

*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*



2014  
**Corporate Social  
Responsibility Report**

***Ardentec Corporation***

## About the Report

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### Report Period and publishing

This report is the third corporate social responsibility report published by Ardentec Corporation which discloses the performance of corporate social responsibility (CSR) from January 1, 2014 to December 31, 2014. Electronic version of this report can be downloaded from the company's website <http://www.ardentec.com>. Ardentec issues the Corporate Social Responsibility Report every year. The previous year's report was published in August, 2014, and we expect to issue the next report in June, 2016.

### Scope of report

This report discloses the economic, environmental, and social aspects of Ardentec's performance, including its Taiwan headquarters and its Singaporean and Korean 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 G4.0 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

The verification of this report is entrusted to a third party verification unit, BSI Taiwan Ltd., in line with G4.0 core disclosure level and type 1 moderate assurance level of AA1000 AS assurance standard. The BSI independent statement is attached to the appendix of this report.

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# Table of Content

About the Report .....	I
Letter from Chairman and President .....	IV



## About Ardentec 1

1.1 Company Introduction.....	02
1.2 Corporate Values.....	02
1.3 The Organization .....	03
1.4 Professional Services .....	04
1.5 Market Size and Performance.....	05
1.6 Surplus Allocation .....	06
1.7 Development Strategies and Innovations .....	06
1.8 Honors and Accolades.....	07



## Sustainable Business Framework 9

2.1 CSR Policies .....	10
2.2 The CSR Organization.....	10
2.3 Stakeholders and Collection of Issues of Concern.....	11
2.4 The Investigation of Issues of Concern.....	12
2.5 Matrix of Issues of Concern .....	13
2.6 The Consideration of Key Issues and the Identification of Boundaries .....	14
2.7 Communication with Stakeholders .....	15



## Corporate Governance 16

3.1 Governance Principles .....	17
3.2 Board of Directors .....	17
3.3 Executive Compensation Policy.....	19
3.4 Ethical Guidelines.....	19
3.5 Internal Controls .....	20
3.6 Risk Management .....	20
3.7 Major Investment and Supplier Human Rights .....	21



## Environmental Protection 22

4.1 Environmental Sustainability Policy.....	23
4.2 Environmental Protection Expenses and Investment.....	23
4.3 Green Management System .....	23
4.4 Disclosure of Environmental Information.....	26
4.5 Climate Change and Opportunities.....	27
4.6 Management of GHG Reduction.....	27
4.7 Water Resource Management.....	29
4.8 Waste Management .....	30



## Employees as Partners

33

5.1 Employee Partnership Policy .....	34
5.2 Right People for the Right Job .....	34
5.3 Compensation and Benefits .....	35
5.4 Education and Training .....	38
5.5 Workplace Health and Safety .....	39
5.6 Labor-Management Harmony .....	45
5.7 Workforce Structure .....	47



## Customer Service and Supplier Management

48

6.1 Customer Service .....	49
6.2 Customer Secrecy Protection .....	50
6.3 Quality Optimization of Customer Service .....	50
6.4 Customer Satisfaction Surveys .....	50
6.5 Supplier/Contractor Management .....	51
6.6 Supplier Audits .....	52
6.7 Business Ethics Education .....	52
6.8 Suppliers/Contractors Workplace Safety .....	52



## Community Involvement

53

7.1 Community Engagement .....	54
7.2 Educational Support .....	55
7.3 Caring for the Disadvantaged .....	57
7.4 Sustainability of the Environment and Ecosystem .....	59



## Annexes

63

Annex 1-Independent Assurance Opinion Statement .....	64
Annex 2-GRI G4.0 Reference Table .....	66
Annex 3-ISO26000 Reference Table .....	75
Annex 4-Table of Reference to "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" .....	77
Annex 5-Table of Reference to The UN Global Compact .....	77

# Letter from Chairman and President



## **Dear friends caring about the sustainability development of Ardentec:**

The economy of the industry in 2014 is stable. Aside from profitable growth in the economic aspect, Ardentec has also made progress at every facet of the corporate social responsibility (CSR). We thank all staff's united force, the support of customers and suppliers and the affirmation of other stakeholders.

We are pleased to share the Ardentec's 2014 performance of CSR with you again.

The practice of Ardentec's corporate social responsibility is supervised by the President. The Board of Directors regularly reviews the company's policies and direction of development and makes CSR an important part of the business operation.

Ardentec follows regulations and international norms and values business ethics and the company's governance philosophy. We fully disclose information related to corporate governance and CSR. Based on the faith of everlasting, we pursue the environmental and social sustainability with our stakeholders.

Ardentec is a semiconductor testing service company. Electricity and a small amount of water is our main use of environmental resources. However, we make great efforts in carbon emission reducing, energy saving and environment improving in all sectors of the business operation. We are also committed to the goals of environmental sustainability such as energy saving, emission reduction and recycling. Faced with the impact and crisis of climate change, Ardentec will seek breakthrough in energy-saving opportunities more actively to reduce the impact and risk on the business.

Employees are the important partners of Ardentec's business foundation. Respect, fairness and non-discrimination, high quality package and looking after the employees' mind and body balance are the most basic principles. Our employee partners agree that honesty, integrity and care are our common core values. We reject corruption, and employees practice the consensus of law and morality in their daily life. Facing the impact and risk of rapid changing technology industry, the management team manages the company with morality and legitimate means,



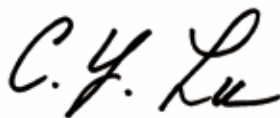
and leads the employees to fully implement the policies. This is Ardentec's sustainable management for an everlasting business.

We are glad that the employees in the Taiwan headquarters and overseas subsidiaries not only have found their aspiration, interest and visions at work, but also have gradually combined the concept and action of environmental protection with daily activities. The employees take their family to serve the community, give back to the local community, continue to participate in social welfare activities such as caring for the vulnerable and supporting education in various means and continue to practice the CSR to deepen the primary culture of Ardentec.

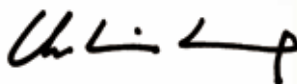
In the pursuit of business, social and environmental objectives of sustainable development, in addition to self-expectations and requirements, we are lucky enough to cooperate with many customers and partners who value CSR, and learn from each other so that the effort to the pursuit of sustainability magnifies the performance. We also gradually combine the concept of sustainability with our suppliers to progressively expand the practice facet of environmental and social sustainability so that more corporate citizens can pursue a better society together.

Looking ahead, Ardentec will continue to innovate and enhance ourselves in the technical field of semiconductor testing, continue to improve the efficiency of production, quality and discipline in order to create business performance growth economically, while continuing to strengthen and deepen the business, environmental and social sustainability to achieve the everlasting business and create a win-win situation with the society.

Ardentec Chairman Chih-Yuan Lu



President Chi-Ming Chang





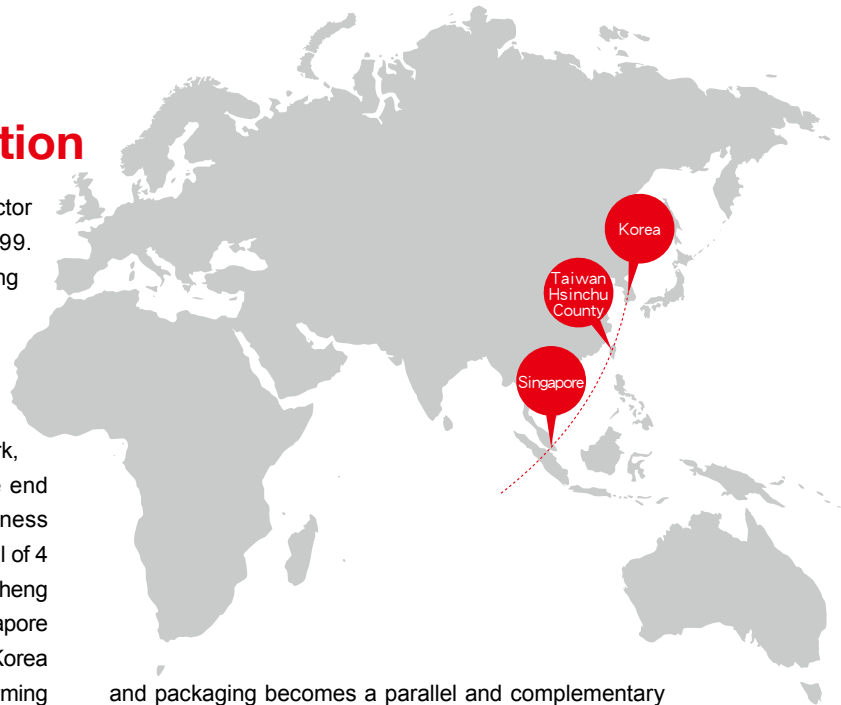
# About Ardentec

## 1.1 Company Introduction

Ardentec Corporation is a specialized semiconductor testing company established on October 11, 1999. The company's service includes testing engineering development and product testing of various semiconductors. OTC public offering in 2005 made the company a 100% private investment enterprise.

Ardentec's headquarter is in Hsinchu Industrial Park, Hukou Township, Hsinchu County, Taiwan. In the end of 2014, PaoChing Site was included in the business operation. Thus, the Taiwan headquarters has a total of 4 Sites, including Kaiyuan, TingShin, KaoSheng Gaosheng and PaoChing. A subsidiary was established in Singapore in 2006, and another one was established in South Korea in 2011 as part of the circular Asia service band, forming a complete business development and testing operation service network of Europe, Asia and America.

The front-end and back-end (such as testing and packaging) in the semiconductor industry require huge equipment investment. The technology and production management of the front end and Back-end are very different. Therefore, in the semiconductor industry, the professionalization of the Back-end) such as testing



and packaging becomes a parallel and complementary division of labor with the front-end. With the industry-leading engineering capability, quality system and IT technical service and through the industrial vertical integration, Ardentec has established a long-term cooperative relationship with big domestic and foreign semiconductor manufactures and become one of top three specialized wafer testing service provider in Taiwan. With a specialty in niche services, Ardentec hopes to secure its foothold in the world's semiconductor industry.



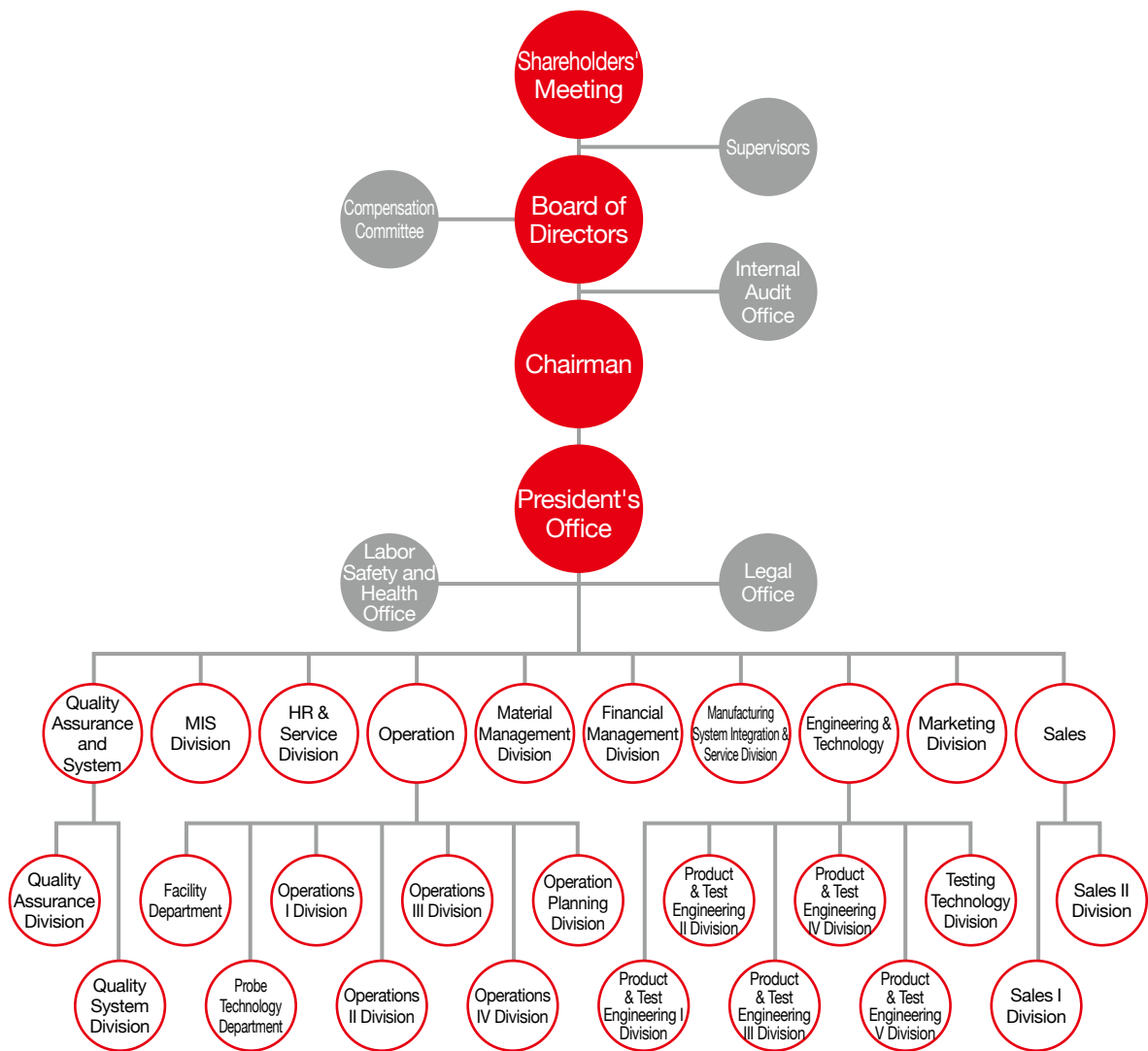
## 1.2 Corporate Values

Ardentec aspires to be a model 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."

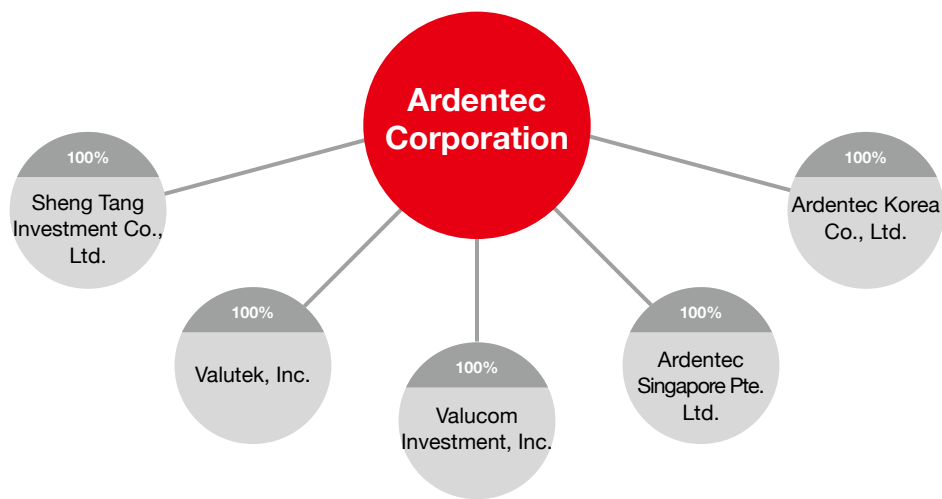
In addition, Ardentec has incorporated issues of environmental protection, employee care, and society feedback into its corporate governance, and thereby ensure sustainable growth for the Company, the employees, the environment, and society alike.



# 1.3 The 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, including pre-production engineering service, mass production engineering service, probe card service, wafer probing service, final testing 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.



### Testing Services in Ardentec



#### 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



#### 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

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



#### Wafer probing service

Provide testing services for the production process.



#### wafer level chip scale packaging (WLCSP)

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



#### Others

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

## 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 2014, semiconductor testing accounted for 93% 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.

2014 Product Sales Proportion			(Unit: NT\$1,000)
Product	Revenues	Weight	
Wafer Test	5,066,176	86.8%	
Final Test	354,408	6.1%	
Others (equipment rental)	413,415	7.1%	
<b>Total</b>	<b>5,833,999</b>	<b>100%</b>	

2013 and 2014 Testing Service Sales Region			(Unit: NT\$1,000)
	2013	2014	
Taiwan	1,932,342	2,072,284	
USA	1,926,427	2,373,029	
Singapore	416,470	663,439	
Mainland China	186,553	120,957	
Others <small>Note</small>	539,395	604,290	
<b>Total</b>	<b>5,001,187</b>	<b>5,833,999</b>	

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

2013 and 2014 Financial Performance (Consolidated)			(Unit: NT\$1,000)
Year	102	103	
Operating revenues	5,001,187	5,833,999	
Operating costs and expenses	4,002,136	4,567,573	
Operating net profit	999,051	1,266,426	
Non-operating revenues and expenses	5,380	170,684	
Pre-tax profit	1,004,431	1,437,110	
Income tax expense	162,337	230,380	
Current period net profit	842,094	1,206,730	

## 1.6 Surplus Allocation

According to the charter of Ardentec, when there is surplus in the annual final account, in addition to tax payment and supplementation of past loss, 10% of legal reserve should be allocated, and the special reserve can also be allocated in accordance with the law or actual need. The rest (including the special reserve reversible by law) will be allocated as follows:

- Remuneration for directors and supervisors: 3%.
- Employee profit sharing: 12%.
- The Board of Directors can make proposals for the use of other surplus and the unallocated surplus of previous year depending on the need of business operation, and bring them to the stakeholders meeting for resolution.



