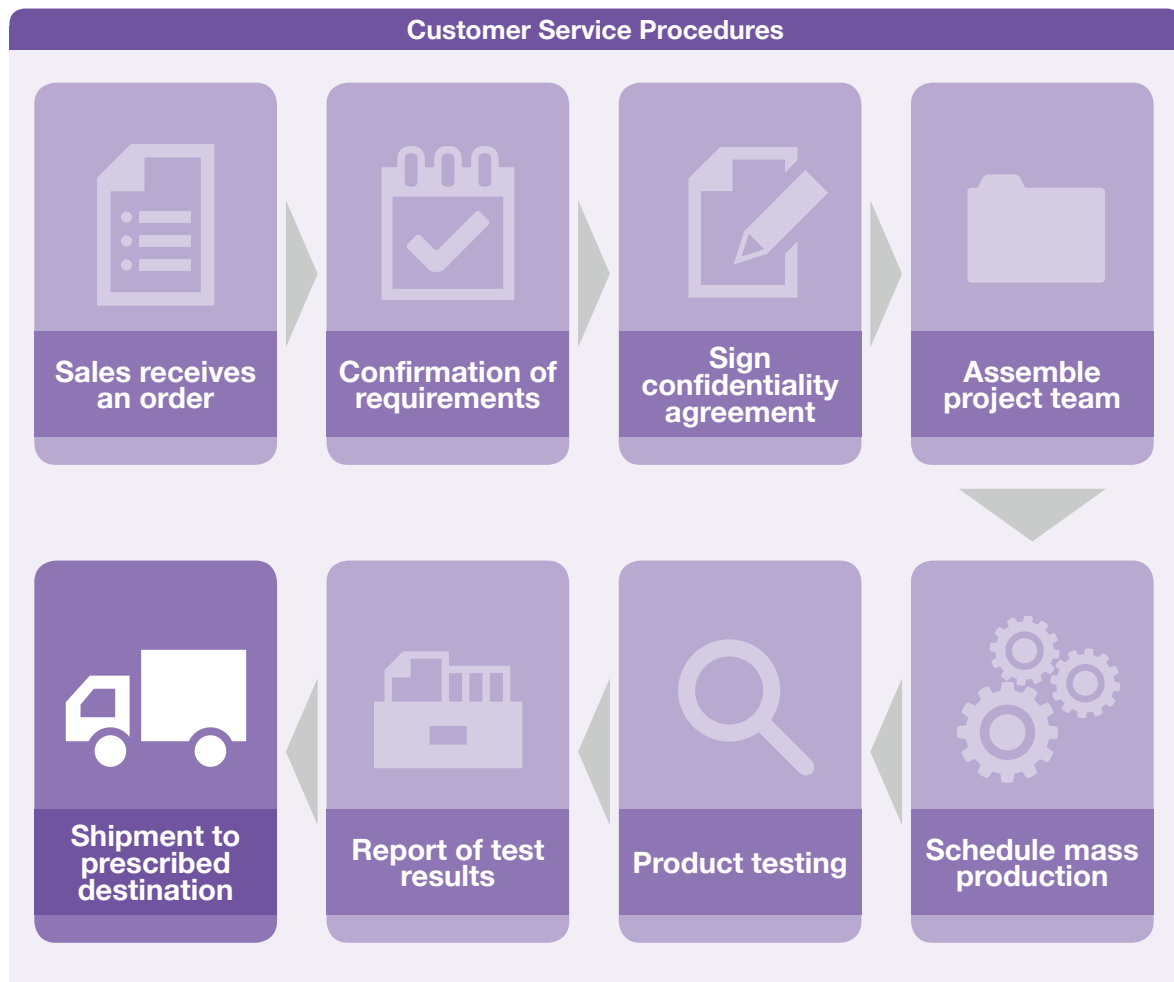
Note: Retention of employees who came back from long-term suspension included those who remained on the job one year after resumption.



Customer Service and Supplier Management

6.1 Customer Service

With industry-leading technology in wafer testing, Ardentec aims to become customers' ideal business partner by offering comprehensive services as well as sustainable and mutually beneficial solutions.



To facilitate responsive communication with customers, Ardentec adopts the practice to assemble "project teams" comprising of members across different departments for every customer it serves. The project team is staffed with members from sales, customer service, production management, quality assurance, testing development, product engineering, production, and IT functions; for customers with high security demands, personnel from plant administration and general affairs would also be invited to join the team. We build our support team around the needs of individual customers.

Ardentec's proprietary production automation system provides customers with real-time update on the

production progress and capacity. For each customer we serve, we develop a platform that facilitates effective communications between the project team and its counterparts within the customer. This enables us to identify and resolve problems from business production to engineering support within the shortest time possible, and thereby enhance competitiveness not only for us, but for our customers as well.

Information provided by the production automation system covers anything before mass production to WIP/EDAS testing; production progress and test results are generated real-time to facilitate communication with customers.

Notes

WIP - Work In Process

EDAS - Engineering Data Analysis System

In recent years, the government of the Republic of China has launched a "Taiwan Trade Network Excellence" project in response to the "Framework of Standard to Secure and Facilitate Global Trade" developed by World Customs Organization (WCO). In 2010, Ardentec became the nation's first semiconductor company to pass the certification for Authorized Economic Operator (AEO) issued by Customs Administration, Ministry of Finance, and hence enjoys privileged customs clearance. Ardentec's AEO certification was due for renewal in 2013 after its 3-year expiry, during which the Company successfully attained AEO status once again to contribute to the global supply chain.



6.2 Customer Secrecy Protection

Out of respect towards customers' secrets, Ardentec signs a confidentiality agreement with every one of its customers. These agreements bind the project team to strict confidentiality protocols for the purpose of protecting customers' product secrets. Ardentec's confidentiality technology later became ISO27001-certified, and was later certified for Security Site Common Criteria in 2013.

The Company has a dedicated document control center that manages customers' documents. Access rights are granted depending on the level of classification. No user is allowed to download or save separate copies of the documents, which eliminates the chances of confidential information being used for inappropriate purposes. There were no breaches of Customer Secrecy Protection in 2013.



6.3 Customer Satisfaction Surveys

In addition to providing customers with timely and professional services, the Company would invite customers to a "Satisfaction Survey" in December each year to give feedbacks on how they felt about working with Ardentec and any expectations they may have. This survey serves as a means to communicate for a win-win business partnership.

The customer satisfaction survey inquires customers' opinions toward sales service, engineering service, shipment delivery, hazardous substance control, quality control, and system services.

Results gathered from customer satisfaction surveys are consolidated then reviewed by the Vice President of Sales personally. Employees of relevant departments would be instructed to conduct reviews and make improvements to address customers' suggestions, and therefore contribute towards total satisfaction.



Ardentec achieved a 90% customer satisfaction in 2013, which was higher than the 85% target the Company had imposed upon itself.