## 1.7 Development Strategies and Innovations

The previous experiences of providing wafer testing services for the domestic and foreign manufacturers have laid Ardentec's core competitiveness of key technologies in testing process analysis system and the development of advanced testing programs.

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 vehicle ICs. Apart from IC testing technologies, the Company has also successfully adopted and integrated other related technologies such as MIS, logistics management, temperature sensor etc in order to provide customers with integrated product and service solutions.

MIS has always been the focus of the Company's R&D efforts. Its goal for developing MIS 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 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 obtained cooperation opportunities with many domestic specialized IC foundries for the mass production testing services. Additionally, Ardentec also cooperates with front-end IC design companies assisting the clients in

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	RF IC testing solution
Security IC testing technology	CIS testing solution
WLCSP probing technology	
WLCSP fabrication technology	

developing product testing programs in the product design phase to facilitate the clients to increase test accuracy during mass production.

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. By the end of 2014, the R&D team and individuals have obtained nearly 170 patents. With the advantage in the testing field of finished products/semi-finished products, Ardentec has become the leading expert in testing technology. R&D staff represented about 8.2% of Ardentec's total employees, whereas R&D expenses accounted for about 3% of total revenues.

## 1.8 Honors and Accolades

Membership		2014 Awards
Site	Members	
Taiwan Headquarters	Global Semiconductor Alliance (GSA)	Chairman and Chief Executive Officer, Dr. Chih-Yuan Lu is elected as the winner of 2014 Engineering Sciences Award by the "World Academy of Sciences" (TWAS).
	Taiwan Semiconductor Industry Association	
	Chinese Institute of Engineers, Hsinchu County Chapter	
	Monte Jade Taiwan	Ardentec is elected as the 2014 civil defense corps training company, "Cum Laude 2nd place" of the site protection group by Hsinchu County government.
	Hsinchu Industrial Society	
	Hsinchu Industrial Park Association	
	Hsinchu Industrial Park Security Alliance	
	Hsinchu County Nurses Association	Ardentec is awarded 2014 good safety and health manufacturer of Hsinchu Industrial Park by Hsinchu Industrial Park Service Center, Industrial Development Bureau, Ministry of Economic Affairs.
	Automobile Electronic SIG Exchange Seminar	
Singapore Site	Chinese Institute of Industrial Engineers (CIIE)	Ardentec is awarded Sustainable Management Practice Award by the British Standards Institution (BSI).
	Singapore Business Federation (SBF)	Singapore Site is awarded Special Recognition Award (ISO 14064 GHG) by BSI.
Korea Site	Singapore Semiconductor Industry Association (SSIA)	
	Korea Customs Logistics Association	
	Eoyeon Hansan Industrial Complex Manager Association	
	GG Association of Foreign Invested companies	Ardentec is awarded 2013 Excellent Importer and Exporter Certificate (top 500) by TAITRA, Ministry of Economic Affairs.
	Korea Fire Safety Association	
	Korea Energy Engineers Association	
Korea Site	Korea Electric Engineers Association	
		Singapore Site is awarded Singapore Sustainability Awards 2014 by the Singapore Business Federation, Apex Business Chamber.





Verification/Certification			
Starting year of validity	Taiwan Headquarters	Singapore Site	Korea Site
2000	ISO 9002		
2001			
2002	QS 9000		
2003	ISO 9001		
2004	ISO 14001		
	ISO/TS 16949		
2005			
2006			
2007	OHSAS 18001		
2008	ISO 27001		
2009	TOSHMS	ISO 14001	
		OHSAS 18001	
2010	ISO 14064 <b>Note</b>		
	IECQ QC080000		
	Authorized Economic Operator, AEO		
		ISO 9001	
		ISO 27001	
2011		ISO/TS 16949	
2012	Internal Compliance Program (ICP)	ISO 14064	
			ISO/TS 16949
2013	CNS15506		
	Common Criteria (Security Site) <b>T Site</b>		
	AA1000 AS	Strategic Trade Scheme (STS) Tier 3 Permit	
			ISO 9001
			ISO 14001
			OHSAS 18001
2014	ANSI/ESD S20.20		
	Common Criteria (Security Site) <b>K Site</b>		
	ISO/IEC 17025	Approved Contract Manufacturer and Trader (ACMT)	
		TradeFirst & STP certificate	
		Common Criteria (Security Site)	ISO 270001
			CP (Compliance Program) AA grade
			Automatic Customs Approval

**Note** It is verified annually since the starting year.

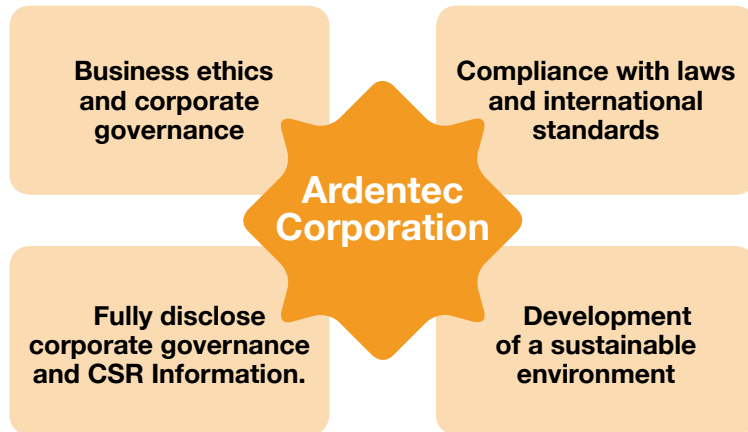


By Joe Huang

# Sustainable Business Framework

## 2.1 CSR Policies

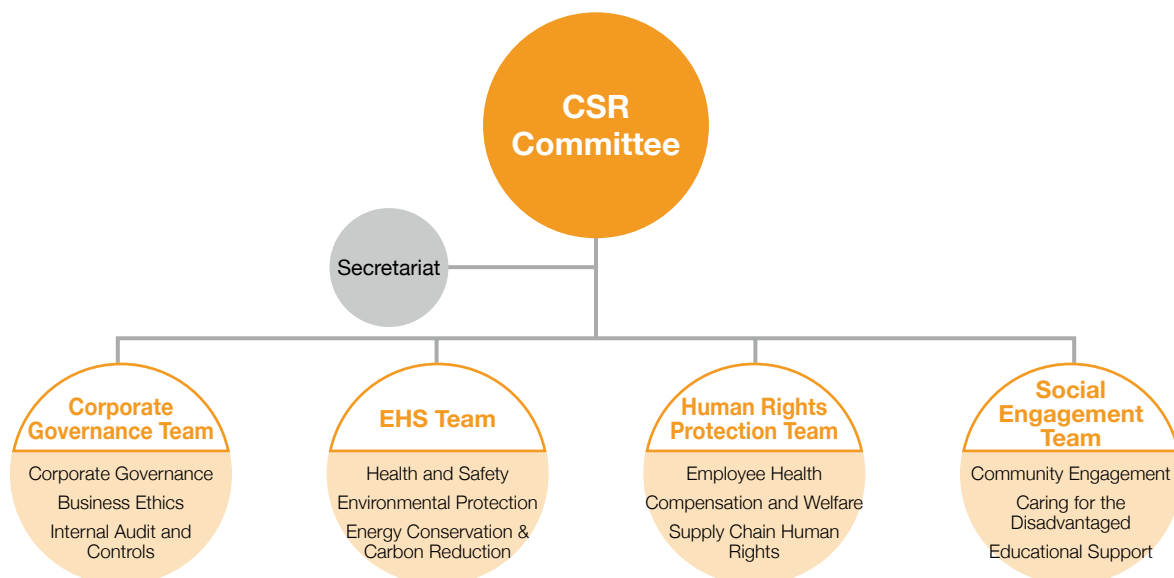
Upholding the concept of enhancing the competitiveness of enterprises while taking into account the social sustainable development, Ardentec expects to drive the culture and establish a society that values ethics and maintains social welfare and environmental sustainability. The Board of Directors reviews the CSR policies and evaluates the implementation performance of the economic, environmental and social issues annually. The Board of Directors has established Ardentec's CSR policies which are as follows:



## 2.2 The CSR Organization

In 2012, Ardentec assembled its "CSR Committee." Chaired by the President and staffed with senior managers of various departments, 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.

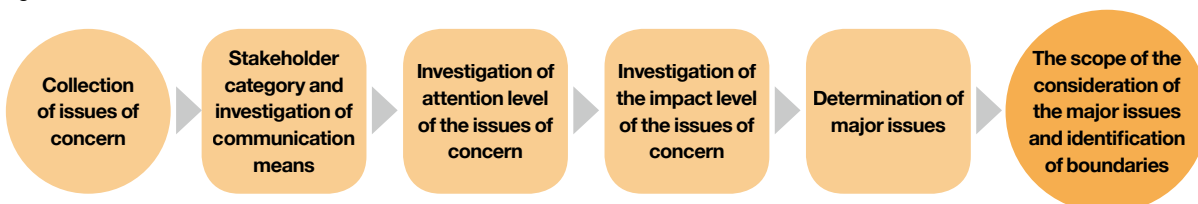
The CSR committee is responsible for the implementation of the sustainable management goals as well as following the development of domestic and international CSR system and the change of corporate environment closely, developing measures that cope with and enhance the implementation of CSR, setting up sustainability goals, continuing to strengthen the CSR management system established by Ardentec and ensuring the continuous enhancement of the effectiveness of CSR implementation.



## 2.3 Stakeholders and Collection of 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 issues, industrial news and trends identified by leading enterprises of related industries from local and abroad; the CSR Committee then analyzes the issues of concern against each unit and categorizes

them into eight stakeholder categories: employees, customers, government and regulatory agencies, suppliers and contractors, investors, cooperation institutions and community and creditors, and their issues of concern.

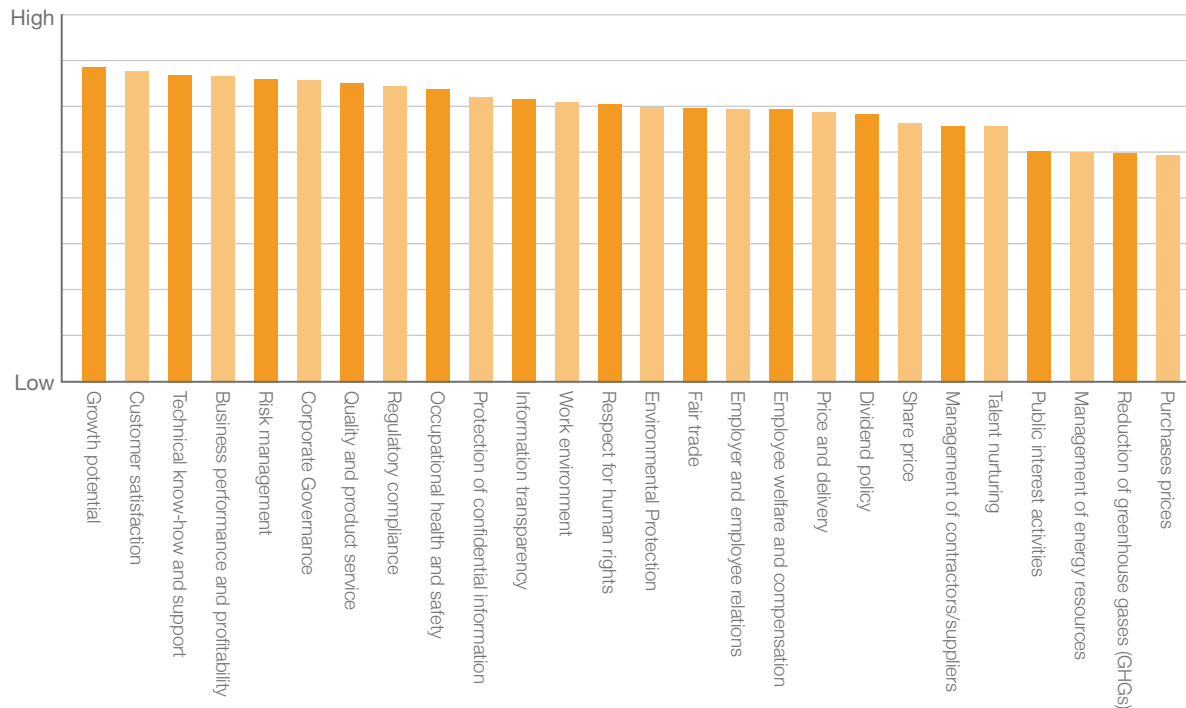
Stakeholders and Issues of Concern								
Stakeholder category	 Employees	 Customers	 Suppliers and contractor	 Government and regulatory agencies	 Investors	 Cooperation institutions <small>Note</small>	 Community	 Creditors
Employee welfare and compensation	●					●		
Occupational health and safety	●	●		●		●	●	●
Respect for human rights	●			●				
Customer satisfaction	●	●	●		●			●
Quality and product service	●	●	●			●	●	●
Work environment	●	●		●				
Protection of confidential information	●	●	●			●		
Employer and employee relations	●							
Business performance and profitability	●				●	●		●
Growth potential	●	●		●	●	●	●	●
Technical know-how and support		●	●	●	●	●		●
Risk management		●	●	●	●	●		●
Price and delivery		●	●			●	●	
Talent nurturing		●		●			●	
Environmental Protection				●				
Regulatory compliance			●	●	●	●	●	●
Information transparency				●	●			●
Management of contractors/ suppliers			●					
Purchases prices			●					
Fair trade			●		●			
Management of energy resources							●	
Public interest activities							●	
Share price					●		●	
Dividend policy					●		●	
Corporate Governance					●			●

**Note** The cooperation institutions include accounting firms, audit unit, cooperative schools, etc.

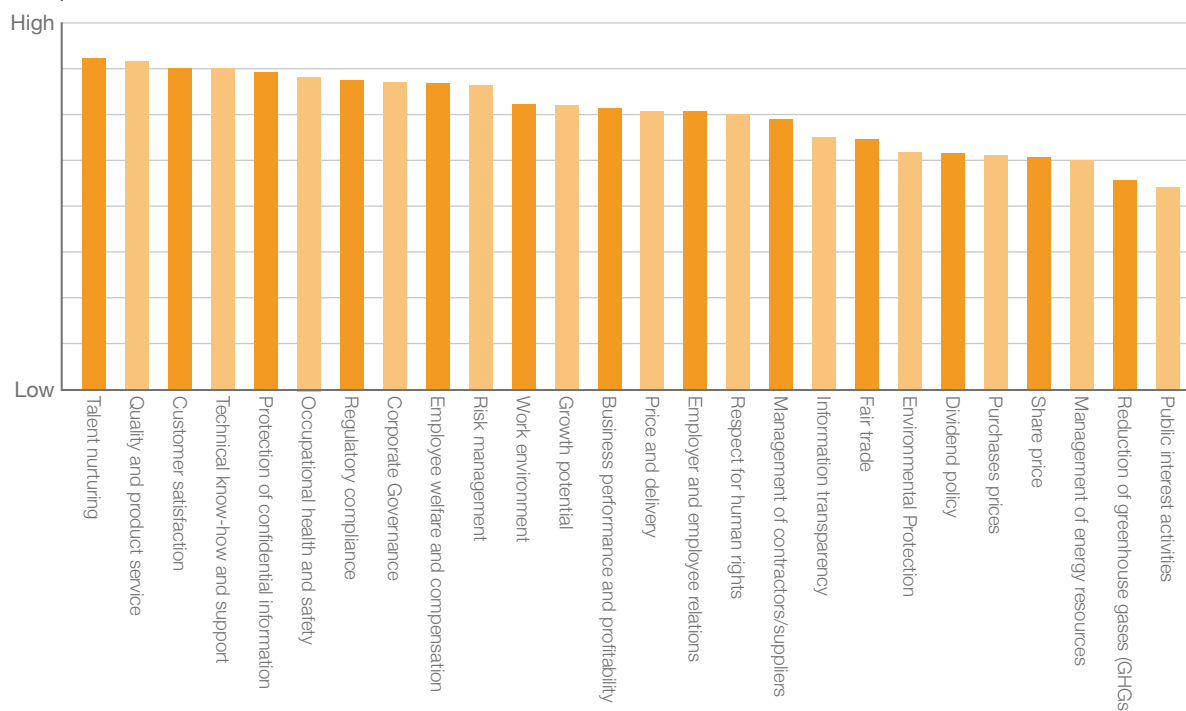
## 2.4 The Investigation of Issues of Concern

After identifying the different categories of stakeholders, communication means and channels, the CSR Committee then conducts a survey to determine the level of stakeholders' attention for each issue and how they impact the Company.

**Investigation of attention level:** understand the stakeholders' attention level of the issues of concern through questionnaire survey. According to the statistics of the questionnaire, the stakeholders' attention level of the issues of concern is as follows:



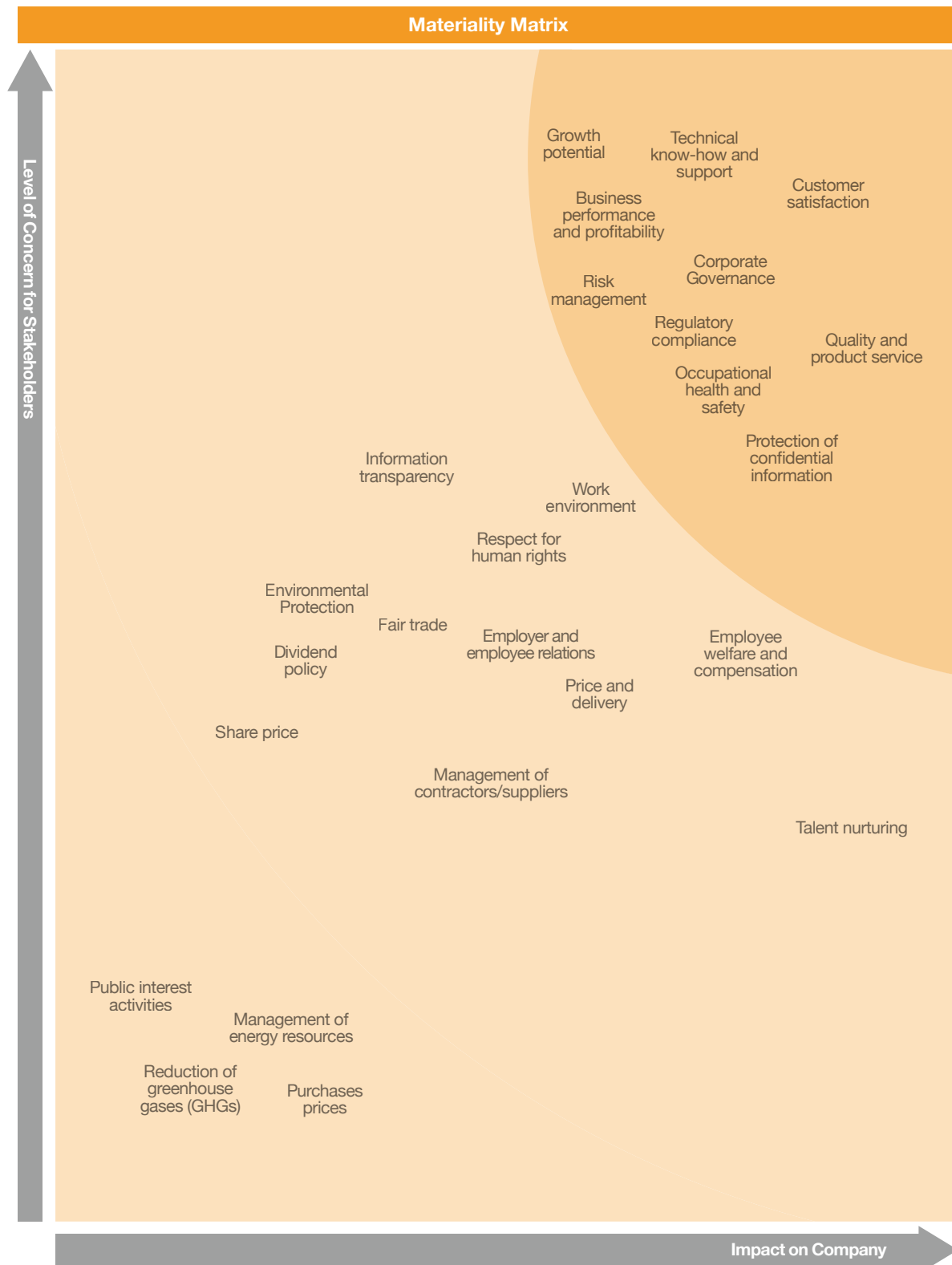
**Investigation of the impact level:** understand the impact level of the issues of concern to the company through the questionnaire survey against the functional heads of the company. According to the statistics of the questionnaire, the impact level of the issues of concern is as follows:





## 2.5 Matrix of Issues of Concern

The results of the questionnaire are summarized and sorted to form a matrix of key issues.



## 2.6 The Consideration of Key Issues and the Identification of Boundaries

The CSR committee will consider the actual condition of the company to identify the major key issues and define their consideration and boundary.

Category	Key issues	Consideration Aspect	GRI indicators	The corresponding chapter of the management approach	Inside of the organization boundary			Outside of the organization boundary	
					Taiwan Headquarters	Singapore Site	Korea Site	Customers	Suppliers and contractors
Social/ product responsibility	Quality and product service	Products and service labels	PR3-PR5	6.1	●	●	●		●
	Customer satisfaction	Products and service labels	PR3-PR5	6.3	●	●	●		●
	Protection of confidential information	Customer privacy	PR8	6.2	●	●	●		
	Technical know-how and support	Products and service labels	PR3-PR5	1.7	●	●	●		●
Social/labor practice and dignified labor	Occupational health and safety	Occupational health and safety	LA5-LA8	5.5	●	●	●		
Economy	Corporate Governance	Economic performance	EC1-EC4	3.1	●	●	●		
	Risk management	Economic performance	EC1-EC4	3.6	●	●	●		
	Growth potential	Economic performance	EC1-EC4	1.5	●	●	●	●	
	Business performance and profitability	Economic performance	EC1-EC4	1.5	●	●	●	●	
Environment/ Society	Regulatory compliance	Compliance with regulations	EN-29/SO8 /PR9	3.1	●	●	●		●

## 2.7 Communication with Stakeholders

Ardentec communicates with the stakeholders officially through the company's website, annual reports, business reports and the annual publication of the CSR report. 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.

Communication Channels with the Stakeholders and the Frequency					
Stakeholder category	Communication methods and channels	Every month	Every quarter	Every year	Irregularly scheduled
Employees	Labor-management meetings:		●		
	Labor safety window meetings		●		
	Occupational safety and health committee and review meetings		●		
	Internal employee exchange e-platform (e.g. intranet)				●
	Channel for employee comments (website or physical suggestion box/telephone/Email)				●
	Announcements				●
	Department meetings				●
Customers	Customer audits				●
	Customer meetings				●
	Customer satisfaction management or survey			●	
	Customer visit				●
	Regular contacts				●
	Website				●
Government and regulatory agencies	Regulation seminars or public hearings				●
	Financial statements		●	●	
	Reports or responses on demand				●
	Official correspondences				●
	Participation in industrial development conference				●
Suppliers and contractors	Declaration and reply of each business				●
	Contractor training	●			
	Supplier CSR and Business Ethics Guidelines			●	
	Agreement organization meeting				●
	Supplier/contractor audit			●	
	Information exchange				●
Investors	Face-to-face or phone communication				●
	Hold shareholder meetings			●	
	Legal person information meeting				●
	Issuance of annual report in accordance with requirement			●	
	Market Observation Post System				●
	Company website				●
Cooperation institutions	Communication with investors face to face or by phone				●
	Audit meetings				●
	Meetings, visits or phone communications				●
Community	Enterprise-academy collaboration program				●
	Company website, e-mail, etc.				●
	Social welfare activities				●
Creditors	Participation in educational activities				●
	To provide the relevant information or reply as required				●
	Periodical interviews				●
Creditors	Financial statements				●



# Corporate Governance

## 3.1 Governance Principles

Since Ardentec was first established, the Chairman and CEO has clearly instructed the staff to value the corporate governance, hold enthusiasm, care for environmental and social sustainability, and run an everlasting enterprise, viewing all of these as the company's missions.

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 the company website (<http://www.ardentec.com>).

After the annual financial report is audited by accountants, it will be submitted to the supervisor for review along with the business report and surplus allocation proposal, and the supervisors will issue a review report.

Ardentec has established an online public information declaration system to disclose major information in



accordance with the "Guidelines for Online Filing of Public Information by Public Companies" promulgated by the Securities and Futures Commission, Ministry of Finance.

Ardentec has incorporated issues of environmental protection, employee care, and society feedback into its corporate governance. In 2014, the Board of Directors conducted further reviews and enhancements to the corporate value, CSR policies and functioning of the CSR Committee to strengthen the implementation of CSR.

Investor e-mail address ([Investors@ardentec.com](mailto:Investors@ardentec.com)) and Supervisor e-mail address ([168\\_supervisor\\_a100@ardentec.com](mailto:168_supervisor_a100@ardentec.com)) is available on the company website, providing shareholders, employees and other stakeholders a channel to communicate and provide business direction or suggestions to the top management unit.

## 3.2 Board of Directors

The Board of Directors of Ardentec has 9 seats and the Supervisors have 3 seats. 3 of the directors are corporate entities, which accounts for one-third of total directors. To ensure the independence and effective operation of the board of director, three seats are for independent directors which accounts for 1/3 of the board of director. Directors and supervisors all have rich professional background and technical experiences. Among the 12 Directors and Supervisors, one is female which accounts for 8.3%. Eleven are male, accounting for 91.7%. In terms of age distribution, 5 members are in the age group of 51 to 60, while the other 7 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. According to "Regulations Governing Procedure for Board of Directors Meetings of Public Companies", when the agenda involves the avoidance matter specified in the Norm of Directors or his/her interests might related to the Company's interests, the director should excuse himself/herself from discussion or voting, and may not act as another director's proxy to exercise voting rights.



Directors' and supervisors' participation in board meetings are disclosed onto the Market Observation Post System for full disclosure of information.

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."

List of Ardentec Directors		
Title	Name	Educational Background and Experience
Chairman	Chih-Yuan Lu	Chairman and CEO of Ardentec Director and President of Macronix International Co., Ltd. President of Vanguard International Semiconductor Corporation Deputy General Director of ERSO, ITRI Ph.D. in Physics, Columbia University, U.S.A.
Vice Chairman	Shaulong Chin	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	Director of Electronic Quality Engineering Center, Macronix International Co., Ltd. Department of Material Science and Engineering, National Tsing Hua University
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	Division director of Ardentec Corporation Director and President of Ardentec Deputy Division Director of ERSO, ITRI Ph.D. in Industrial Engineering, Texas Tech University, U.S.A.
Corporate Director	Representative of Sheng Tang Investment: Dyi-Chung Hu	Senior Deputy General Manager, New Business Development Department, Unimicron Co. Ltd. Cofounder of Prime View International Co. Ltd. and HannStar Co. Ltd. Senior Electronic Structure Technology Development Engineer, International Business Machines Co. Ltd. (IBM/East Fishkill) Associate professor, National Chiao Tung Transportation University Ph.D. in Material Science and Engineering, Massachusetts Institute of Technology, U.S.A.
Independent Director	Gordon Ta-Hsiung Chen	Special consultant, Baosteel Gases Senior Consultant, BOC Lien Hwa Industrial Co., Ltd. President of Electronic Industry Gas, Praxair Asia President of Praxair Chemax Semiconductor Materials Co. Ltd. Ph.D. in Chemical Engineering, University of Houston, U.S.A.
Independent Director	Wei-Shan Hu	Vice President of Chung Yuan Christian University Ph.D. in Financial Management, University of Oklahoma, U.S.A.
Independent Director	Chen-I Chia	President of Retail Banking Business Group, Bank SinoPac President of Retail Banking Business Group, Chien Hua Bank MBA, University of Wisconsin

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

### 3.3 Executive Compensation Policy

A Compensation Committee was formed on December 22, 2011, composed of three independent Directors of Ardentec's Board of Directors. Its function includes establishing the policies and system related to the performance and salary remuneration of the Directors, Supervisors and Managers and regularly reviewing the salary remuneration of the Directors, Supervisors and Managers to achieve the goal of reasonable remuneration and retaining talents. The committee holds at least two meetings per year. A total of three meetings have been held in 2014, and proposals were formulated in accordance with the resolutions of the meetings and were submitted to the Board of Directors for review.

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, related members of Board of Directors would disassociate themselves from discussions that pose conflicts against their own interests.

**Note** Managers refer to those who are Senior Director 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.

Ardentec has been insisting on the integrity management since it was founded. Ardentec promotes and advocates the moral behavior of integrity management to all employees. Any forms of corruption, extortion and misappropriation of public funds are strictly prohibited. We refuse to provide or accept any improper benefits, abide by fair trade, and do not participate in illegal market competition such as false advertisement, and restraint the employees from corruption, misappropriation of public funds and other behaviors that might lead to a significant loss of the company. Ardentec also formulates the employees' code of behavior and

ethics based on each moral norms of conduct. In addition to the establishment of a complete internal control system and operating procedure, the company has set up various channels for the employees and external units to report or complain, and the company has designated the senior management to handle them personally. All employees are required to accept moral standards and anti-corruption training. As of December 31, 2014, all employees of Ardentec have completed the anti-corruption training. In 2014, all business personnel and managers graded department head

and above had completed their "Conflict of Interest Reports." No corruption has occurred in 2014.

In 2014, trainings on "Supplier Chain Ethic Norm" have provided to the manager level and above, procurement and sales, hoping to enhance the business ethnic culture through business interaction. Ardentec also continues to sign customer CSR and business ethnic commitment to show Ardentec's recognition and support of the business ethical standards.

### 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(FSC). Competent and appropriate auditors are allocated in the audit office under the Board of Directors. The audit office drafts an annual audit plan in accordance with regulations which should be approved by the board of director in order to carry out the audit for each item and propose suggestions for improvement. 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 Internal Audit Office is able to assist the board and the management with their internal control and risk management.

#### The highlights of the 2014 audit include:

- Audit the annual audit items required by the FSC: It includes acquisition or disposition of assets, engagement of derivative transaction, loans to others, management of endorsement or assurance to others, supervision and management to the subsidiaries, management of meeting operation of the Board of



Directors, information and communication security check, sales and receivable cycle, procurement and payment cycle, management of International Financial Reporting Standards (IFRS), accounting professional judgment procedure, accounting policies, procedure of projected change, and the management of the operation of the Compensation Committee.

- In addition to the annual audit items required by the FSC, part of the operating cycle and control activities are included in the annual audit items based on the result of risk assessments.

Supervise the internal units and subsidiaries to conduct self-check and review the self-check reports provided by each units and subsidiary in order to determine the effectiveness of the design and implementation of the internal control system.

### 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.

Risk Category	Risk Management Strategies
Financial risks	<ul style="list-style-type: none"> <li>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. The audit officer and accountants carry out in-depth audit every year to check and prevent possible financial risks, regularly publish the accountants' audit report, hold shareholder meetings and irregular legal person information meetings and publish relevant financial risk information on the Market Observation Post System. 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.</li> </ul>
Operational risk	<ul style="list-style-type: none"> <li>In order to avoid the risk of supply chain disruption, "Supply Chain Risk Evaluation Measures" is established to reduce the risk of resources disruption during operation. 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.</li> <li>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.</li> </ul>
Safety risk management	<ul style="list-style-type: none"> <li>The global climate change has caused frequent abnormal climate which poses risks on the interruption of production. The Company has implemented a set of "Emergency Response 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.</li> <li>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.</li> <li>The global climate change has caused frequent abnormal climate which poses risks on the interruption of production. The Company has implemented a set of "Emergency Response 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.</li> </ul>
Legal and intellectual property risks	<ul style="list-style-type: none"> <li>the Company has implemented its "Intellectual Property Rights Protection Guidelines" 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 "Compliance Identification Procedures" 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 to 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.</li> </ul>
Information risk	<ul style="list-style-type: none"> <li>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 the lifeblood of the technology industry and the clients. In order to achieve the strict protection of information security, 11 documents related to information security including "information security manual" are developed. Information security training to all employees is conducted annually.</li> <li>All system development and maintenance, data access, backup mechanism, virus and internet intrusion have rigorous protection measures. The computer room is equipped with automatic fire extinguishing system, uninterruptable power system and video surveillance measures.</li> <li>"Information security committee" was established in 2007 to develop multiple information security protection mechanism and conduct 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 standard" verification in 2008. In 2013, the Taiwan headquarter Dingxing site passed the Common Criteria certification. In 2014, the Taiwan headquarter Kaiyuan site and Singapore site also passed the Common Criteria certification. Under the robust protection of Ardentec's information security system, there had been no incidents of leakage of commercial or personal information as of 2014.</li> </ul>

## 3.7 Major Investment and Supplier Human Rights

The major investment of Ardentec in 2014 is in the equipment and software required by the main business operation. Ardentec's management to the subsidiaries fully complies with the local labor and human rights related regulation, and it is autonomously managed by Ardentec. There is no question of insufficient human right protection.

The main suppliers of Ardentec are from the US and Japan. Both are developed countries with complete and

well protected human rights laws and regulations. Except for the equipment procurement, other procurement is made locally. Local legal establishment is one of the important principles of supplier and contractor selection which ensures that the suppliers or contractors comply with the local human right laws and regulations. Therefore, Ardentec does not include the human rights laws and regulations in the terms of investment of supplier screening. In 2014, Ardentec had no major investment in a new country nor did new suppliers join Ardentec.





# Environmental Protection



## 4.1 Environmental Sustainability Policy

To coexist harmoniously with the environment and be a good partner to the environment, Ardentec is committed to energy saving, carbon reduction, maintenance of ecological environment, implementation of "environmental sustainable development" policies and practice the concept of environmental sustainable development.

### Ardentec's environmental sustainable development policies

Take compliance with the regulation as the benchmark, we are committed to pollution prevention, and are working towards the direction of low-carbon, energy saving and environmental sustainability.