Notes

Satisfaction rate (the percentage of customers' requirements met) = Ardentec's performance / customer's requirements.

6.4 Supplier/Contractor Management

Due to the fact that suppliers and contractors are key business partners of Ardentec, the Company has implemented a business model that ensures sustainable growth of the common business. We choose to source supplies from local suppliers wherever we can in order to make the best use of available resources while in the meantime contribute towards local employment and economic stability. Except in countries that do not produce testing equipment and in situations where the customer has demanded specific suppliers, the Taiwan headquarters and its subsidiaries would and have purchased 100% of its supplies from local sources.

In addition, we scrutinize every supplier and contractor to make sure that they have been legally registered and that their activities comply with local regulations and human rights principles.

In addition to making CSR commitments to customers, Ardentec also requires its major suppliers and contractors to do the same, by complying with Ardentec's "Supplier Code of CSR". Doing so would ensure CSR compliance throughout the entire supply chain.

To the suppliers of Ardentec:

Thank you for your longstanding support of Ardentec. Ardentec values its corporate reputation and endeavors to fulfill its corporate social responsibility (CSR). As public awareness worldwide on corporate social responsibility heightens and public attention to the issues of labor rights, health and safety, environment, corporate management systems and ethics increases, you, as an important supplier of Ardentec, play a critical role in Ardentec's goal for implementing corporate social responsibility.

To make sure you understand fully that it is imperative for Ardentec and its major suppliers to meet customer's needs and expectations, Ardentec has prepared a Supplier Code of CSR and asks that your company observes it.

Tel: (03)597-6688 Extension 1206 Division Head Chen Chiu-Hsiang

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E-mail: rhiannon.chen@ardentec.com; grievance@ardentec.com

Ardentec Corporation

Material Management Division

Supplier Code of CSR

1	All Ardentec's suppliers must operate and employ based on standards that are equivalent to or more stringent than those set forth by the Electronic Industry Citizenship Coalition (EICC) and those of the Labor Standards Act of the Republic of China. This includes but is not limited to: refraining from the use of slave, child or illegal labor or forcing employees to work under inhumane conditions and in the meantime ensuring that employees' work hours and remuneration do comply with laws. Respect employees' freedom of association and apply no restraints on their communication. Avoid discriminating employees based on race, skin color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status.
2	Provide employees with a safe and healthy work environment that complies with the relevant health and safety regulations.
3	Comply with environmental protection laws.
4	Avoid gifting Ardentec employees or their relatives in the form of gifts, tours, discounts, loans, commissions, kick-backs, complimentary services or remunerations of any kind.
5	Conduct businesses in the utmost good faith, and refrain from making fictitious quotations or forging transaction data.
6	Refrain from the use of bribery, corruption, extortion, monopoly, conspired price-fixing or any inappropriate methods to compete, negotiate or deliver business deals.
7	Refrain from making non-business purchases with business entities established by Ardentec employees or their relatives.
8	Refrain from hiring Ardentec employees or their relatives as consultants within the supplier.
9	Do not ask Ardentec employees to lobby within Ardentec Corporation.

6.5 Supplier Audits

Apart from demanding compliance with Supplier Code of CSR, the Company also conducts annual field audits on major suppliers^{Note} according to the Supplier Management Specification, to determine whether they have fulfilled CSR in all aspects.

In 2013, the Company completed its field audit for all

major suppliers on a number of aspects such as human rights, employment condition, environment, health, and safety. All audited suppliers were found to have complied with the Labor Standards Act; no use of child labor or forced labor was found, and they all respected employees' freedom of association to the Company's expectation.

^{Note} Refers to suppliers from which the Company makes 10 purchases or more in a quarter



Community Involvement



Ardentec has a special connection and a sense of responsibility towards Hsinchu, the hometown in which it was established. We involve ourselves in helping the neighborhood, from the local industry, community, non-profit organizations to regional associations and government agencies. It is our wish to grow with the people of Hsinchu and make it a better city to live in.

7.1 Community Engagement

Through a series of community events, Ardentec was able to interact and shorten its distance with local residents. Ardentec is also dedicated in giving back to the local community, and the following is a list of community engagement events that the Company sponsored in Hsinchu County:

Community Cancer Screening

Cancer has long been the biggest threat to our health. Liver cancer, cervical cancer, breast cancer, colorectal cancer, and oral cancer together account for one-third of



Letter of gratitude from Hsinchu County Government

the nation's cancer mortality. In view of the fact that areas near Hsinchu Industrial Park are populated with old people and new immigrants who are less aware of their health conditions, and industrial park workers who tend to neglect health check-ups due to their tight schedules, Ardentec once again offered free cancer screening in 2013 at Hsinchu Industrial Park



Ardentec-sponsored lantern at the entry gate

for workers as well as community residents. The cancer screen covered the common variations including liver, cervical, breast, colorectal, and oral cancer. In an attempt to encourage early screening and treatment, Ardentec prepared small gifts in addition to the complimentary screening services so that people had more incentives to take the first step towards safeguarding their health.

Sponsoring Taiwan Lantern Festival

In 2013, Ardentec sponsored Hsinchu County Government in organizing "Taiwan Lantern Festival" by contributing a lantern design that resemble the shape of a high speed train. This has been the Company's attempt to boost the local tourism, retail spending, and ultimately the economy.



Letter of gratitude from Hsinchu County Government



Remembrance of History

Ardentec was founded in Hsinchu 14 years ago. Today, it employs more than one thousand workers, and much of that comprise of local residents and new immigrants from other cities. In order to pass on the city's legacy and culture to the next generation, the Company's Social Engagement Team invited historians to host indoor seminars on "The History of Hsinchu", followed by

guided tours on foot at the east gate and the old street blocks. The seminars gave a detailed description of where our ancestors came from, how they coexisted with the aboriginal peoples, and their lives during the Japanese Colonial Period. The tour brought the audience back in time to show them how the city has evolved through history, and strengthened their connections with it.



7.2 Educational Support

Education has the potential to change the lives of our children. It inspires children from within so that they may embrace a brighter future. For this reason, Ardentec has supported extensively to children's education.

Book Donations

New immigrants and low-income households are two common characteristics of the five neighborhoods surrounding Hsinchu Industrial Park. Because new immigrants tend to be disadvantaged by language and are often required to support the family, they provide lesser support to children's education which may put the younger generation at a disadvantage compared to

peers. To address this problem, Hsinchu Industrial Park organized complimentary after-school counseling and supplied dinner for children from disadvantaged families, and therefore provided them with proper care and guidance after school. Ardentec

acknowledged what the park administration contributed towards education, and we responded to the park's effort by organizing a donation of books suitable for junior high school and elementary school students, which children may read during after-school activities. The book donation event gave away a total of 507 titles and 75 audio/video discs.