Regarding the purchase of each site or lease assessment, selection and business activity planning, our first consideration is to be away from the habitat and conservation areas with rich biodiversity. In addition, another important selection factor is to be as close as possible to the clients to achieve low-carbon and energy saving transportation. We do our best to minimize the transportation mileage and energy consumption of daily operation in order to reduce the impact on the environment. All dormitories are located within the walking distance of the site to reduce the carbon emission generated by vehicles.

## 4.2 Environmental Protection Expenses and Investment

In 2014, the total expense in the environmental category is about NT\$4,237,754 (headquarter NT\$2,594,055 and Singapore site NT\$1,019,416, Korea site: NT\$624,283) The majority is the cost of business operation and management, including environmental system standard audit, pollution

prevention, environmental monitoring, educational activities of environmental protection and sponsorship of environmental groups. The cooperation units include third party verification units, such as BSI and UL, and recycling, professional wastes removal, and environmental monitoring units.

## 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.

### • Environmental Management System

Ardentec is committed to the practice of energy saving and environmental protection, and has been able to project its care for Earth's natural resources into real actions. In 2004, Ardentec passed the ISO14001 Environmental Management System certification.



ISO 14001- Taiwan Headquarters



ISO 14001- Korea Site



ISO 14001- Singapore Site

### ● Management of Hazardous Substances

Through the certification process of IECQ QC 080000 Hazardous Substance Management system, Ardentec makes sure all services provided meet the clients' requirements and comply with international laws such as EU RoHS and REACH which are international environmental regulations on the management of hazardous substances.

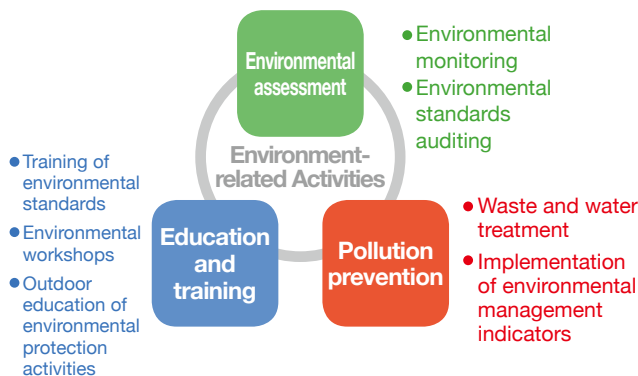
By developing a QC 080000-Compliant Hazardous Substance Process Management System and an ISO14001-Compliant Environment Management System, Ardentec is able to ensure that its services continue to conform to customers' and global standards on hazardous substance processing. The Company has also devoted itself in energy conservation and environmental protection, and has been able to project its care for Earth's natural resources into real actions.

In 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 2014, there were no incidents of major leakage or pollution by Ardentec's headquarters or its Singaporean and Korean subsidiaries that resulted in fines or litigations.



### ● Management of GHG

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.

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 <sub>6</sub> 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 contractors 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.

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 CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs and SF<sub>6</sub>. 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 CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O. 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.

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 T Site. All three sites in Taiwan have completed their greenhouse



By Tsai Chen Yeh

gas surveys, whereas the Singapore Site had also been reviewed in 2013. Operations and greenhouse gas emission of the Korea site 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.

## 2014 ISO 14064 GHG Emission Opinion Statement



Taiwan Headquarters

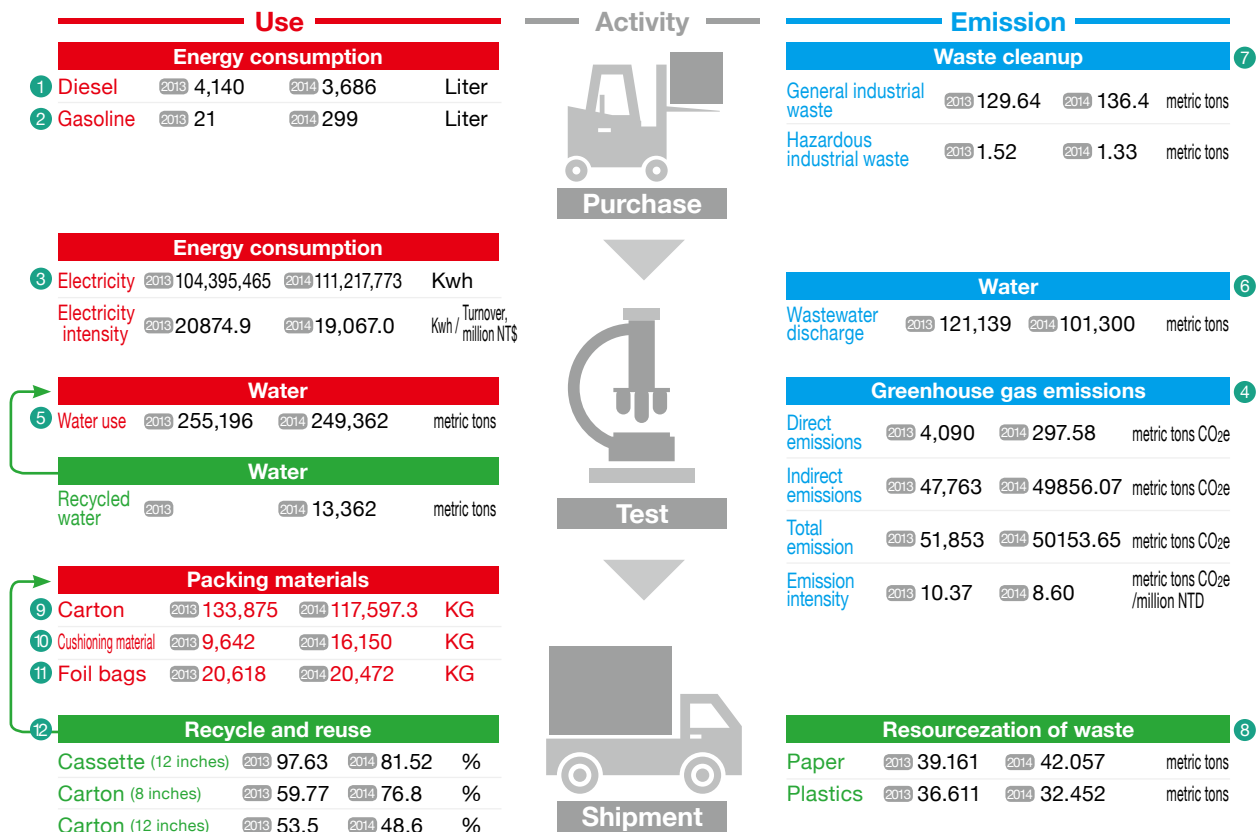


Singapore site

## 4.4 Disclosure of Environmental Information

The business operation of Ardentec is wafer and final product testing. The main environmental resource consumed is the electricity for the testing machines running 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:

### Operations and Related Consumption of Environmental Resources/Energy



#### Note :

- 1 Diesel: Emergency generator (annual maintenance, routine operation testing or power outage use)
- 2 Gasoline: Pumps for emergency use
- 3 Electricity consumption: General electricity usage for testing machines and office area
- 4 GHG emissions: It includes Scope I and Scope II, mainly the indirect greenhouse gas emissions from the externally purchased electricity.
- 5 Water consumption Air conditioning water and general domestic water
- 6 Wastewater discharge: Wastewater of cooling towers of air conditioning/general domestic water and process wastewater
- 7 General industrial waste: Packaging materials, confidential documents, garbage, etc.; Hazardous industrial waste: Handle the scrap IC, wafers and probe card cleaning solution, etc. for clients.
- 8 Resourceization of waste: Paper and plastic (waste wafer box /PVC/ waste plastic) recycling
- 9 Carton: Wafer and IC shipping cartons
- 10 Cushioning material: Wafer and IC shipping cushioning material to avoid collision
- 11 Foil bags: Wafers are placed in vacuumed aluminum bags before shipment, in order to prevent oxidization.
- 12 Recycle and reuse: Reuse of the cassette and the wafer shipping carton

### GHG Emission Information

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 CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O 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.

2014 Scope/Site GHG Emissions			
Greenhouse gas	Scope 1	Scope 2	Total
Taiwan Headquarters (metric ton CO <sub>2</sub> e)	289.2	45,043.17	<b>45,332.37</b>
Singapore Site (metric ton CO <sub>2</sub> e)	8.38	4,812.29	<b>4,820.67</b>
Total (metric ton CO <sub>2</sub> e)	297.58	49,856.07	<b>50,153.65</b>
GHG emission intensity (metric tons CO <sub>2</sub> e/million)	0.05	8.55	<b>8.6</b>

- 1 The GHG emission figures disclosed above belong to Scope I and Scope II, including CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs and PFCs.
- 2 There is no SF<sub>6</sub> emission during the business operation, so it is not included in the statistics. A small amount of R123, R22, HCFC-141b and HCFC-124 controlled by the Montreal Protocol was emitted in 2014.
- 3 Scope 3 is the other indirect emission not belonging to self-owned or self-controllable
- 4 So far, the operation of the Korea site is small in scale and the GHG emission is insignificant. When the scale of operation grows to a certain size in the future, the GHG inventory and verification will be conducted.

## 4.5 Climate Change and Opportunities

With the exacerbation of global warming, energy crisis and climate change, the requirement of relevant regulations will become stricter. Reduction of GHG emissions is a top priority of climate change management. In addition to complying with the government's environmental protection guidelines and 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. Facing the unavoidable increase in the cost of energy and environmental protection caused by climate change, Ardentec is committed to various energy saving projects to lower the impact on the cost structure. Meanwhile, Ardentec is also committed to waste reuse or recycling, working towards the lowest consumption of environmental resources and optimal cost management to enhance the competitiveness.

## 4.6 Management of GHG Reduction

### Energy Conservation Projects

Ardentec has actively promotes the energy saving actions in all sites. The CSR committee designates Facility Department which manages the energy-related equipment and provides water, electricity and gas to apply the concept of Quality Control Circle (QCC) to the establishment of an inter-site energy conservation team, which, through planning and integrated management, pursuits the common goals of basic infrastructure optimization and energy saving.

The company continues to promote the energy saving program for the site and working environment. In 2014, the energy saving programs in the Taiwan headquarter, Singapore site and Korea site have saved a total of 1,186,021 kWh (about 4,670 GJ) and reduced 587.34 metric tons of carbon emission.

The promotion of 2014 energy saving programs includes:

### Taiwan Headquarters:

**Improvement of performance of the chiller:** Retire the low efficiency chillers and replace them with high efficiency new style chillers to save energy.

**Air conditioning system cooling tower energy saving plan:** Reducing the temperature of the input cooling water to reduce the load of the chillers and save energy.

**External heat drier:** the external heat drier does not need to compress the air to reduce the dew point of the air. With reduced air supply from the compressor, it reduces the electricity consumption of the air compressor.

**Inverter air compressor:** the inverter air compressor adjusts the air supply based on the actual usage. The traditional air compressor is replaced by the inverter air compressor to reduce the wasted power consumption during unloading, thus saving energy.

**Adjustment of IT server based on the air flow:** The distribution of servers in the IT room is adjusted



Site	Energy conservation projects	kWh energy-saving	CO2 emission reduction (metric tons)	Power-saving amount (NT\$)
Taiwan Headquarters	Improvement of chiller performance	249,264	130.12	722,865
	Air conditioning system cooling tower energy saving	11,408	5.95	33,083
	External heat drier energy saving	98,653	51.50	286,093
	Inverter air compressor energy saving	155,220	81.02	450,138
	Adjustment of IT server based on the air flow	9,790	5.11	29,370
Singapore Site	LED energy saving lighting	100,366	49.95	611,782
	Chiller energy saving	77,544	38.59	472,670
Korea Site	Improvement of machine power supply system	190,310	88.55	612,607
	Facility and office equipment energy-saving program	293,466	136.55	944,667
<b>Total</b>		<b>1,186,021</b>	<b>587.34</b>	<b>4,163,275</b>

Calculation basis				
項目	Unit	Taiwan Headquarters	Singapore Site	Korea Site
Conversion rate per kWh Announcement unit		Ministry of Economic Affairs	Singapore Power Authority	South Korean Ministry of Environment
Power consumption unit	kWh	kWh	kWh	kWh
CO2 emission	metric tons	1kW · h x 0.522	1kW · h x 0.4977	1kW · h x 0.4653
Power-saving amount	NT\$	kWh energy saved x NT\$ 2.9/kWh	kWh energy saved x SGD0.2548/kWh x 23.923	kWh energy saved x KRW111/kWh x 0.029
Conversion rates			23.923 is the 2014 average monthly exchange rate of Singapore Dollar to New Taiwan Dollar announced by the Ministry of Finance.	0.029 is the 2014 average monthly exchange rate of Korean Won to New Taiwan Dollar announced by the Ministry of Finance.

according to the distribution of air flow to increase the efficiency of the air conditioning system and reduce the number of the air-conditioners that are turned on. This will save energy without affecting the temperature specification of the server room.

**Singapore site:** "LED energy saving lighting", "Chiller energy saving"

**Korea site:** "Improvement of machine power supply system", "Facility and office equipment energy-saving program"

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.

### Simplification of Lighting and Air-conditioning

Ardentec promotes carbon reduction life, control and management of office lighting and air conditioning zoning and implementation of energy saving measures of lighting and air conditioning during night time and holidays, for example: Concentrate the night and holiday duty workers to certain work areas. Promote readily energy saving. Turn off the lighting and power of air conditioning in accordance with the control chart when leaving the 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"

Since 2009, the Company has implemented the "Meat-free Monday" policy. Through a meat-free day a week, all employees have reduced the carbon footprint of food from their plates. With a reduction of 10% livestock products from

the daily diet, we not only reduce the livestock's harm to the global warming but also give our employee a chance to practice the healthy, low-carbon and green lifestyle.

### 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 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 the air and water.

## 4.7 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. T Site and K Site consume more water than G Site because of their larger production capacity. In 2014, the three sites in Taiwan used 220,049 metric tons of water in total. In 2014, the three sites in Taiwan plus Singapore Site and Korea Site used 249,362 metric tons of water in total.

Water Resources Consumption in 2013 and 2014 (unit: metric tons)				
Year	Taiwan Headquarters	Singapore Site	Korea Site	Total
2013	227,161	17,451	10,584	255,196
2014	220,049	20,023	9,290	249,362

**Note 1** Taiwan Headquarters 2014: TSite used 8% less water compared to 2013, whereas K G Site used 21% less and K Site used 42% more compared to 2013 because of new production procedures.

**Note 2** Water source of the Taiwan Headquarters: Hsinchu Baoshan second reservoir of Taiwan Water Corporation

### Water Conservation Results

Ardentec also took on a more active step towards promoting water conservation, replacing water conservation facilities at various sites, and tightened its management over the use of water. Under the impetus of the water conservation measures, the water recycling/reuse ratio was increased in 2014. Regarding water conservation performance, the air conditioning condensation water and the RO discharge from the process have been reused as cooling water for the air conditioning. We hope this maximizes the recycling and reuse rate of water resources and reduce the impact on the environment. The cost saved from water conservation

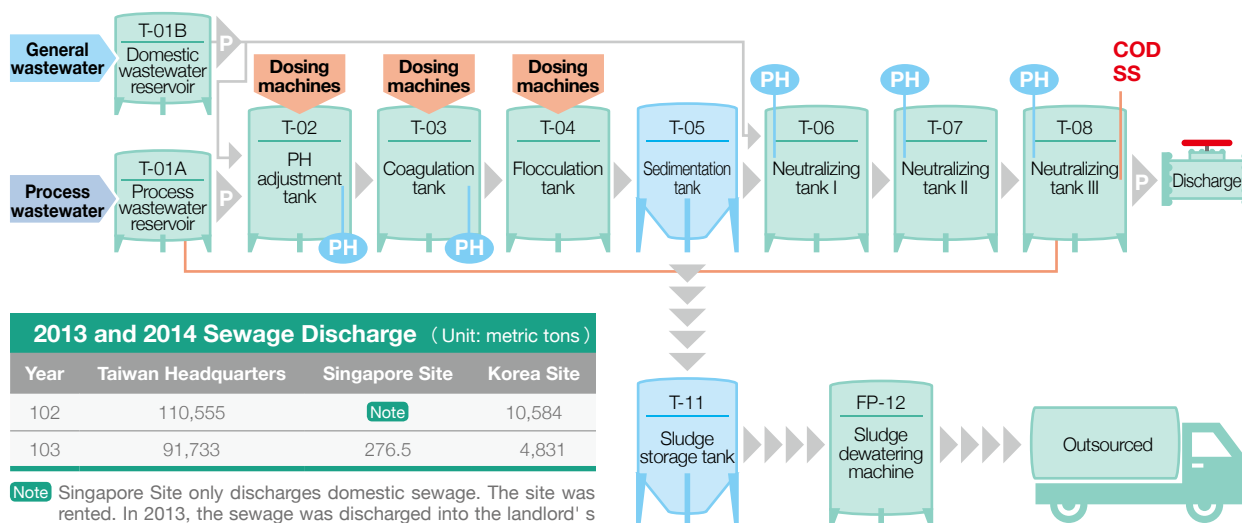


By Marvin Lin

will be transferred to the environmental education related to water resources which is in line with the Company's positive circulation of green management system. In 2014, a total of 13,362 metric tons of water were recycled. In 2014, there was a 16.6% increase in the revenue, but the total water consumption was reduced by 2.3%. The water recycling, reuse and conservation benefit was 16.23%.

### Sewage Discharge

Sewage discharge of business activities mainly comes from the wastewater from the air conditioning cooling tower in the factories and general domestic water consumption such as cleaning sewage. Wafer Level Chip Scale Packaging (WLCSP) has been added to the K Site since 2014. Because this process discharges wastewater, a wastewater treatment system has been built in K Site. Prior to discharge, the sewage passes through the water quality (PH and COD) and quantity monitoring system to make sure that the wastewater from the process fully meets the wastewater treatment standard of the Hsinchu Industrial Park. Only after the necessary treatment in the wastewater treatment plant in the Hsinchu Industrial Park is undertaken, can the wastewater be discharged to rivers. Therefore, the discharge of the Ardentec will not cause any impact on the biodiversity inside and outside of the conservation area.



## 4.8 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 2013, the Taiwan Headquarters produced 129.55 metric tons of general industrial waste, and 3.19 tons of hazardous industrial waste in total. In 2014, the Taiwan Headquarters produced 116.7 metric tons or 10% lesser general industrial waste compared to 2013, and 1.51 metric tons or 52.7% lesser hazardous industrial waste as compared to 2013. In 2014, the Taiwan Headquarters plus Singapore Site and Korea Site produced 129.64 tons of general industrial waste, and 1.52 tons of hazardous industrial waste in total.

Waste Items and Treatment								(Unit: metric tons)	
Category	Waste type	2013			2014			Cause of waste	Treatment
		Taiwan Headquarters	Singapore Site	Korea Site	Taiwan Headquarters	Singapore Site	Korea Site		
General industrial waste	Mixture of waste plastic	27.1	0	1	23.72	0.06952	1	Packing materials	Incineration
	Mixture of waste paper	25.6	0	1	25.45	2.097	1	Shredded confidential documents	Incineration (not suitable for recycling)
	Daily living wasting	64	7.2	3.74	71.99	7.5	3.58	General garbage	Incineration
Hazardous industrial waste	Waste electronic components, leftovers and substandard items	0.45	0	0.01	0.39	0	0	Scrapped IC/wafer ①	Chemical treatment
	Waste liquid with pH of 12.5 or higher	1.06	0	0	0.94	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 2014

- The reuse rate of wafer cassettes: 8 inches - 89.88%; 12 inches - 81.52%;
- Carton reuse rate - 8 inches: 76.8%; 12 inches 48.6%

※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 (Unit: kg)								
Item	Source of waste	Method of reuse	2013			2014		
			Taiwan Headquarters	Singapore Site	Korea Site	Taiwan Headquarters	Singapore Site	Korea Site
Waste paper	Carton boxes and general documents	Paper raw materials	37,340	921	900	39,460	2,097	500
Waste wafer cassette	Scrapped wafer cassettes	Plastic raw materials	23,516	130	1,000	23,021	230	0
PVC	PVC gloves	PVC raw materials	5,830	75	158	7,940	110	0
Waste plastic	Plastic bags, bubble wraps, and other plastic	Reused by the recycling agent	5,792	50	60	997	69.52	80
Mixed metal scrap		Recycled by recycling agent to extract precious metals or for other purposes	265	88	120	2,190	8.1	210
Scrap iron	Engineering waste, scrapped equipment...	Recycled by iron recycling agent to extract other metals	166,511	50	20	935	51.2	30
Others	Scrapped servers, monitors, lamps, batteries...	Reused by the recycling agent	1,228	25	20	26,398	602.86	0

Item	Source of waste	Method of reuse	Kg		
			Taiwan Headquarters	Singapore Site	Korea Site
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

## 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. There are about 1,400 employees in 2014. It could save nearly 340,000 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.



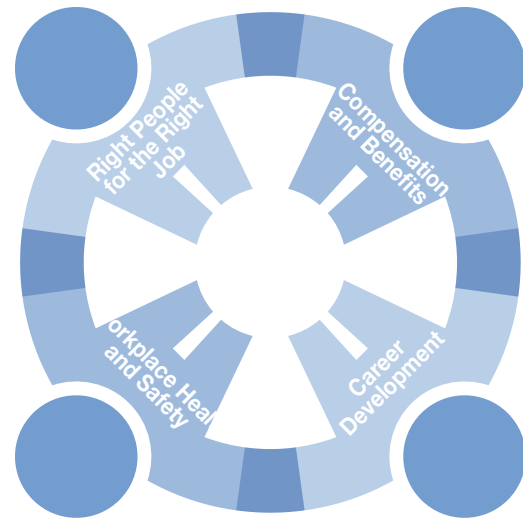




# Employees as Partners

## 5.1 Employee Partnership Policy

By viewing employees as partners of the Company, Ardentec has developed an employee partnership policy that is centered on 4 core values: "Right People for the Right Job," "Reasonable Compensation," "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 of 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

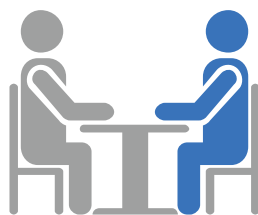


to collaborate with workforce agencies that have demonstrated sound records of humane practices. The head of human resources and the department in need of recruitment would personally visit the countries through which workers are sourced, and interview them to ensure that all workers are hired through legal procedures and have their human rights protected.

### Hiring Process



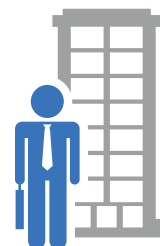
Resume screening



Interview



Hired



Registration

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 2014 the employment of disabled people is nearly 140% of that required by "People with Disabilities Rights Protection Act."

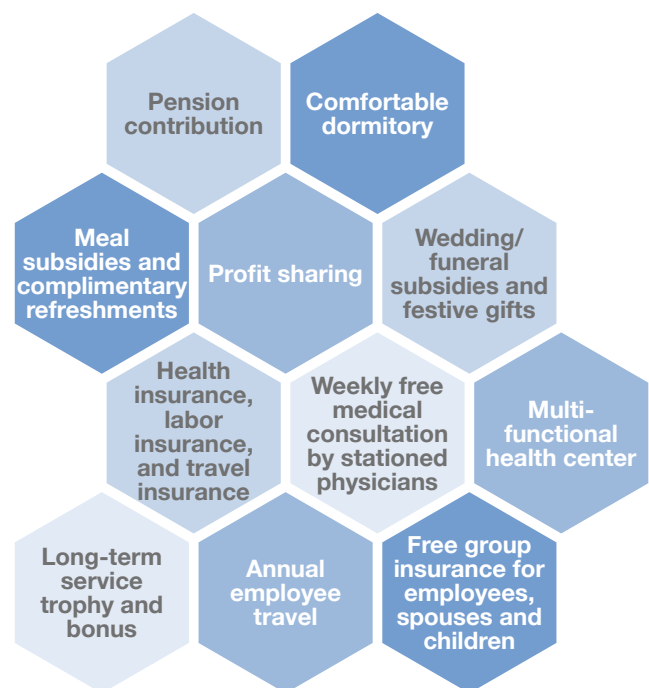
Meanwhile, the Company also requires its suppliers to avoid unfair treatments and eliminate any form of forced labor (including slavery, use of trafficked, imprisoned, or debt-burdened labor etc). It is imperative for labors to perform work out of their own free will. This initiative ensures that Ardentec's 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. Market salary level, industry pay level and the Company's operating performance are regularly assessed. Performance evaluation and salary adjustment are carried out in the first quarter of each year based on the contribution, performance and responsibilities of previous year. Gender, race, religion or marriage status does not make a difference. Our salary policy ensures that the Company's talent maintains a high degree of competitiveness in the regional job market. In addition to salaries, the Company also has operational benchmarks and bonus systems in place to guide and reward employees' performance. In 2014, the Taiwan headquarters and subsidiaries spent a total of NT\$1,373,476,000 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. The 2014 surplus of Taiwan Headquarters allocable to the employee is NT\$130,326,870.

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.



2014 Employee Salary Comparison by Gender

	Taiwan Headquarters		Singapore Site		Korea Site	
	Female	Male	Female	Male	Female	Male
Managerial	1.00	0.98	1.00	0.94	-	-
Engineering	1.00	1.00	1.00	1.00	1.00	0.93
Administrative	1.00	0.98	1.00	0.79	1.00	1.09
Technical	1.00	0.94	1.00	0.93	1.00	1.26

Note no female managers in Korea Site





The retirement arrangement of the employees should be appropriately planned. The Taiwan Headquarters transfers the pension contribution to the employees' personal bank accounts every month in accordance with the new retirement policy. Pension contribution following the old retirement contribution is also deposited to the specific accounts every month in accordance with the 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. A Pension Supervisory Committee comprising of employee and management representatives would review the pension account every quarter and discuss issues regarding employees' retirement.

The Singapore Site complies with local regulations by contributing to the government-managed Central Provident Fund (CPF), whereas the Korea Site follows the "Pension Protection Act" and makes contributions



to a "Defined Contribution" (DC: Defined Contribution Retirement Pension) plan that the employer and the employees have agreed upon.

In 2014, the Taiwan headquarters and its subsidiaries made pension contributions totaling 4% of employees' salaries.

Balanced work and life maintains the vitality of the employees and the Company. We encourage our employees to exercise, socialize, travel and participate in any leisure activities and enjoy their time with their family.

The Employee Welfare Committee organizes staff travel every summer. Different routes are provided every year and at least two echelons are held for each route to ensure all employees have full choices. Local employees and expatriates all invited their family and friends to the tour. It not only deepened the relationship between families and friends but also provided an opportunity to see the beauty of Taiwan in depth.

In order to encourage low-carbon travel, the cycling club organized a cycling trip to Grape Myrtle Lake Ecological Area for employees, families and friends in 2014. The Vice President of Operation led the staff to practice low-carbon lifestyle.

After conquering the Yushan main peak, west peak and north peak in 2013, the member of the climbing club once again challenged the Yushan main peak, front peak and east peak in 2014. The Vice President of Operation also led the staff to conquer the peak of Northern Dawu Mountain, the highest mountain in Southern Taiwan, exploring the beauty of forest in Taiwan by feet.

The employees had been looking forward to a warm end of the year banquet. Regardless of nationality, they were teamed up for rehearsal. The end of year banquet provided a great opportunity for the employees to show





By Ivan Chan



their acting talents outside of work. With music, dance and comedy, the employees not only entertained themselves but also brought the party to life. The leadership led the managers at all level to dive into the party and mingle with all employees.

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.

※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.



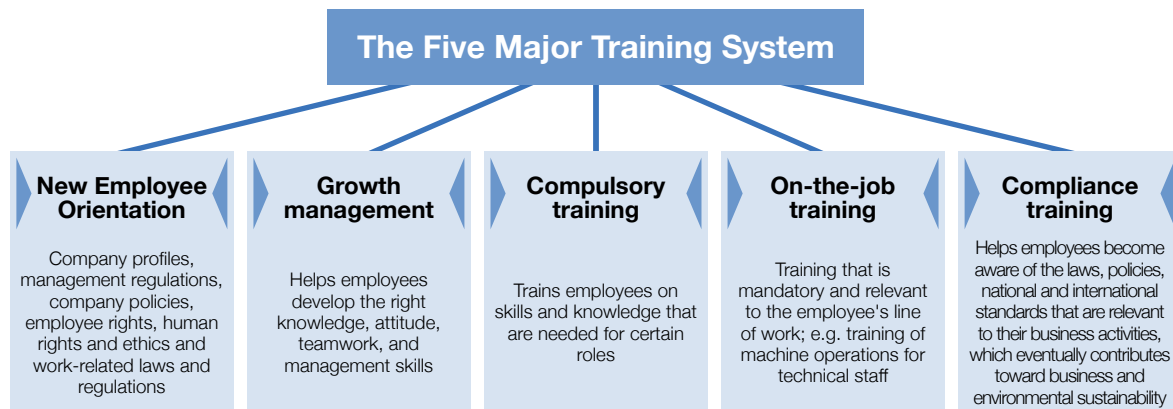


## 5.4 Education and Training

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 on 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.

The performance evaluation in the first quarter of each year involves training requirement and personal development plan (PDP) review. The supervisor and employee discuss the personal work and annual growth requirement required by the future target and create a customized training program in order to assist the employee's career development and lifelong learning.

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 2014, 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 order to strengthen the management capacity of the management team and reinforce the continuous growth of operation, Ardentec has invited international experts with extensive multinational company operation practices to provide customized management seminars based on the characteristics of the industry, division of responsibility of the management team and the long-term development goal of the Company. In 2013 and 2014, the management team in Taiwan and Singapore Site fully completed the management seminars. In every seminar, the Chairman and the President personally elaborated the long-term goal and philosophy of the Company. In addition to the enhancement of the management capacity, the lectures, participation and interaction unified the philosophy and direction of the management team.

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.



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.



Ardentec places special emphasis on the human rights and ethic training. Training of human rights policies and consideration has been provided to all securities responsible for security control to ensure that the securities comply with Ardentec's respect to human rights when doing their duties. As of 2014, a total of 1,011 hours of "Human Rights and Ethics" training was provided, and it achieved 100% completion training rate.

In 2014, Ardentec's headquarters and subsidiaries organized 57,053 hours of training and received

28,580 enrollments in total. On average, every male employee had 29.7 hours of training. Every female employee had 43 hours of training. 100% of employees received training.

2014 Training Hours by Job Role and Gender

Job role	Male	Female
Manager <small>Note</small>	13.7	15.4
Engineering	30.5	29.4
Administrative	13.2	14.5
Technical	43.7	51.1

Note refers to managerial roles of section grade and above

## 5.5 Workplace Health and Safety



The safety and health of every worker plays an important role in the happiness of a family. Therefore, it is our priority to consider employees' health and safety. Ardentec regularly prepares themes of occupational hazard advocacy to strengthen the concept and awareness of occupational hazard prevention.

### Occupational Safety and Health Committee

In order to construct a platform for labor participation and communication of health and safety related matters, Ardentec has established the Occupational Safety and Health Committee which reviews, coordinates and recommends matters related to labor safety and health. The labor representatives of the committee were selected by the labor representatives of the labor-management

	Taiwan Headquarters		Singapore Site		Korea Site	
The number of committee members	19		10		8	
Labor representative	9	47%	9	90%	7	87.5%
Management representative	10	53%	1	10%	1	12.5%

meetings. The ratio of labor representative is higher than that required by the regulation.

Occupational Safety and Health Committee holds regularly quarterly meetings. The labor and management review the environmental protection, occupational safety and health related plans and implementation performance, and make recommendations. The Committee is a direct and transparent communication platform. All representatives can fully express and communicate their comments related to safety and health in the meetings. Conclusions of every committee meeting are documented and recorded as a reference for subsequent supervision and future occupational safety and health planning.

## Environment, Safety and Health Management System

We comply with domestic and international labor health and safety regulations, and commit ourselves to implement safety and health measures that conform with the requirements of law. Ardentec has implemented both OHSAS 18001 and CNS15506 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.



BS OHSAS 18001:2007 verification certificate



TOSHMS Certificate

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.

"Safety" is the highest principle in the workplace. To ensure that Ardentec's employees and contractors 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.

## Safety Promotion

### Introduction of Safety Culture

"Safety culture" is the force for continuous improvement. When safety is internalized as part of daily activities and even becomes a culture, employers will naturally be aware of the safety, and thus the probability of occupational hazard would naturally decrease.



Ardentec participated in the "measures to promote safety culture, field diagnosis and the establishment of introduction mode" program held by the Institute of Labor, Occupational Safety and Health, Ministry of Labor and Labor in 2014. With the help of professionals, it accelerated Ardentec's implementation of safety culture.

Before the plan was introduced, questionnaire feedback was used to analyze the safety culture of Ardentec and the strategies and measures of priority prior to the implementation. We hope to implement the overall safety culture of the Company through the establishment of promotion mode.



### Observation

Managers of all level and occupational safety personnel regularly or irregularly observe the behavior of the field operators in order to identify the unsafe behavior of the staff and the potential risk of the equipment, and timely communicate and correct it in order to reduce the occupational hazards and enhance the safety awareness of the staff during work. Safety observation of a total of 43 projects were completed in 2014, and 19 potential risks were found. Based on the potential risks found, each department amended the operation standard and conducted training to ensure the risks were eliminated.

### Safety Improvement Proposal System

Through a proposal system initiated in 2014, we encourage the staff to take the initiative to explore the potential hazards in the Company's environment, equipment, facilities and activities (including the false alarm caused by potential hazard), and propose recommendations for improvement in order to enhance the safety awareness of the staff and reduce the risk of hazards.

### Safety Education

Ardentec emphasizes the enhancement of the safety leadership of the management who lead the staff to pay attention to the safety concepts and behavior. Ardentec has specifically invited the experts of the industry and academia to remind the management of safety and health and conduct case study. In addition, to strengthen the staff's recognition of workplace safety and health, all employees have to complete general safety and health training. This shows Ardentec's insistence and emphasis on safety and health.

### Disclosure of Health and Safety Information

Each year, statistics on the frequency and severity rates of disabling injuries are compiled 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.



Fatalities due to occupational hazard have never happened in Ardentec. In 2014, there were 20 occupational injuries. Among them, 7 were occupational injuries at the workplace; 13 were traffic accidents. Among the 7 occupational injuries, 4 injuries prevented the employees from working. They were (1) foot injury by a door (2) arm pinched by a freight elevator (3) head injury by hitting the exhaust pipe of the equipment (4) accidental slip at outdoor stairs in a rainy day. All were minor injuries.