Sponsorship of Children's Wildlife Summer Camp.

The Wilderness Program organized by The Society of Wilderness is a series of activities where children get to experience nature and learn that they, apart from the government and adults, are also responsible for the



In 2013, the Company supported children's education by donating to various organizations including Boyo Social Welfare Foundation, Bluesky Home, The Unique Atayal College, and Renai Children's Home. In return, Chairman of The Unique Atayal College presented a hand-written piece of calligraphy that said "As Giving as Water", as a gesture of gratitude to the Company's support for The Unique Atayal College.

environment. As they carry on with their lives with this idea in mind, they would always remember of having once cared for the environment and feel responsible to right our wrongs in everything they do.

Children from disadvantaged families generally have fewer opportunities to participate in environmentally inspiring activities. In order to provide them with that opportunity, Ardentec sponsored disadvantaged children to their wilderness camp in 2013, and gave them a chance to do great things for the local environment.

We also support the government's industry-academia transition policy and offer students a chance to gain real work experience prior to graduation, thereby allowing them to make a seamless transition into their careers after school years.

Through the "Dual System Training" program introduced by the Workforce Development Agency, the Company offered students a chance to operate machinery in practice, which broadened their technical exposure and gave them a head start in the engineering career. Between 2006 and 2013, there were 2 universities and 126 university students who continuously participated in the "Dual System Training" program.

To help university students apply the knowledge they learn into real practice, the Company launched an "Internship Program" in collaboration with Yuan Ze University Department of Computer Science & Engineering in 2012. 2013 was the year when students first began real practices during the internship. The internship program was further expanded in 2013 to accept a greater number of students where they could apply knowledge into



practice and make the seamless transition into their careers.

In the future, Ardentec will collaborate with a greater number of tertiary institutions in industry-academia projects, and provide more internship opportunities starting in 2014, thereby shouldering its responsibilities of nurturing talent for the semiconductors industry. Furthermore, we invite our interns to join Ardentec straight after



graduation to put their knowledge and experience into good use.

In order to provide local students with local employment opportunities, we held recruitment seminars at nearby institutions such as China University of Technology, Minghsin University of Science and Technology, and Chien Hsin University of Science and Technology. Managers who graduated from these institutions were also invited back to give speeches about their career at Ardentec. Face-to-face interviews were arranged for those who had an interest in working for Ardentec.

Ardentec was able to receive government subsidies for the variety of programs offered in 2013, including NTD192,000 for Dual System Training and NTD72,141 for Workplace Learning and Adjustment.

7.3 Caring for the Disadvantaged

Ardentec has long been sponsoring a number of charity organizations to care for the disabled people. In 2013, donations were made to Genesis Social Welfare



Foundation, Hua Kuang Center, St. Joseph Home, and St. Joseph Social Welfare Foundation.



In 2013, Ardentec purchased moon cake made by Children Are Us Bakery as Mid Autumn gifts to clients, and for snacks in outdoor activities.

In light of the reality that there are low-income families that do not meet the criteria outlined under the Public Assistance Act and hence unable to received financial aids from the government in case of emergencies such



Towards the end of 2013, we organized a charity auction for St. Joseph Home, where employees were able show their compassion through action.



as disaster, illness and unemployment, Ardentec's cycling club voluntarily launched annual cycling events to raise funds for the troubled families. In 2013, a total of 38 employees brought their families along to the cycling event, which represented the largest number of participants

from Hsinchu. During a press interview, chairman Wu-Nien Peng of the cycling club said that "helping those in need makes society stronger and gives people hope towards the future", which is exactly the kind of passion and care that Ardentec adopts within its organization.

Ardentec welcomes and hires disabled people who have the drive to make their own living. In 2013, the Company achieved 133% of the statutory hiring requirement, and gave disabled people more chance to develop their independent lives.

7.4 Sustainability of the Environment and Ecosystem

International Coastal Cleanup

In 1985, the US Environmental Protection Agency Office of Pollution Prevention and Toxics confirmed after extensive studies that disposable plastics have produced pollution and posed risks far more than we have

imagined. Although there are many organizations that are actively involved in coastal cleanups, their actions help little to change people's habits of generating plastic waste.



In 2013, Ardentec sponsored The Society of Wilderness in organizing an international coastal cleanup. On September 21, the Vice Chairman led a group of more than 100 volunteers comprising of Vice Presidents, employees and their families to clean up the coastline at Nanliao Park. The volunteers did more than just cleaning up, but also recorded the types and quantity of waste gathered and sent the statistics to The Ocean Conservancy where it is compiled into annual reports. By involving employees and their families in practical coastal cleanup, they gain a deeper impression of how to change their lifestyles to protect our ocean.

Habitat Restoration for Insectivorous Plants

Insectivorous plants tend to become the dominant species at barren yet moist lands, as they have the ability to capture insects and absorb nutrition that is not available in the soil.



Many insectivorous plant habitats in Taiwan have disappeared because of land development, leaving Jhubei Lianhua Temple Wetland the only remaining habitat for insectivorous plants within the Taoyuan Plateau. It also has the largest distribution of

wild insectivorous plants in Taiwan in terms of species and quantity. To help preserve biodiversity and restore plant habitats, Ardentec has encouraged its employees to volunteer in the restoration work, which our employees and their families have responded enthusiastically to this event.



Living Our Care and Protection to the Environment

Our care and protection for the natural environment are best achieved if we could change the way we live each day. For this reason, Ardentec has organized a variety of seminars that shared anything from understanding our nature to how our garbage impacts the ocean, the right seafood choice, preservation of the ocean ecosystem, cleaning without harming, and green lifestyles with energy conservation & carbon reduction.

Topic	Contents
Food Safety	Understand our constant overdose of hazardous starch and preservatives. Learn to eat safely.
Be Friends to Nature	Taiwan is a place where people claim to know lots about when in fact they don't. As you get to know more about this beautiful island, you would be inclined to feel proud and cherish its beauty.
Green Living with Energy Conservation & Carbon Reduction	Experts will take us through the little changes we can do to stop wastage of energy at our home, office and the community
Unknown Facts about Detergents	What harm could detergents do to our living environment and our health? During this session, employees will learn how to make natural detergents, enzymes and soap using citrus peels, and therefore turn waste into useful things while in the meantime reduce the impact of hormone-based detergents
The End of the Line	"The End of the Line" is a video based on Charles Clover's book published in 2006. It is a documentary that discusses in details how over-fishing has impacted the ocean. Understanding how our food is connected with the ocean can help you choose the right diet
Plastics in the Ocean	In 2010, the world produced an estimated 3 million tons of plastic products. How has the word "disposable" changed our ocean? Who would be the victims to swallow the things we dispose into the ocean? The fish, the birds, the sea turtles, or you and me? Learning how choice of convenience affects the looks of our ocean is the first step towards knowing what should be made convenient and what shouldn't
Seeing the Ocean Again	Does the ocean seem like a stranger to you? The speech takes employees through a fascinating journey to learn the richness, the beauty, the uniqueness, and the importance of our ocean.