Occupational Injury Statistics			
Item	Taiwan Headquarters		Total
	Male	Female	
No. of occupational injuries	8	12	20
Frequency of disabling injuries	2	2	4
Work days lost	2.6	1.59	4.19
No. of times delayed	0	0	0
No. of days delayed	0	0	0
Lost day rate	0%	0%	0%
Frequency of disabling injuries	1.40	1.47	1.24
Severity of disabling injuries	1.82	1.17	1.30

**Note 1** The frequency of disabling injuries and severity of disabling injuries defined by the Ministry of Labor is calculated as follows:

$$\begin{aligned} \text{Frequency rate of disabling injuries} &= \frac{\text{number of disabling injuries}}{\text{total work hours elapsed}} \times 1,000,000 \\ \text{Severity rate of disabling injuries} &= \frac{\text{total work days lost}}{\text{total work hours elapsed}} \times 1,000,000 \\ \text{Lost day rate (LDR)} &= \left( \frac{\text{total days lost due to occupational injuries}}{\text{total work hours}} \right) \times 100\% \end{aligned}$$

**Note 2** Given the condition of Ardentec's workplace and employees' work nature, there are no concerns of occupational illness

**Note 3** Occupational injuries include commuter traffic accidents. The occupational injuries have never occurred in Site Singapore and Site Korea.

Absence information			
Item	No. of absent days		Absence rate
	Male	Female	
Taiwan Headquarters	592.6	879.1	0.38%
Singapore Site	271.6	385.7	1.77%
Korea Site	130.0	20.0	1.36%
Total	2,279		0.65%

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

$$\text{Absence rate (AR)} = \left( \frac{\text{total days absent during the reporting period}}{\text{total working days in the reporting period}} \right) \times 100\%$$

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.

## Healthy Workplace Program

Ardentec is committed to provide employees with health and comfortable working environment, promote the establishment of healthy workplace, and maintain work and life balance. Continuously maintaining the health of employees has been a pursuit of Ardentec. In addition to regular health check, Ardentec has invited professional nurses and lecturer to give lectures, and physicians are stationed at regular time. Combined with fitness center and clinics, we have promoted various health concepts and organized all kinds of health promotion activities regularly.

On top of regular health promotion, we have also organized diverse and customized health promotion activities, hoping to crease a happy and friendly work environment. Key health management activities are as follows:

**1. Health check:** Health check is provided once every two years. In addition to the occupational hazard health check demanded by law, additional items are provided based on the work characteristics, age distribution and potential health risk, including physical examination of all or part of the body system such as chest X-ray, urine and blood check. In recent year, "colorectal cancer and rectal cancer" have increased rapidly. "Fecal occult blood test" was provided particularly in the 2014 staff health screening.

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 manager their health.

### 2. 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 timelier heath 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.

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.

### 3. 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.

### 4. Pandemic disease control

We aim to build a thorough epidemic prevention mechanism and adequate supplies, provide domestic and international epidemic and contagious information and promote the correct concept of epidemic prevention. We also provide "travel package" to the employees on business trips. It includes various epidemic prevention supplies and "travel caution" so that the employees and their families can set their mind at ease.



## 5. Care for female employees

Female employee care includes

- Regular annual female three-in-one cancer screening
- Exclusive parking space for pregnant employees
- Color specific clean room wears for pregnant employees, reminding others to show their care and courtesy.
- Each site has well-equipped, convenient, warm and comfortable nursing rooms.

## 6. Emergency aid facilities

A total of 9 Automated External Defibrillators (AED) are provided in all sites, and AED training is given to all staff and managers to ensure everyone understands how to use it correctly in the prime time to avoid possible injury. Moreover, first aid training, cardiopulmonary resuscitation (CPR) and health management seminars are organized every year.



## 7. Health promotion activities

Based on the employees' health check questionnaire and abnormal rate of health check, diverse health promotion activities have been organized, including female health-human papillomavirus and gynecologic cancer prevention activities, abdominal ultrasound and carbon-13 H. pylori test, blood donation, how to stay away from colorectal cancer and rectal cancer seminars, influenza vaccination and winter skin care. A total of 938 people participated.

Activity	Partners
Winter skin care	Seba Pharmaceuticals
Understanding Fibromyalgia	Pfizer, Inc.
Understanding HPV virus	Merck Pharmaceuticals
HPV and herpes zoster vaccination on one's own expense	Merck Pharmaceuticals

The Company organizes annual weight loss contests to promote the right diet and exercises for officer workers who sit for most part of the day. In addition to assistance in diet and exercise control, the Company has also invited dieticians for one to one nutrition counseling. With effective tips and concept of healthy diet and weight loss, the overall



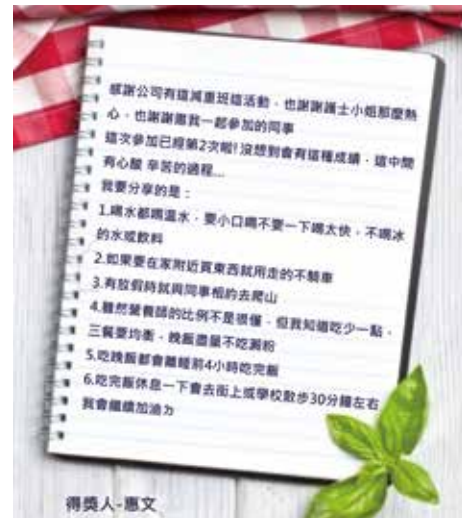
weight loss program has had an impressive result. The third annual weight loss program in 2014 is as follows:

Week	Course	Contents
1	Opening declaration	1. Opening declaration 2. Measuring blood pressure, waistline, weight and BMI 3. Explanation of program details
2	How to eat more and get thinner?	Healthy diet for weight loss
3	Am I fit?	Understand your health with the physical fitness test.
5	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
1-12	Points for exercise	Gift vouchers have been given through the collection of exercise points to encourage the employees to keep the habit of exercise.
1-12	Independent diet record	Self-record the content and portion of daily meals and snacks to understand the daily food intake.
12	Settlement results (first phase)	Top 3 winners of the first phase weight loss program were rewarded.
29	Am I fit?	See if the health of employees has improved through the physical fitness test.
32	No weight regain	Encourage employees to maintain the body weight after losing weight. Weight measurement is taken again in the end of the year.
33	Settlement results (second phase)	Settle the weight between the first and second phases. The top three with continuous weight loss were rewarded.

## 8.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. Professional physicians have been invited to give talks regularly regarding smoking cessation seminars for the smokers. Campaigns against smoking have also been advocated to encourage the employees to quit smoking, prevent other employees from the harm and pollution of second hand smoke, build up the self-health management capacity and create a healthy non-smoking life.

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



## 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 Communication and Protection Guidelines" 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. Employees may file complaints anonymously by sending e-mails using their personal e-mail addresses to [grievance@ardentec.com](mailto: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 basic rights of all those involved during investigation. All complaints, whether identified or anonymous, should be investigated with corrective measures implemented where appropriate. In 2014, a total of 11 comments or complaints were raised via the internal electronic platform, and a total of 14 comments or complaints were raised via the anonymous suggestion box. All comments and complaints have been investigated and handled by the human resources prior to reply. Regarding the anonymous comments or complaints, as long as they did not involve privacy, the results were announced to all employees. In the 25 comments, most were suggestions to parking, access control or lunch. None of them were related to working conditions or environmental impacts.

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.

### Labor-Management Meetings:

A total of 5 management representatives have been assigned by the Company, comprising the Vice President of Operation and directors. A total of 5 labor representatives have been selected by the employees ranked below the director. Labor-management meetings are held on a quarterly basis, or at anytime 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 least 30 days in advance. 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 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](mailto: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 basic 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 from 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 2014, the Company received a total of 24 anonymous suggestions via online, e-mail and physical suggestion boxes. The comments and complaints via the Internet and electronic suggestion boxes have been replied. The comments from the anonymous suggestion boxes of each plant have been replied by the relevant units and announced to the whole company in Chinese and English.

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 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



Suggestion box :

Physical suggestion boxes are placed at cafeterias of each site; any suggestions received through which are forwarded by the HR & Service Division 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.

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 fully respects the employee's rights to set up associations or participate in any legitimate organizations or union, and encourage the employees to exercise their civil rights. The Company also has full respect for the political orientation of individual employees and has communicated this belief with the suppliers for a mutual understanding. 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, 2014, Ardentec had 1,591 employees worldwide with a gender distribution of 1.07:1 (male:female). Details of which are as follows:

Job Role/Gender Distribution						
Job role	Taiwan Headquarters		Singapore Site		Korea Site	
	Male	Female	Male	Female	Male	Female
Manager <a href="#">Note</a>	94	19	16	4	12	1
Engineering	424	116	44	19	21	2
Administrative	42	55	3	8	3	2
Technical	162	470	5	51	1	17

[Note](#) refers to managerial roles of section grade and above

Age Distribution						
Age	Taiwan Headquarters		Singapore Site		Korea Site	
	Male	Female	Male	Female	Male	Female
<30	237	215	9	47	2	12
30~50	460	425	53	35	32	10
>50	25	20	6	0	3	0

Academic Distribution						
Education background	Taiwan Headquarters		Singapore Site		Korea Site	
	Male	Female	Male	Female	Male	Female
High school and below	127	196	5	45	6	15
College/university	480	423	59	33	26	5
Postgraduate and above	115	41	4	4	5	2

Nationality Distribution						
Nationality	Taiwan Headquarters		Singapore Site		Korea Site	
	Male	Female	Male	Female	Male	Female
Local	679	441	32	8	32	19
Foreign	43	219	36	74	5	3

Employment Type Distribution						
Employment type	Taiwan Headquarters		Singapore Site		Korea Site	
	Male	Female	Male	Female	Male	Female
Ordinary staff	713	658	68	82	37	22
Contract employees <a href="#">Note</a>	9	2	0	0	0	0

[Note](#) The Taiwan Headquarters has 11 contract employees, including two consultants and 9 student interns.



### Workforce Turnover

In 2014, 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:

2014 New Recruits			
Item		Count	Percentage
Gender	Male	227	49%
	Female	232	51%
Age	<30	259	56%
	30~50	197	43%
	>50	3	1%
Nationality	Local	298	65%
	Foreign	161	35%

A total of 316 employees worldwide resigned from Ardentec in 2014 (excluding end of contract severance), and the resignation rate is 27.1%. The resignation after the starting date is included in the statistics of the resignation rate. The reasons for new hire's resignation is (1) the overlap of the technical staff with the other market sectors is high and thus there is a rapid flow of technical talents in various sectors; (2) personal career planning, such as job transfer, study or family factors.

2014 Resigned Employees			
Item		Count	Percentage
Gender	Male	204	65%
	Female	112	35%
Age	<30	149	47%
	30~50	162	51%
	>50	5	2%
Nationality	Local	288	91%
	Foreign	28	9%

[Note](#) The resignation rate is calculated as: The annual number people resigned/the average number of employees

Ardentec respects what employees have planned for their careers. It adopts an equal gender perspective and accepts applications for child care leave of absence. There were 33 females and 4 males applied for child care leave of absence in 2014. There were also 2 males and 15 females who were due to resume work in 2014. 9 of them resumed work, which represented a resumption rate of 53%; 9 females chose to leave work by the end of their child care leave to devote to child care full-time. There were 14 employees due to resume work in 2013. Among them, 8 were still working in the Company in 2014, and thus the retention rate is 57%. A total of 30 females applied for maternity leave in 2014; A total of 35 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.



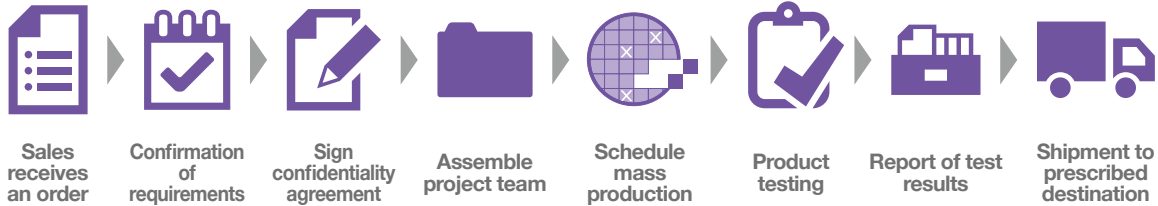


# Customer Service and Supplier Management

## 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.

### Customer Service Procedures



Ardentec has established an interdepartmental "customer project" for each customer in order to establish a smooth service system and communication channel. We build our support team around the needs of individual customers. The project members include sales, customer service, production management, quality assurance, testing development, product engineering, manufacturing and information sectors. For the clients demanding high physical security, the plant affair and general affair departments are included in the project members.

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 such as business, production and 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.

**Note** 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.

## 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. To continue to strengthen the technical level of Ardentec's information confidentiality, we have received ISO27001 certification through a third party certification. T Site received Common Criteria certification (Security Site) in 2013, and K Site and Singapore Site received the Common Criteria certification in 2014.

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 2014.



## 6.3 Quality Optimization of Customer Service

Quarter Business Reviews (QBRs) have been held to discuss the quality optimization with the key clients, and clients' expectation and feedback have been collected regularly. Sales related personnel and supervisors often visit clients to coordinate the clients' demands with the production sector. Ardentec work together with the clients and manage the available

capacity, yield factor and delivery plan from the source to enhance the customer satisfaction and the partnership with clients. Customized virtual factory information is provided to the clients so that the clients can connect to the information system to keep track of the production process and delivery of their products based on their needs.

## 6.4 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 97% customer satisfaction in 2014, which was higher than the 75% target the Company had imposed upon itself.

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

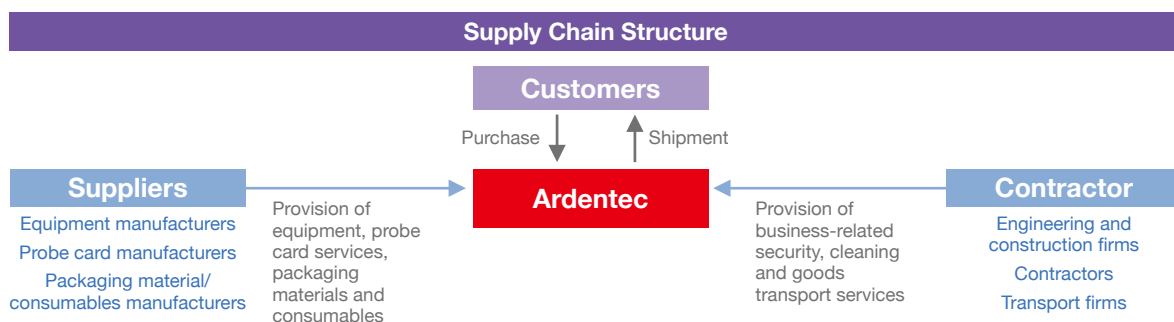
## 6.5 Supplier/Contractor Management

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. Except that the semiconductor testing equipment must rely on the manufacturing country or if clients designate their suppliers, Ardentec maximizes the use of local suppliers so that the best efficiency of various resource services can be achieved while supporting the local job 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 CSR and Business Ethics Guidelines." Doing so would ensure CSR compliance throughout the entire supply chain.



### Supplier CSR and Business Ethics Guidelines:

To the suppliers of Ardentec:

We appreciate your long-time support to Ardentec's businesses. Ardentec has long-dedicated in maintaining business reputation in a world of rising awareness towards corporate social responsibilities (CSR). As workers' rights, health and safety, and the company's working environment, management and ethics become an increasing part of our image, you - being one of our key suppliers - play a critical role in Ardentec's pursuit for CSR.

To give you an idea of what Ardentec and its key suppliers must do to meet customers' expectations, we have created a set of "Supplier CSR and Business Ethics Guidelines" and would like you - a key supplier of Ardentec - to comply accordingly.

Should you encounter any situation that contradicts the "Supplier CSR and Business Ethics Guidelines" while dealing with Ardentec, please report such incidents to Ardentec's HR & Service Division. We will maintain confidentiality for all suppliers and employees who report inappropriate conducts. Contact method is as follows:

Tel : (03)597-6688 Extension 1206 Division Director Rhiannon Chen

Fax : (03)597-1396

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

Ardentec Corporation

Material Management Division

### Supplier CSR and Business Ethics Guidelines

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. Respecting employees' freedom of association and apply no restraints on their communication. Avoiding discrimination of employees based on race, skin color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status.
2	Providing employees with a safe and healthy work environment that complies with the relevant health and safety regulations.
3	Complying with environmental protection laws.
4	Avoiding gifts to Ardentec employees or their relatives in the form of gifts, tours, discounts, loans, commissions, kick-backs, complimentary services or remunerations of any kind.
5	Conducting business in the utmost good faith, and refrain from making fictitious quotations or forging transaction data.
6	Refraining from the use of bribery, corruption, extortion, monopoly, conspired price-fixing or any inappropriate methods to compete, negotiate or deliver business deals.
7	Refraining from making non-business purchases with business entities established by Ardentec employees or their relatives.
8	Refraining from hiring Ardentec employees or their relatives as consultants within the supplier.
9	Not asking Ardentec employees to lobby within Ardentec Corp.

## 6.6 Supplier Audits

Apart from demanding compliance with Supplier CSR and Business Ethics Guidelines, the Company also conducts annual field audits on major suppliers (Note) according to the Supplier Management Policy, to determine whether they have fulfilled CSR in all aspects.