Annexes



Annex 1 Independent Assurance Opinion Statement

INDEPENDENT ASSURANCE OPINION STATEMENT

2013 Ardentec Corporation Social Responsibility Report

The British Standards Institution is independent to Ardentec Corporation (hereafter referred to as Ardentec in this statement) and has no financial interest in the operation of Ardentec other than for the assessment and assurance of this report.

This independent assurance opinion statement has been prepared for Ardentec only for the purposes of assuring its statements relating to its corporate social responsibility (CSR), more particularly described in the scope, below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by Ardentec. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

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

Scope

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

1. The assurance covers the whole report and focuses on systems and activities during the 2013 calendar year on the Ardentec headquarter in Taiwan and subsidiaries in Singapore and Korea.
2. The evaluation of the nature and extent of the Ardentec's adherence to all three AA1000 Account Ability Principles in this report as conducted in accordance with type 1 of AA1000AS (2008) assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the 2013 Ardentec Corporate Social Responsibility Report Review provides a fair view of the Ardentec CSR programmes and performances during 2013. We believe that the 2013 economic, social and environment performance indicators are fairly represented. The CSR performance indicators disclosed in the report demonstrate Ardentec's efforts recognized by its stakeholders.

Our work was carried out by a team of CSR report assurers in accordance with the AA1000 Assurance Standard (2008). We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that Ardentec's description of their approach to AA1000 Assurance Standard and their self-declaration of compliance with the GRI guidelines were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a top level review of issues raised by external parties that could be relevant to Ardentec's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers and staffs on Ardentec's approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 15 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the company's reporting and management processes concerning this reporting against the principles of inclusivity, materiality and responsiveness as described in the AA1000 AccountAbility Principles Standard (2008).

Conclusions

A detailed review against the AA1000 Account Ability Principles of Inclusivity, Materiality and Responsiveness and the GRI G3.1 guidelines is set out below:

Inclusivity

This report has reflected a fact that Ardentec has continually made a commitment to its stakeholders. The participation of stakeholders has been initiated in developing and achieving an accountable and strategic response to sustainability. The reporting systems are being developed to deliver the required information. There are fair reporting and disclosures for economic, social and environmental information in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the Ardentec's inclusivity issues, however, the future report should be further enhanced by the following areas:

- Revisit the materiality assessment, since issues change over time and to strengthen the breadth and depth of original issues according to market and development of the company.

Materiality

Ardentec publishes sustainability information that enables its stakeholders to make informed judgments about the company's management and performance. In our professional opinion the report covers the Ardentec's material issues, however, the future report should be further enhanced by the following areas:

- Encouraging to improving the materiality identification process which more broadly consider the significant risks and opportunities in the value chain.

Responsiveness

Ardentec has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for Ardentec is developed and provides the opportunity to further enhance Ardentec's responsiveness to stakeholder concerns. In our professional opinion the report covers the Ardentec's responsiveness issues, however, the future report should be further enhanced by the following areas:

- Continually develop and update the responsive strategy for stakeholders, in order to enhance the reliability of CSR performance in information given to stakeholders, it is encouraging to look for AA 1000 AS type 2 assurance in the future.

GRI-reporting

Ardentec provided us with their self declaration of compliance within GRI G3.1 Guidelines and the classification to align with application level A+. Based on our review, we confirm that social responsibility and sustainable development indicators with reference to the GRI Core Index are reported, partially reported or omitted. In our professional opinion the self declaration covers the Ardentec's social responsibility and sustainability issues.

Assurance level

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

Responsibility

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

Competency and Independence

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

For and on behalf of BSI:



Peter Pu
Managing Director BSI Taiwan
09 June, 2014



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Annex 2 GRI G3.1 Reference Table

1 Strategy and Analysis				
Definition of G3.1 Indicator	Corresponding CSR Report Section	Degree of Disclosure	Page(s)	Explanatory Note
1.1 Statement from the most senior decision maker of the organization about the relevance of sustainability to the organization and its strategy	Letter from Chairman and President 3.1 Governance Principles	●	iv-v 15	—
1.2 Description of key impacts, risks and opportunities	Letter from Chairman and President	●	iv-v	—
2 Organizational Profile				
Definition of G3.1 Indicator	Corresponding CSR Report Section	Degree of Disclosure	Page(s)	Explanatory Note
2.1 Name of the organization	1.1 Company Introduction	●	2	—
2.2 Primary brands, products and services	About the Report 1.1 Company Introduction 1.4 Professional services	●	i 2 4	—
2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	1.3 The organization	●	3	—
2.4 Location of organization's headquarters	About the Report 1.1 Company Introduction	●	i 2	—
2.5 Number and name of countries where the organization operates. (Including countries with either major operations or that are specifically relevant to the sustainability issued covered in the report)	About the Report 1.1 Company Introduction	●	i 2	—
2.6 Nature of ownership and legal form	1.1 Company Introduction	●	2	—
2.7 Markets served. (Including geographic breakdown, sectors served, and types of customers/beneficiaries)	About the Report 1.1 Company Introduction 1.4 Professional services 1.5 Market size and performance	●	i 2 4 5	—
2.8 Scale of the reporting organization (including: 1. Number of employees; 2. Number of operations; 3. Net sales for private sector organizations or net revenues for public sector organizations; 4. Total capitalization broken down in terms of debt and equity - for private sector organizations; and 5. Quantity of products or services provided)	1.5 Market size and performance 1.6 Development strategies and innovations 5.7 Workforce structure	●	5 6 45-46	—
2.9 Significant changes during the reporting period regarding size, structure, or ownership	About the Report	●	i	No significant changes took place within the Company in 2013
2.10 Awards received in the reporting period	1.7 Honors and Accolades	●	7-8	—
3 Report parameters				
Definition of G3.1 Indicator	Corresponding CSR Report Section	Degree of Disclosure	Page(s)	Explanatory Note
3.1 Reporting period for information provided (Fiscal or calendar year)	About the Report	●	i	—
3.2 Date of most recent report. (If any)	Supplemental Explanations of GRI Indicators	●	—	June 2012
3.3 Reporting cycle (annual or biennial)	About the Report	●	i	—
3.4 Contact point for questions regarding the report or its contents	About the Report	●	i	—
3.5 Process for defining report content, including: materiality assessment, topic priorities, and identification of stakeholders who are expected to make use of the report	About the Report	●	i	—

● -Fully disclosed △ -Partially disclosed N.A.-Not applicable

	Definition of G3.1 Indicator	Corresponding CSR Report Section	Degree of Disclosure	Page(s)	Explanatory Note
3.6	Boundary of the report	About the Report	●	i	—
3.7	State any specific limitations on the scope or boundary of the report	About the Report	●	i	—
3.8	Reporting basis for joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	1.1 Company Introduction 1.3 The organization 1.5 Market size and performance	●	2 3 5	—
3.9	Data measurement techniques and the basis of calculations, including underlying assumptions and techniques of various estimates used in the compilation of indicators, and other information deemed relevant	About the Report	●	i	—
3.10	Explanation of the effect of any re-statement of information provided in earlier reports, and the reasons for such re-statement (e.g. mergers/acquisitions, change of base years/periods, nature of business, measurement methods)	No re-statements took place in 2013	●	—	—
3.11	Significant changes from previous reports (including the scope, boundary, or measurement methods applied in the report)	Information on Singapore and Korea subsidiaries were added for the first time in 2013	●	—	—
3.12	Table identifying the page location of standard disclosures and web links throughout the report	Table of Contents GRI G3.1 Reference Table	●	ii-iii 62-69	—
3.13	Policy and current practice with regards to seeking external assurance for the report	About the Report Annex 1 Independent Assurance Opinion Statement	●	i 60-61	—

4 Corporate Governance

	Definition of G3.1 Indicator	Corresponding CSR Report Section	Degree of Disclosure	Page(s)	Explanatory Note
4.1	Corporate governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight (report the percentage of individuals by gender within the organization's highest governance body and its committees, broken down by age group and minority group membership)	3.2 Board of Directors	●	15-16	—
4.2	Indicate whether the Chair of the highest governance body is also the chief executive officer	3.1 Governance Principles	●	15	Chairman Chih-Yuan Lu concurrently served as Ardentec's CEO
4.3	For organizations that have unitary board structures, state the number of independent and/or non-executive members on the board	3.2 Board of Directors	●	15-16	—
4.4	Mechanisms for shareholders and employees to provide recommendations or directions to the highest governance body	3.2 Board of Directors 5.6 Labor-Management Harmony	●	15-16 43-45	—
4.5	Compensations given to members of the highest governance body, senior managers and executives, and how they are linked to the organization's performance.	3.3 Executive compensation policy	●	17	—
4.6	Processes for eliminating conflicts of interest within the highest governance body	3.2 Board of Directors 3.3 Executive compensation policy	●	15-16 17	—
4.7	Processes for determining the composition, qualifications, and expertise of members of the highest governance body and its committees, including any consideration for gender and other indicators of diversity	3.2 Board of Directors	●	15-16	—
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and their implementation	1.2 Corporate values 2.1 CSR policies	●	2 10	—

● -Fully disclosed △ -Partially disclosed N.A.-Not applicable

	Definition of G3.1 Indicator	Corresponding CSR Report Section	Degree of Disclosure	Page(s)	Explanatory Note
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities and adherence or compliance with internationally agreed standards, codes of conduct, and principles	2.2 The CSR Organization 3.1 Governance Principles 3.6 Risk Management	●	10 15 18	—
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance	2.2 The CSR Organization	●	10	—
4.11	Explanation of whether the organization has proposed or implemented precautionary approaches or principles	3.5 Internal Control 3.6 Risk Management	●	17 18	—
4.12	Externally developed economic, environmental and social charters, principles or other initiatives that are recognized or endorsed by the company	1.7 Honors and Accolades/GHG and Energy Management 5.5 Workplace health and safety	●	7 36-42	—
4.13	Membership in associations and/or national/international advocacy organizations	1.7 Honors and Accolades	●	7-8	—
4.14	List of stakeholders, e.g.: the public, civil associations, customers, shareholders, capital contributors, and the local community	2.3 Stakeholders and issues of concern	●	11	—
4.15	Basis for identifying and selecting stakeholders with whom to engage	2.3 Stakeholders and issues of concern	●	11	—
4.16	The means through which stakeholders engage in the company's operations, including the type and frequency of engagements	2.5 Communication with stakeholders	●	13	—
4.17	Key topics and concerns that have been raised through stakeholders' engagement, and how the organization has responded to those key topics and concerns, including the use of this report	2.4 Evaluation of material issues 2.5 Communication with stakeholders	●	12 13	—

EC Economic Performance Indicators

	Definition of G3.1 Indicator	Corresponding CSR Report Section	Degree of Disclosure	Page(s)	Explanatory Note
DMA	Disclosures of the management approach	Letter from Chairman and President 1.5 Market size and performance	●	iv-v 5	—
EC1	Economic values (including revenues, operating costs, employee compensation, donations, community investments, retained earnings, dividends and taxes) that have been directly generated and distributed	1.5 Market size and performance 5.3 Compensation and Benefits	●	5 32-34	—
EC2	Financial implications and other risks and opportunities due to climate changes	4.1 Environmental Sustainability Policy 3.6 Risk Management	●	20 18	—
EC3	Scope of the organization's defined benefit plan and obligations	5.3 Compensation and Benefits	●	32-34	—
EC4	Significant financial assistance received from government	1.1 Company Introduction 5.4 Education and Training 1.6 Development strategies and innovations	●	2 35-36 6	The Taiwan headquarters enjoyed a 5-year tax exemption as an emerging strategic industry; this tax privilege amounted to NTD46,691 in 2013. Neither the Singapore nor the Korea subsidiary received government subsidies
EC5	Salary range for entry-level employees by gender and comparison to the local minimum wage	5.3 Compensation and Benefits	●	32-34	—
EC6	Policy, practices and proportion of spending on local suppliers at major operating locations	6.4 Supplier/contractor management	●	50-51	—

● -Fully disclosed △ -Partially disclosed N.A.-Not applicable

	Definition of G3.1 Indicator	Corresponding CSR Report Section	Degree of Disclosure	Page(s)	Explanatory Note
EC7	Procedures for local hiring and proportion of locally-hired senior managers at major operating locations	5.2 Right People for the Right Job 5.7 Workforce structure	●	31-32 45-46	—
EC8	Development and investment of infrastructures and services primarily for public benefit through commercial or similar activities	—	△	—	There were no such investments or services
EC9	Description of indirect economic impacts of material significance, including the extent of impact	6.1 Customer Service 6.4 Supplier/contractor management	●	48-49 50-51	—