In 2014, 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

## 6.7 Business Ethics Education

Ardentec is a supplier and also has its own suppliers related to business activities. To further strengthen the business ethics of the business activities related to the upstream clients and downstream suppliers, high business ethics standards of world-class companies have been used to develop the educational materials for the "Supplier Moral Norm" education for executives, procurement unit and sales unit.

## 6.8 Suppliers/Contractors Workplace Safety

Suppliers and contractors are one of Ardentec's important business partners. Ardentec emphasizes absolute safety in the workplace and thus the contractors can only start the contracted work after they finish the "contractor plant training" and fully implement the hazard notification in order to ensure the safety of Ardentec's important business partners in the workplace.





劉邦賢 新竹香山暨琴橋

# 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

Ardentec starts from local and makes itself a global citizen with neighbors around the world. We gradually unite the subsidiaries from the Taiwan headquarters to show our care for communities with real actions and expand the scope of care and the communities involved.

### Reciprocity Free five-cancer Screening for the Community

There are many elderly and new immigrants in the Hsinchu Industrial Park. They usually do not pay much attention to their own health and medical examination. Plus, it is common that the employees in the industrial park are too busy working to arrange medical examinations. In addition to providing a healthy workplace for the employees as much as we can, Ardentec also encourages families and community residents to respond to the health promotion together.

Cancer is the biggest problem for health in Taiwan. Ardentec organized the free cancer screening for the employees and the public in the Hsinchu Industrial Park for the third consecutive year in 2014 with Hsinchu Industrial Park Service Center, National Taiwan University Liver Disease Prevention and Treatment Foundation, CHC Hospital Group and Public Health Center of Hukou Township, Hsinchu County. The screening program included liver cancer, cervical cancer, breast cancer, colorectal cancer and oral cancer, which are all very common in Taiwan. To encourage the participation in the screening program, Ardentec provided exquisite gifts to encourage the public to go for the free cancer screening—early detection means early treatment.

### Sleeves up, Blood Donation for Life

Ardentec cooperates with the blood donation center every year. The employees have actively and happily participated in the blood donation for the people in need.



### Participation in the Industrial Park Joint Defense

Ardentec has actively participated in the regional defense organization in Hsinchu Industrial Park, and contributed its practical experience in the technology health and safety management to the Hsinchu Industrial Park. Since 2013, Ardentec has assigned to the R&D 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.

### Beat the Dragon Boat Drums with the Citizens on Dragon Boat Festival

The people in Hsinchu County still retain many of the traditional folk festivals. During the Dragon Boat festival, the fragrant of rice dumplings was everywhere and several dragon boat teams were assembled to join the citizens in the Mayor Cup dragon boat race.

The pond in front of the Chiho Temple connected to the Hongmaogang in the Xinfeng Township was hustle and bustle with drum beats on the Dragon Boat Festival Day. The employees formed a cheering group to cheer for those participated in the dragon boat race. It was intense and exciting. The drumbeats echoed with cheers. The paddlers were highly motivated and the flag catcher was fully concentrated on grabbing the flag. Ardentec received the Best Spirit Award on its first expedition.



## 7.2 Educational Support

Every child is an individual with a potential for development and a successor of the future. Children's education is the society's future. Therefore, Ardentec has continued to focus on supporting the education of children. Through the power of education, we not only witness children's learning and growth, but also change of the environment and the life of children.

### Donation of Children's Books and Delivery of Love to Indigenous Tribes

Following the "passing love through donation of children's book" campaign for the elementary students in the industrial park in 2013, we once again collected children's books from our colleagues in 2014. More than 300 children's books were collected. These books have accompanied our employees' children when they grew up and now they will accompany other children in a new journey.



A thank you note from Taoshen Elementary School

CC Rou, the Vice President of Operation and colleagues from other departments personally delivered the children's book and Chinese dictionaries to students in the Singuang Elementary Ssumakussu division. Through sharing, Ardentec introduced the outside world to the teachers and students.

CSR team and the colleagues also personally delivered the children's book to Taoshen Elementary School, Wufeng Township, Hsinchu County to bring the educational resources to the rural site.

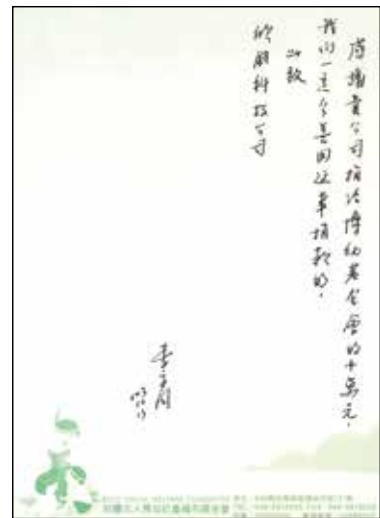


Sharing at the Singuang Elementary Ssumakussu division

Thank-you cards from the students of Singuang Elementary Ssumakussu division

### Extracurricular Learning with Childre

New immigrants and low-income households are two common characteristics of the five neighborhoods surrounding Hsinchu Industrial Park. Due to limitation in language or hardship in sustaining livelihood, some parents cannot provide enough support for children's education and leaning. The children with immigrant parents are usually behind their learning because of lack



The founder of the Boyo Social Welfare Foundation, Richard Chia-Tung Lee, wrote a thank you note to thank Ardentec's support.

of proper companion after school. To address this problem, Hsinchu Industrial Park manager organized complimentary after-school counseling and supplied dinner for children from disadvantaged families. The manager also organized accompaniment and management programs to provide children with proper care and guidance after school. Ardentec recognizes and supports this good intention to education, and thus donated school supplies and meals to the after-school class in 2014.

In 2014, the Company supported children's education by donating to various organizations including Boyo Social Welfare Foundation, Bluesky Home, Renai Children's Home, and Catholic Hua-Kuang Center for the Development of the Disabled, and provided resources to the professional institutions. We hope to provide the society with different educational assistance through diverse professional charities and support positive learning opportunities.



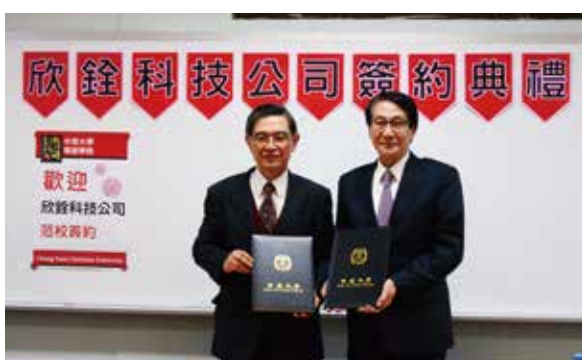
The founder of the Boyo Social Welfare Foundation, Richard Chia-Tung Lee, wrote a thank you note to thank Ardentec's support.

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.

Ardentec cooperated with Ta Hwa University of Science and Technology in 2014 to provide workplace training and experiences which combines educational resources and industrial practice so that students can have hands-on learning by doing. To take into account safety, free company accommodation was provided to the students.

To give the university students a flavor of industrial experience to verify what they have learned in school, in 2014 Ardentec provided 26 students from Feng Chia University, Yuan Ze University, Chung Yuan Christian University and Minghsin University of Science and Technology with internship opportunities in different departments based on their training and interest. Several student interns have joint Ardentec since the graduation, continuing to accumulate their professional values in depth and breadth. Furthermore, we invite our interns to join Ardentec straight after graduation to put their knowledge and experience into good use.

Ardentec has deepened and widened the industry-academic integration and cooperation since 2014. Broader cooperation is promoted on top of the internship.





### Corporate Seminars

In response to the needs of corporate seminars from universities, the executives actively provided corporate seminars in campuses in 2014.

University	Topic	Speaker
Industrial Management Department, National Pingtung University of Science and technology	Global strategy layout and prospects of Taiwan's semiconductor manufacturing industry	President
Department of Physics, Fu Jen Catholic University	The Ever-increasing Test Challenges in the Semiconductor Industry	Chief Technology Officer
Department of Electrical Engineering, National Taiwan University of Science and Technology	IC Testing Introduction Introduction to semiconductor technology	Vice President of R&D
Department of Electrical Engineering, National Central University	IC Testing industry Introduction	Vice President of R&D
Department of Electronic Engineering, Chung Yuan Christian University	IC Testing industry Introduction	Director of Product Engineering

### Priory Hiring for Locals

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 2014, including NTD 192,000 for Dual System Training and NTD 72,141 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 2014, donations were made to Genesis Social Welfare Foundation, Hua Kuang Center, St. Joseph Home, and St. Joseph Social Welfare Foundation.

### 1919 Go for Love

Some families do not meet the qualification of low-income families specified in the Public Assistance Act and thus they cannot receive the subsidies from the public sector. However, they might fall into a hopeless situation due to natural disasters, major injuries and unemployment and become the so-called "troubled family." Christian Relief Association has been raising fund for the "troubled family" who are in difficult situation because of natural disasters, major injuries and unemployment. Until June 2014, more than 7,800 "troubled families" in Taiwan had been helped by the fund.

1919 Go for Love



The members of Ardentec's cycling club spontaneously invite employees and families to donate for and participate in "1919 Go for Love" cycling event to raise fund for the "troubled family" every year. This year, they continued to invite friends and families to participate in the 13th

"1919 Go for Love—Cycling the Perimeter of Taiwan." Ardentec's cycling club members believe that "helping those in need makes the society healthier, warmer and brings everyone a more hopeful future. We hope every family in trouble can embrace every tomorrow with hope and courage, just as the Christian Relief Association said, "Because of you, the love of 1919 spreads."

### "Safe·Warm" Charity Sales

Before the Christmas in 2014, Ardentec organized the "Safe·Warm" charity sales activity for St. Joseph Home for the second year. The employees provided more than two hundred items for the charity sale while actively purchasing goods at the charity sale or donating money.

The members of the triathlon club also spontaneously collected goods that St. Joseph Home needs from friends and families. Employees showed their warmth from every aspect. Regardless the nationality, the love of Ardentec's employees brought warmth to the dementia, chronic metal illness patients and vegetative residents of the St. Joseph Home during the winter.

In the end of 2014, Ardentec organized a charity sale event for St. Joseph Home so that more employees can show their care for the elderly in need with real actions.



thank you note from St. Joseph Home



St. Joseph Home awarded a thank you note



The employees actively participated in the charity sale.

### An invoice, a Love guard the Venerable Elderly with Love

The elderly with no support, dementia and disability are the vulnerable group of the elderly population. They need



the assistance and care from society. Ardentec has placed receipt boxes in each plant area. The employees have donated their receipts actively every month for the Genesis Social Welfare Foundation and Huashan Social Welfare Foundation. The receipts have turned into a possible source of fund to guard the elderly.

### Build a Career Stage for the Disadvantaged Minority

Every life has its own stage. Ardentec has actively hired physically challenged who are willing to make a living with their own hard work. We provided them an appropriate stage so that more physically challenged people can be self-reliant and make their life shine. In 2014, the employment of disabled people is nearly 140% of that required by law.

Ardentec has joint the friendly business alliance since 2014, promoting and supporting the concept of friendly society with the companies holding the



Friendly Enterprise Alliance



same concept. Ardentec upholds a principle of acceptance, respect, tolerance and mutual aid to treat the physically challenged people equally and provides them with necessary assistance. We are also committed to promote various assistance to the physically challenged in the Company, for example, increase the employment of the physically challenged, improve the accessibility within the Company, encourage the employees to participate in the charitable activities for the physically challenged, provide funds or business opportunities for the social enterprises, sponsor the charitable activities for the physically challenged, etc.

### Diverse and Friendly Society

Ardentec supported Genesis Social Welfare Foundation, Children Are Us Foundation, Eden Social Welfare Foundation, St. Joseph Social Welfare Foundation, Maria Social Welfare Foundation and Spinal Cord Injury Social Welfare Foundation in 2014 by donation. We hope we can support the society more diversely by supporting these professional institutes so that they can provide more resources and assistance to the disabled or disadvantaged people.

## 7.4 Sustainability of the Environment and Ecosystem

### "Less Trash, More Beauty" coastal cleanup with local and foreign forces

In 1985, the toxic substance office of the US EPA confirmed by research that the pollution and danger of various plastic wastes had been far beyond our imagination, and the beaches of Taiwan have been occupied by all kinds of garbage.

Mankind used to have beautiful oceans. However, because of the negligence to waste treatment, the ocean has become a huge dump. A huge amount of garbage has been pushed thousands of miles away by ocean currents, and the debris have been accidentally swallowed by seabirds, sea turtles, dolphins and whales, wreaking havoc on the ecological balance.

We must continuously educate our employees about our relationship with the ocean. How ocean is affected by human life? What threat are the oceans facing? We organized the "coastal cleanup, return the cleanness to the ocean" event with professional lecturers who led us to know the past and current situation of the oceans,



Coastal cleanup thank you note provided by The Society of Wilderness

Colleagues and their family and friends actively participated in the coastal cleanup event







the ICC international ocean monitoring program and how the coastal cleanup activity can give back to the ICC ocean monitoring program.

Lecture photos

Ardentec sponsored the Society of Wilderness to organize the international coastal cleanup activity again in the international coastal cleanup month in 2014. On September 20, the vice presidents led more than 100 employees and families to the Hsinchu Nanliao Golden Triangle Beach to serve as the international coastal cleanup volunteers and to show our emphasis on the environment and ecology via the cleanup action. It was a sunny and windy day. Ardentec's passion to the ocean was as intense.

Ardentec's Singapore site also responded to the local coastal cleanup on the international coastal cleanup



day. On September 13, 2014, more than half of the employees and their families participated in the activity in Singapore.

Ardentec's domestic and overseas subsidiaries not only cleaned up the coast occupied by the garbage but also recorded the type and quantity of the collected garbage. All data have been returned to The Ocean Conservancy, which initiated the ICC (International Coastal Cleanup) activity, to compile the annual worldwide ocean waste observation report.

With the expectation of "Less Trash, More Beauty", the employees and their friends and families ardently participated in the coastal cleanup event. It not only cleaned up the beach but also helped us to understand how to change the daily habit to protect the oceans and ecology and make the Earth a better place.



(Singapore Site)



### Low-carbon Trip on Bikes

Ardentec's employees are fond of sports and nature and they are happy to practice a low-carbon life. The cycling club organizes low-carbon trips on bikes every year. In 2014, the cycling club organized a large-scale low carbon trip for the fourth consecutive year. Gasoline-guzzling vehicles were replaced with energy-free bicycles. Mini vans provided water, fruits and breads at designated spots. Bottled water, packaged food and plastic bags were excluded from the event. Everyone enjoyed the green of nature on the bikes. In addition to the scenery, landscapes and plants and companions, everybody shared a low-carbon journey without generating any garbage.

### Natural Dancers - Dance with the Butterflies

Taiwan used to have more than 400 kinds of butterflies and was known as "butterfly kingdom" internationally. We organized the "natural dancers" seminar, leading our colleagues to know the graceful natural dancers—Taiwanese butterflies!

In the woods behind the Humanities & Social Sciences Building of Tsinghua University, butterflies are restored in the Tsinghua Butterfly Garden. The nectar plants zone and host plant zone are the best habitats for the butterflies. According to the observation of the personnel



Butterfly observation in the Tsinghua Butterfly Garden



of the butterfly garden, more than 100 species of butterflies linger and habitat there.

We invited our staff, cooperation vendors and the village head and kids of the Fengshan village in the industrial park to participate in the outdoor butterfly observation in the Tsinghua Butterfly Garden so that more people can explore and learn about the coexist of butterflies and their habitats.

### Help the Frog Cross the Road - Rana Sauteri Conservation

Frog is one of the natural indicators of clean environment. There are more than 30 species of frogs in Taiwan with various habitats and vocal ranges. They are located in the areas with fewer human activities and damages.

The Rana Sauteri's habitat in Hsinchu Dashanbei area overlaps with the area of human activities, and thus it has suffered from severe damage. During the breeding season in October, a massive amount of Rana Sauteri moves across the road from their mountain habitat to the stream for their most sacred biological mission-to mate and lay eggs. However, the majority die under the roaring wheels when passing through the industrial road before they can complete the sacred mission. The few frogs successfully crossing the road are blocked out of the stream by the New Jersey guardrails rendering them anxiously colliding with the fence.

To protect Rana Sauteri during the breeding season, the Society of Wilderness issues "frog protection notice" every year, inviting people to help the Rana Sauteri cross the road.

Before the breeding season of the Rana Sauteri, we invited lecturers from the Society of Wilderness to introduce the frogs in Taiwan and called on everyone to protect the frogs. The employees also joint the frog protection scheduling, offering their meager contribution to the breeding of Rana Sauteri.

## Biodiversity Conservation Carnivorous Plant Habitat Volunteers

In this wetland, in addition to carnivorous plants and many wetland plants, there are always many surprises to be discovered during our visits. We can definitely feel the diversity of the wetland.

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.

There are a lot of carnivorous plant habitats in Taiwan. However, they are disappearing due to economic development and increased demand for land. The wetland in Jubei Lotus Temple in Hsinchu County is one of the remaining habitats of carnivorous plants, and it is the place with the most species and numbers of carnivorous plants in Taiwan currently. Four types of carnivorous plants have grown here, including Indian Sundew, Spathulate Sundew, Drosera burmannii, and Utricularia racemosa. In addition, there are many rare aquatic plants such as Cyperus serotinus, Fimbristylis nutans and Xyris pauciflora,



particularly, Fimbristylis nutans, which can only be found here. Because of the maintenance of the natural environment and less human interference, many other creatures also live here, such as butterflies, frogs, spiders, grasshoppers, snakes, eagles and wild boars, forming a complete ecosystem with an abundant biodiversity.