EN Environmental Performance Indicators

	Definition of G3.1 Indicator	Corresponding CSR Report Section	Degree of Disclosure	Page(s)	Explanatory Note
DMA	Disclosures of the management approach	4.1 Environmental Sustainability Policy	●	20	—
EN1	Weight or volume of materials used	4.2 Disclosure of Environmental Information	●	20-21	—
EN2	Percentage of renewable materials used in production	Supplemental Explanations of GRI Indicators	●	—	Ardentec primarily offers testing services and technologies, and does not produce tangible products.
EN3	Direct energy consumption by primary energy sources	4.2 Disclosure of Environmental Information	●	20-21	—
EN4	Indirect energy consumption by primary sources	4.2 Disclosure of Environmental Information	●	20-21	—
EN5	Energy saved from environmental protection and efficiency enhancement measures	4.5 Managing for reduced GHG emission	●	25-27	—
EN6	Initiatives taken by the organization to improve energy efficiency, make use of renewable energy, and reduce energy consumption	4.1 Environmental Sustainability Policy	●	20	Apart from adopting an environmental management system and surveying greenhouse gas emission, Ardentec does not offer environmental protection products or services
EN7	Initiatives taken by the organization to reduce indirect energy consumption and the results achieved	4.1 Environmental Sustainability Policy	●	20	—
EN8	Total water usage by source	4.6 Water resource management	●	27	Ardentec sources its water entirely from Taiwan Water Corporation; it uses no ground water or water from other sources
EN9	Sources of water that are subject to significant environmental impacts	4.6 Water resource management	●	27	Ardentec sources its water entirely from Taiwan Water Corporation, therefore no significant impacts exist
EN10	Percentage and volume of water recycled and reused	4.6 Water resource management	●	27	—
EN11	Location and size of land owned, leased, or managed in, or adjacent to, protected areas and areas of high biodiversity outside the protected areas	4.1 Environmental Sustainability Policy	●	20	—
EN12	Description of significant impacts on biodiversity in protected areas and areas of high biodiversity outside the protected areas that are due to the organization's activities, products or services	4.1 Environmental Sustainability Policy 4.6 Water resource management 4.7 Waste management	●	20 27 28-29	—
EN13	Habitats protected or restored	Supplemental Explanations of GRI Indicators	●	—	Not applicable as Ardentec is situated within an industrial zone and not a protected area.
EN14	Strategies, actions and future plans for managing impacts on biodiversity	4.5 Managing for reduced GHG emission	●	25-27	Not applicable as Ardentec is situated within an industrial zone and not a protected area.

● -Fully disclosed △ -Partially disclosed N.A.-Not applicable

	Definition of G3.1 Indicator	Corresponding CSR Report Section	Degree of Disclosure	Page(s)	Explanatory Note
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, distinguished by level of extinction risk	Supplemental Explanations of GRI Indicators	●	—	Not applicable as Ardentec is situated within an industrial zone and not a protected area.
EN16	Total direct and indirect greenhouse gas emission by weight	4.4 Greenhouse Gas Survey	●	23-25	—
EN17	Other relevant indirect greenhouse gas emission by weight	4.4 Greenhouse Gas Survey	●	23-25	—
EN18	Initiatives to reduce greenhouse gas emission and the progress achieved	4.3 Green Management System 4.5 Managing for Reduced GHG Emission	●	22 25-27	—
EN19	Emissions of ozone-depleting substances by weight	4.4 Greenhouse Gas Survey	●	23-25	—
EN20	NOx, SOx and other significant air emissions by type and weight	Supplemental Explanations of GRI Indicators	●	—	Ardentec's business activities mainly involve semiconductor testing. It has passed the 2012 greenhouse gas survey, in which no NOx or SOx was found.
EN21	Pollution impact and destination of discharged waste water	4.2 Disclosure of Environmental Information 4.6 Water resource management	●	20-21 27	—
EN22	Total weight of waste produced, disclosed by type and disposal method	4.2 Disclosure of Environmental Information 4.6 Water resource management 4.7 Waste management	●	20-21 27 28-29	—
EN23	Total number of volume of significant spills	4.3 Green Management System	●	22	There were no significant spills in the year of report.
EN24	Weight of transported, imported, exported, or treated waste that were considered as hazardous according to Basel Convention Annexes I, II, III and VIII, and the percentage of waste shipped cross-border	Supplemental Explanations of GRI Indicators	●	—	Ardentec did not produce this type of waste
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	4.6 Water resource management	●	27	All waste water that Ardentec produces are discharged into the water treatment plant of the industrial zone
EN26	Initiatives to mitigate environmental impacts of products and services, and the extent of impact mitigation	4.1 Environmental Sustainability Policy 4.3 Green Management System 4.5 Managing for reduced GHG emission 4.7 Waste management	●	20 22 25-27 28-29	—
EN27	Percentage of products sold and packaging materials reclaimed	4.2 Disclosure of Environmental Information	●	20-21	—
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	4.3 Green Management System	●	22	There were no violations in the year of report.
EN29	Significant environmental impacts due to transportation of products, materials or personnel	4.1 Environmental Sustainability Policy	●	20	Ardentec is a provider of testing services; it uses no materials and produces no tangible products
EN30	Total environmental protection expenditures and investments by type	4.3 Green Management System	●	22	—

● -Fully disclosed △ -Partially disclosed N.A.-Not applicable

LA Social Performance Indicators - Labor Practices and Decent Work

	Definition of G3.1 Indicator	Corresponding CSR Report Section	Degree of Disclosure	Page(s)	Explanatory Note
DMA	Disclosures of the management approach	5.1 Employee Partnership Policy	●	31	—
LA1	Total workforce by region/country, employment type, and employment contract broken down by gender	5.7 Workforce structure	●	45-46	—
LA2	Total number and rate of new employees hired and employee attrition, disclosed by age, gender and region	5.7 Workforce structure	●	45-46	—
LA3	Benefits provided to full-time, permanent employees at main operating locations	5.3 Compensation and Benefits	●	32-34	—
LA4	Percentage of employees covered by collective bargaining agreements	5.2 Right People for the Right Job 5.5 Workplace health and safety 5.6 Labor-Management Harmony	●	31-32 36-42 43-45	Ardentec has no union association. The employer and employees use labor-management meetings to discuss two parties' interests
LA5	Minimum notice period(s) regarding significant operational changes, whether or not the issue in question has been specified in collective agreements	5.5 Workplace health and safety 5.6 Labor-Management Harmony	●	36-42 43-45	—
LA6	Percentage of total workforce represented in worker health and safety committees that help monitor and advise on occupational health and safety programs	5.5 Workplace Health and Safety	●	36-42	—
LA7	Rate of injuries, occupational illnesses, days lost, absences, and work-related fatalities, disclosed by region and gender	5.5 Workplace Health and Safety	●	36-42	The Company has never encountered any work-related fatality
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, and community members fight against serious diseases	5.5 Workplace health and safety 5.3 Compensation and Benefits 7.1 Community involvement	●	36-42 32-34 53-54	—
LA9	Health and safety topics covered in formal agreements with unions	5.5 Workplace Health and Safety	●	36-42	The Company has an EHS Committee in place, and these topics have been addressed in EHS meetings
LA10	Average hours of training per year, disclosed by employee type and gender	5.4 Education and Training	●	35-36	—
LA11	Skill management and life-long learning programs that help employees secure their employment, and retirement plans devised for their benefit	5.4 Education and Training	●	35-36	—
LA12	Percentage of employees subjected to regular performance appraisals and career development reviews, disclosed by gender	5.3 Compensation and Benefits	●	32-34	—
LA13	Composition of governance bodies and breakdown of employees by gender, age group, minority group, and other indicators of diversity	5.7 Workforce structure	●	45-46	—
LA14	Salary comparison between male and female workers, disclosed by different job roles	5.3 Compensation and Benefits	●	32-34	—
LA15	Resumption and retention rate of workers on child care leave of absence, disclosed by gender	5.7 Workforce structure	●	45-46	—

● -Fully disclosed △ -Partially disclosed N.A.-Not applicable

HR Social Performance Indicators - Human Rights

	Definition of G3.1 Indicator	Corresponding CSR Report Section	Degree of Disclosure	Page(s)	Explanatory Note
DMA	Disclosures of the management approach	5.1 Employee Partnership Policy	●	31	—
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns or that have undergone human rights screening	Supplemental Explanations of GRI Indicators	●	—	No investment agreements created in the reporting year contain such clauses
HR2	Percentage of major suppliers/contractors and other business partners that have undergone human rights screening and the actions taken	6.4 Supplier/contractor management	●	50-51	—
HR3	Training on human rights issues. Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	5.4 Education and Training 5.6 Labor-Management Harmony	●	35-36 43-45	—
HR4	Number of discrimination incidents occurred and corrective actions taken	Supplemental Explanations of GRI Indicators	●	—	There were no complaints or litigations on workplace discrimination in the reporting year
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	5.6 Labor-Management Harmony 6.4 Supplier/contractor management	●	43-45 50-51	—
HR6	Operations and significant suppliers identified as significant risks toward the use of child labor, and measures taken to contribute to the elimination of child labor	5.2 Right People for the Right Job 6.4 Supplier/contractor management	●	31-32 50-51	—
HR7	Operations and significant suppliers identified as significant risk towards the use of forced or compulsory labor, and measures that contribute to the elimination of all forms of forced or compulsory labor	5.2 Right People for the Right Job 5.6 Labor-Management Harmony 6.4 Supplier/contractor management	●	31-32 43-45 50-51	—
HR8	Percentage of security personnel trained as part of the organization's policies or procedures concerning human rights that are relevant to operations	5.4 Education and Training	●	35-36	All security companies that Ardentec works with are properly registered. All security personnel have undergone stringent selection and training processes, and are trained regularly to ensure their competency.
HR9	Total number of incidents of violations involving rights of indigenous people and the actions taken	Supplemental Explanations of GRI Indicators	●	—	There were no incidents of human rights violations in the reporting year
HR10	Percentage and total number of operations that have been subjected to human rights reviews and/or impact assessments	Supplemental Explanations of GRI Indicators	●	—	There were no cases of human rights reviews or impact assessments in the reporting year, but the customers conducted their own human rights questionnaires and self-assessments.
HR11	Number of human right-related grievances filed, addressed and resolved through formal grievance mechanisms	Supplemental Explanations of GRI Indicators	●	—	There were no human right-related grievances in the reporting year

SO Social Performance Indicators - Society

	Definition of G3.1 Indicator	Corresponding CSR Report Section	Degree of Disclosure	Page(s)	Explanatory Note
DMA	Disclosures of the management approach	3.4 Ethical Guidelines 6.4 Supplier/contractor management	●	17 50-51	—
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	7.1 Community Engagement	●	53-54	—
SO2	Percentage and total number of business units analyzed for risks related to corruption	3.4 Ethical Guidelines/3.4 Ethical Guidelines	●	17	—
SO3	Percentage of employees trained in the organization's anti-corruption policies and procedures	5.4 Education and Training	●	35-36	—
SO4	Actions taken in response to incidents of corruption	3.4 Ethical Guidelines/ 6.4 Supplier/contractor management	●	17 50-51	—
SO5	Public policy positions and participation in public policy development and lobbying	Supplemental Explanations of GRI Indicators	●	—	Ardentec pays close attention to the development of public policies, but adopts a neutral position

● -Fully disclosed △ -Partially disclosed N.A.-Not applicable

	Definition of G3.1 Indicator	Corresponding CSR Report Section	Degree of Disclosure	Page(s)	Explanatory Note
SO6	Total value of financial aid and in-kind contributions to political parties, individuals, or government-related organizations	Supplemental Explanations of GRI Indicators	●	—	Ardentec cares about the development of the nation in all aspects, but remains politically neutral. Ardentec encourages employees to exercise their civil rights and support political parties of their desire, and fully respects employees' political party association.
SO7	Total number of legal actions taken for anti-competitive behaviors, anti-trust, and monopoly practices, and the outcomes of such actions	Supplemental Explanations of GRI Indicators	●	—	Semiconductor testing is a competitive industry in which Ardentec does not have a monopoly
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Supplemental Explanations of GRI Indicators	●	—	There were no significant fines or non-monetary sanctions in the reporting year that were due to non-compliance with laws and regulations
SO9	Operations with significant potential or actual negative impacts on local communities	Supplemental Explanations of GRI Indicators	●	—	The Company's business activities were primarily semiconductor testing; there were no operations of negative impact in the reporting year
SO10	Prevention and mitigation measures implemented with regards to operations that have potential or actual negative impacts on local communities	Supplemental Explanations of GRI Indicators	●	—	The Company's business activities were primarily semiconductor testing; there were no operations of negative impact in the reporting year

PR Social Performance Indicators - Products

	Definition of G3.1 Indicator	Corresponding CSR Report Section	Degree of Disclosure	Page(s)	Explanatory Note
DMA	Disclosures of the management approach	1.5 Market size and performance 7. Community involvement	●	5 52-58	—
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant product and service categories that are subject to such procedures	Supplemental Explanations of GRI Indicators	●	—	The Company's business activities were primarily semiconductor testing with no tangible products produced. The testing procedures pose no health or safety concerns
PR2	Total number of incidents due to non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, disclosed by outcome categories	Supplemental Explanations of GRI Indicators	●	—	The Company's business activities were primarily semiconductor testing with no tangible products produced. The testing procedures pose no health or safety concerns
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	Supplemental Explanations of GRI Indicators	●	—	The Company's business activities were primarily semiconductor testing with no tangible products produced. Customers comprise entirely of corporate entities, and no information needs to be given to the ultimate user over the course of the Company's service procedures
PR4	Total number of incidents due to non-compliance with regulations and voluntary codes concerning product and service information and labeling, disclosed by outcome categories	Supplemental Explanations of GRI Indicators	●	—	There were no penalties imposed in the reporting year
PR5	Practices related to customer satisfaction, including results of surveys that measure customers' satisfaction	6.3 Customer satisfaction surveys	●	50	—
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	Supplemental Explanations of GRI Indicators	●	—	The Company serves corporate customers and is not involved in communications with the mass market. The Company complies with regulations that govern intellectual property rights and fair trading. It maintains sound and legal business interactions with customers as well as upstream and downstream partners
PR7	Total number of incidents due to non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship, disclosed by outcome categories	Supplemental Explanations of GRI Indicators	●	—	There were no cases of violation or penalty in the reporting year
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	6.2 Customer Secrecy Protection	●	49	There were no such complaints raised in the reporting year
PR9	Monetary value of significant fines imposed for non-compliance with laws and regulations concerning the provision and use of products and services	Supplemental Explanations of GRI Indicators	●	—	There were no significant fines or non-monetary sanctions in the reporting year that were due to non-compliance with laws and regulations

● -Fully disclosed △ -Partially disclosed N.A.-Not applicable

Annex 3 ISO26000 Reference Table

ISO26000 indicators		Corresponding chapter	Explanatory Note
Organizational governance	Decisioning processes and structures that help fulfill social responsibilities and enable applications of core CSR principles.	2. Sustainable Business Framework 3. Corporate governance	
Human rights	Checks for regulatory compliance and avoidance of human rights risks	5. Employees as Partners	Ardentec is situated within Hsinchu Industrial Park; it evaluates human rights issues according to the rules of the industrial park, and hence ensures regulatory compliance.
	Human rights risk situations	5. Employees as Partners	—
	Avoidance of complicity	5.6 Labor-Management Harmony	Employees are provided with a multitude of means through which to communicate and file complaints
	Resolving grievances	5.6 Labor-Management Harmony	—
	Discrimination and vulnerable groups	5.2 Right People for the Right Job 7.3 Caring for the Disadvantaged	—
	Civil and political rights	5.6 Labor-Management Harmony	—
	Economic, social and cultural rights	5.6 Labor-Management Harmony	—
	Fundamental principles and rights at work	5.2 Right People for the Right Job 5.3 Compensation and Benefits	—
Labor practices	Employment and employment relations	5.2 Right People for the Right Job	—
	Conditions of work and social protection	5.2 Right People for the Right Job 5.3 Compensation and Benefits 5.6 Labor-Management Harmony	—
	Social dialogue	2.5 Communication with stakeholders	—
	Health and safety at work	5.5 Workplace Health and Safety	—
	Human development and training in the workplace	5.4 Education and Training 5.5 Workplace Health and Safety	—
The environment	Prevention of pollution	4.3 Green Management System 4.7 Waste management	—
	Sustainable resource use	4.7 Waste management	—
	Climate change mitigation and adaptation	4.1 Environmental Sustainability Policy 4.3 Green Management System	—
	Protection of the environment, biodiversity and restoration of natural habitats	7.4 Sustainability of the Environment and Ecosystem	—
Fair operating practices	Anti-corruption	3.4 Ethical Guidelines 5.4 Education and Training	—
	Responsible political involvement	—	Ardentec cares about the development of the nation in all aspects, but remains politically neutral. Ardentec encourages employees to exercise their civil rights and support political parties of their desire, and fully respects employees' political party association.
	Fair competition	—	The Company serves corporate customers and is not involved in communications with the mass market. The Company complies with regulations that govern intellectual property rights and fair trading. It maintains sound and legal business interactions with customers as well as upstream and downstream partners
	Promoting social responsibility in the value chain	6.1 Customer service 6.4 Supplier/contractor management	—
	Respect for property rights	3.6 Risk Management	The Company complies with regulations that govern intellectual property rights and fair trading. It maintains sound and legal business interactions with customers as well as upstream and downstream partners
Consumer issues	Fair marketing, factual and unbiased information and fair contractual practices	—	The Company complies with regulations that govern intellectual property rights and fair trading. It maintains sound and legal business interactions with customers as well as upstream and downstream partners
	Protecting consumers' health and safety	—	The Company's services are not targeted at individual consumers, and hence pose no concerns to consumers' health and safety
	Sustainable consumption	—	The Company maintains long-term business relationships with its corporate customers
	Consumer service, support, and complaint and dispute resolution	6.1 Customer service 6.3 Customer Satisfaction Surveys	—
	Consumer data protection and privacy	6.2 Customer Secrecy Protection	Ardentec strictly abides to business ethics, and strives to protect customers' privacy and commercial secrets in all business dealings.
	Access to essential services	6.1 Customer service	—
	Education and awareness	—	The Company's services are not targeted at individual consumers

ISO26000 indicators	Corresponding chapter	Explanatory Note
Community involvement	7. Community involvement	—
Education and culture	7.1 Community Engagement 7.2 Educational Support	—
Employment creation and skills development	5.2 Right People for the Right Job 1.6 Development strategies and innovations	—
Technology development and access	1.6 Development strategies and innovations	—
Wealth and income creation	1.5 Market size and performance	—
Health	5.5 Workplace Health and Safety	—
Social investment	7. Community involvement	—

Annex 4 Table of Reference to "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies"

Chapters of "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies"	Corresponding Section
Chapter I General Provisions	About the Report Letter from Chairman and President
Chapter II Implementation of sound corporate governance	2. Sustainable Business Framework 3. Corporate governance
Chapter III Development of a sustainable environment	4. Environmental Protection 7. Community involvement
Chapter IV Upholding public interest	5. Employees as Partners 7. Community involvement
Chapter V Enhanced CSR disclosure	About the Report 2. Sustainable Business Framework
Chapter VI Supplemental provisions (TSEC/GTSM listed companies are required to pay constant attention to local and international CSR trends)	2. Sustainable Business Framework

Annex 5 Table of Reference to the UN Global Compact

Classification and principles of The UN Global Compact	Corresponding Section	Explanatory Note
Human rights	Businesses should support and respect the protection of internationally proclaimed human rights	5. Employees as Partners 6.4 Supplier/contractor management
	Business should make sure that they are not complicit in human rights abuses	—
Labor	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	5.6 Labor-Management Harmony
	Elimination of all forms of forced and compulsory labor	5.5 Employees as Partners 5.6 Labor-Management Harmony 6.4 Supplier/contractor management
	Effective abolition of child labor	5.6 Labor-Management Harmony 6.4 Supplier/contractor management
	Elimination of discrimination in respect of employment and occupation	5.3 Compensation and Benefits
The environment	Business should support a precautionary approach to environmental challenges	4.4 Green Management System
	Undertake initiatives to promote greater environmental responsibility	4.4 Green Management System
	Encourage the development and diffusion of environmentally friendly technologies	— Ardentec primarily offers testing services and technologies, and does not produce tangible products.
Anti-corruption	Businesses should work against corruption in all its forms, including extortion and bribery	3.4 Ethical Guidelines 3.5 Internal control 6.4 Supplier/contractor management