Ardentec encourages the employees and their families and friends to be the volunteers for the restoration of carnivorous plant habitat in the Lotus Temple wetland. By mowing and digging, the volunteers helped the carnivorous plants, such as Spathulate Sundew, Indian Sundew, and Drosera burmannii to grow steadily, and hoped to restore the rare Utricularia racemosa and Mitrasacme indica in the wetland. In addition to habitat restoration, the concept of biodiversity has been promoted which is also a valuable natural and ecological education for the employees and their relatives.

## Beautiful Taiwan, Beautiful World, Sharing the Beauty of Nature

Even though Taiwan is small, the topography is diverse, creating a rare environment with abundant and beautiful landscapes and ecology.

In 2014, we invited our employees to record the environment and observe the ecosystem with their cameras. The employees and their dependents actively submitted 65 photographs, including the beauty of Taiwan and abroad. We selected about half of the photographs to be included on the 2013 CSR report. The selected works were also exhibited in the plants of Taiwan headquarters so that all employees could appreciate the beauty of Taiwan and the world.







# Annexes

## Annex 1 -Independent Assurance Opinion Statement

### INDEPENDENT ASSURANCE OPINION STATEMENT

#### 2014 Ardentec Corporation Corporate 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 verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of Ardentec only for the purposes of verifying its statements relating to its sustainability, 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 focus on systems and activities during the 2014 calendar year on the Ardentec headquarter in Taiwan and subsidiaries in Singapore and South Korea.
2. The evaluation of the nature and extent of the Ardentec's adherence to all three AA1000 AccountAbility 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 2014 Ardentec Corporation Social Responsibility (CSR) Report Review provides a fair view of the Ardentec programmes and performances during 2014. We believe that the 2014 economic, social and environmental performance indicators are fairly represented.

Our work was carried out by a team of (CSR) report assurors 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 'in accordance' with the G4 sustainability reporting guidelines: the Core option were fairly stated.

#### Methodology

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

- 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
- 8 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 AccountAbility Principles of Inclusivity, Materiality and Responsiveness as well as the GRI G4 guidelines is set out below:



### Inclusivity

In this report, it reflects that Ardentec has continually made a commitment to its stakeholders, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. 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:

- Linking of the corporation's sustainable target with the relative development of sectors continuously in order to reflect the need of international society.

### Materiality

The Ardentec has established relative procedure in company level, as the issues which were identified by all departments have been prioritized according to the extent of impact and applicable criterion for sustainable development of company. Therefore, material issues were completely analyzed and the relative information of sustainable development was disclosed to enable 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 the inclusion for more diversified material issues to incorporate with current risk and opportunity analysis as for the further development of company's core strategy.

### Responsiveness

Ardentec has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for the Ardentec is developed and provides the opportunity to further enhance the 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:

- Encouraging work towards a Type 2 of AA1000AS (2008) engagement with a view to providing the reliability of sustainability performance information that stakeholder concerns.

### GRI-reporting

Ardentec provided us with their self declaration of 'in accordance' with the G4 sustainability reporting guidelines: the Core option (at least one Indicator related to each identified material Aspect). Based on our review, we confirm that social responsibility and sustainable development performance indicators with reference to the GRI Index are reported, partially reported or omitted. In our professional opinion the self declaration covers the Ardentec's social and sustainability issues; however, the future report will be improved by the following areas:

- Base on transparency principle, encouraging disclosure 'in accordance' with the GRI G4 Guidelines: Comprehensive option in order to strengthen stakeholder's confidence.

### 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 chairman 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 Engineering 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  
25 May, 2015

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## Annex 2 -GRI G4.0 Reference Table

General standard disclosure				
Strategy and Analysis				
GRI indicators		Report section	Page	Remarks
G4-1	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 17	-
G4-2	Description of key impacts, risks and opportunities	Letter from Chairman and President	IV-V	-
Organizational Profile				
GRI indicators		Report section	Page	Remarks
G4-3	Organization name	About the Report 1.1 Company Introduction	1 2	-
G4-4	Primary brands, products and services	1.1 Company introduction 1.4 Professional services	2 4	-
G4-5	Location of organization's headquarters	1.1 Company Introduction	2	-
G4-6	The number and name of the countries where the Company operates (including the countries of the main operation and sustainable management)	1.1 Company Introduction	2	-
G4-7	Nature of ownership and legal form	1.1 Company Introduction	2	-
G4-8	The market which the service is provided (including location map, service department and type of client and beneficiary)	1.1 Company Introduction 1.5 Market Size and Performance 2.1 Corporate Social Responsibility Policy	2 5 10	-
G4-9	The scale of the organization (including 1. Number of staff, 2. Operation activities, 3. Net sales (private company) or net income (public organization), 4. Total capitals divided into liability and equity (private company), 5. Quantity of products or services)	1.5 Market size and performance 1.7 Development strategies and innovations 5.7 Workforce structure	5 6 47	-
G4-10	a. Report the total number of the employees by contract and gender. b. Report the total number of the official employees by contract and gender. c. Report the total number of labor force by gender, including self-employed and non-self-employed staff. d. Report the total number or labor force by region and gender. e. Report whether the substantial work is conducted by free lancers (individual workers other than self-employed or non-self-employed staff), including the staff of contractors and its labor force. f. Report any significant change in employment (such as seasonal changes in tourism or agriculture)	5.7 Workforce structure	47	-
G4-11	The ratio of employees subject to the labor-management agreement	5.2 Appointment 5.6 Labor-management harmony	34-35 45-46	-
G4-12	Describes the organization's supply chain	6.5 Supplier/contractor management	51-52	-
G4-13	Any significant change regarding organization size, structure, ownership or supply chain during the report period, including: Change in the business location or operation, including start, close and expansion of facilities, change in capital structure and other capital formation, maintenance, change in business, business locations of suppliers, supply change structure or the change in the relationship with the suppliers, including selection and termination.	1.3 The organization	3	-

Organizational Profile				
GRI indicators		Report section	Page	Remarks
G4-14	Does the reporting organization have any method or principle for prevention?	2.3 Stakeholders and collection of issues of concern 3.5 Internal control	11 20	-
G4-15	List the externally developed economic, environmental and social charters, principles or other initiatives that are recognized or endorsed by the company	5.5 Workplace Health and Safety	39-44	-
G4-16	List the association (such as business association) and the company participating in and the membership of national or international organizations: The position held in the management unit of the association, participation in the project or committee. In addition to the sponsorship besides the regular membership, the membership will be taken as a strategic consideration.	1.8 Honors and Accolades	7	-

Identification of significant consideration and boundary				
GRI indicators		Report section	Page	Remarks
G4-17	a. List the all entities in the consolidated financial statement or equivalent document of the organization. b. Does the report have any entities that are not included in the consolidated financial statement or equivalent document of the organization?	1.3 The organization	3	-
G4-18	a. The procedure for report interpretation and definition and boundary consideration b. The reporting principle explaining how the organization implements the identification of the report content	About the Report	1	-
G4-19	List all the significant considerations in the procedure of content definition	2.6 The consideration of key issues and the identification of boundary	14	-
G4-20	For each significant consideration, the consideration boundary inside the organization is as follows: · Report if the consideration is significant in the organization. · If the consideration is not significant to all entities in the organization (such as G4-17), please report by either of the following two means: —The consideration is not a significant entity or an entity group list in the G4-17, or —the consideration is a significant entity or an entity group list in the G4-17. · Any specific limitation regarding the boundary consideration of the reporting organization	2.6 The consideration of key issues and the identification of boundary	14	-
G4-21	For each significant consideration, the consideration boundary outside the organization is as follows: · Report if the consideration is significant outside the organization. · If the consideration is significant outside of the organization, please identify if the consideration is a significant entity, entity group or element. In addition, please describe its geographical location · Report any special limitation regarding the consideration boundary outside the reporting organization.	2.6 The consideration of key issues and the identification of boundary	14	-
G4-22	Report any impact of reedit on the information provided in previous report and the reason for re-edit.	GRI G4.0 Reference Table	-	No re-statements took place in 2014
G4-23	Report the significant change in the scope and consideration boundary as compared to the previous report.	1.1 Company Introduction	2	

Participation of stakeholders				
GRI indicators		Report section	Page	Remarks
G4-24	Provide the group list of the stakeholders of the organization	2.3 Stakeholders and collection of issues of concern	11	-
G4-25	Report the basis for stakeholder identification and selection	2.3 Stakeholders and collection of issues of concern	11	-
G4-26	The participation means of the stakeholders of the reporting organization (including participation frequency by form and stakeholder group), and state if the participation is part of the report drafting process.	2.7 Communication with stakeholders	15	-
G4-27	Report the key issues and matters of concern raised by the stakeholders and how the organization replies to these key issues and matters of concern, including by means of this report. Report the stakeholder group of each key issue and matter of concern.	2.5 Evaluation of Material Issues	13	-

Report overview				
GRI indicators		Report section	Page	Remarks
G4-28	Reporting period for information provided	About the Report	I	-
G4-29	Date of most recent report.	About the Report	I	-
G4-30	Report period	About the Report	I	-
G4-31	Contact point for questions regarding the report or its contents	About the Report	I	-
G4-32	a. The "depending option" selected by the reporting organization b. The GRI content comparison of the "depending option" selected by the report c. If the report has been verified externally, provide the external assurance report cited by the report. Recommended by the GRI organization, but not mandatory by the GRI guideline	About the Report	I	-
G4-33	a. The reporting organization's policy and existing practice of external assurance of the report b. If the sustainability report does not include the scope and basis of the assurance report, any scope and basis provided by the external assurance should be reported. c. The relationship of the reporting organization and assurance party d. When seeking the assurance of the sustainability report, are the highest governance unit and senior management involved?	About the Report	I	-

Governance				
GRI indicators		Report section	Page	Remarks
G4-34	The governance structure of the reporting organization including the committee of the highest governance unit. Identification of any committees responsible for the economic, environmental and social impacts.	3.2 Board of Directors	17-18	-
G4-37	Report the stakeholders and the highest governance unit's negotiation procedure for the economic, environmental and social issues. If the negotiation is authorized, describe the authorized person and the procedure regarding providing feedback to the highest governance unit.	3.1 Governance Principles	17	-
G4-39	Indicate whether the Chair of the highest governance body is also the chief executive officer	3.1 Governance Principles	17	-



Governance			
GRI indicators	Report section	Page	Remarks
<p>Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including:</p> <ul style="list-style-type: none"> <li>· Diversity</li> <li>· Independence</li> <li>· Professional knowledge and experiences of the economic, environmental and social issues.</li> <li>· Stakeholders (shareholders)</li> </ul>	3.2 Board of Directors	17-18	-
<p>Report the procedure set forth by the highest governance unit to avoid and manage the conflict of interest Does the report disclose the conflict of interest to the stakeholders? It should at least include:</p> <ul style="list-style-type: none"> <li>· Members across different boards of directors</li> <li>· Interlocking shareholding with suppliers and other stakeholders</li> <li>· The presence of controlling shareholder</li> <li>· Disclosure of related party</li> </ul>	<p>3.2 Board of Directors</p> <p>3.3 Executive compensation policy</p>	17-18 19	-
<p>Report the role of the highest governance unit and senior management in the establishment, approval and update of the objectives, value or mission statement, strategy, policy and the related economic, environmental and social impact.</p>	<p>1.2 Corporate Values</p> <p>2.1 CSR policies</p>	2 10	-
<p>a. Report the highest governance unit's performance evaluation process regarding the economic, environmental and social issues. Report whether such evaluation is independent and its frequency. Report whether such evaluation is self-assessment.</p> <p>b. Report the action the highest governance unit taken for the performance evaluation of the economic, environmental and social issues. The minimum requirement should at least include the change in the membership and organizational norms.</p>	<p>2.2 The CSR Organization</p> <p>3.1 Governance Principles</p> <p>3.6 Risk Management</p>	10 17 20-21	-
<p>a. Report the role the highest governance unit plays in the identification and management of economic, environmental and social impacts, risks and opportunities. It includes the implementation of the due diligence process.</p> <p>b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.</p>	2.2 The CSR organization	10	-
<p>a. Report the remuneration policy for the highest governance unit and senior management:</p> <ul style="list-style-type: none"> <li>· Fixed remuneration and variable remuneration: <ul style="list-style-type: none"> <li>—Performance-based remuneration</li> <li>—Share-based remuneration</li> <li>—Dividend</li> <li>—Deferred or vested share</li> </ul> </li> <li>· Signing bonus or recruitment incentives</li> <li>· Contract termination payment</li> <li>· Compensation mechanism</li> <li>· Retirement benefits, including the contribution rate of the highest governance unit, senior executives and employees and the difference of the benefits</li> </ul> <p>b. Report the remuneration policy related to the highest governance unit's performance standard of the economic, environmental and social objectives</p>	5.3 Compensation and Benefits	35-37	-

Ethics and Integrity				
GRI indicators		Report section	Page	Remarks
G4-56	Describe the organization's values, principles, standards and norms such as code of conduct and code of ethics	3.4 Ethical Guidelines	19-20	-

## Disclosure of specific standard

Economic Performance Indicators				
GRI indicators		Report section	Page	Remarks
G4-EC1	Direct economic value of production and distribution (including sales, operational costs, employee remuneration and benefit, dividends and tax expenses and retained earnings, etc.)	5.3 Compensation and Benefits	35-37	-
G4-EC2	The impact of organizational activities on finance due to climate change, and other risks and opportunities	3.6 Risk Management 4.5 Climate Change and Opportunities	20-21 27	-
G4-EC3	Scope of the organization's defined benefit plan and obligations	5.3 Compensation and Benefits	35-37	-
G4-EC4	Financial assistance received from government	1.7 Development strategies and innovations 5.4 Education and Training 7.2 Educational Support	6 38-39 55-57	-
G4-EC6	The number and percentage of senior management in important business locations	5.2 Right People for the Right Job 5.7 Workforce structure	34-35 47	-
G4-EC9	Percentage of expenditure on the local suppliers of the important business location	3.7 Major investment and supplier human rights 6.5 Supplier/contractor management	21 51-52	-

Environmental Performance Indicators				
GRI indicators		Report section	Page	Remarks
G4-EN1	Weight or volume of materials used	4.4 Disclosure of Environmental Information	26-27	-
G4-EN2	Percentage of renewable materials used in production	4.8 Waste management	30-32	-
G4-EN3	Energy consumption inside of the organization	4.4 Disclosure of Environmental Information	26-27	-
G4-EN4	Energy consumption outside of the organization	4.4 Disclosure of Environmental Information	26-27	-
G4-EN5	Energy intensity	4.4 Disclosure of Environmental Information	26-27	-
G4-EN6	Energy consumption reduction	4.6 Management of GHG reduction	27-29	-
G4-EN7	Reduction of energy demand of products and services	4.6 Management of GHG reduction	23	-
G4-EN8	Total water usage by source	4.7 Water resource management	29-30	-
G4-EN9	Sources of water that are subject to significant environmental impact	4.7 Water resource management	29-30	-
G4-EN10	Percentage and volume of water recycled and reused	4.7 Water resource management	29-30	-
G4-EN11	Business location owned, leased, or managed in, or adjacent to, protected areas and areas of high biodiversity outside the protected areas	4.1 Environmental Sustainability Policy	23	-

Environmental Performance Indicators				
GRI indicators		Report section	Page	Remarks
G4-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	4.8 Waste management	30-32	-
G4-EN13	Habitats protected or restored	GRI G4.0 Reference Table	-	Not applicable as Ardentec is situated within an industrial zone and not a protected area.
G4-EN14	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, distinguished by level of extinction risk	4.6 Management of GHG reduction	27-29	-
G4-EN15	Direct greenhouse gas (GHG) emission (Scope 1)	4.3 Green Management System 4.4 Disclosure of Environmental Information	23-25 26-27	The direct GHG emissions in Taiwan headquarters and Site Singapore has been verified by BSI
G4-EN16	Indirect GHG emissions of energy (Scope 2)	4.3 Green Management System 4.4 Disclosure of Environmental Information	23-25 26-27	The indirect GHG emissions in Taiwan headquarters and Site Singapore has been verified by BSI
G4-EN17	Other indirect GHG emissions (Scope 3)	4.3 Green Management System 4.4 Disclosure of Environmental Information	23-25 26-27	-
G4-EN18	GHG emission intensity	4.4 Disclosure of Environmental Information 4.6 Management of GHG reduction	26-27 27-29	-
G4-EN19	GHG emission reduction	4.6 Management of GHG reduction	27-29	-
G4-EN20	Emissions of ozone layer depleting substances	4.4 Disclosure of Environmental Information	26-27	-
G4-EN21	Nitrogen oxides (NOx), sulfur compounds (SOx), and other important gases	GRI G4.0 Reference Table	-	The main business of Ardentec is semiconductor test. There were no NOx and Sox emissions in the 2014 GHG inventory.
G4-EN22	Pollution impact and destination of discharged waste water	4.4 Disclosure of Environmental Information 4.7 Water resource management 4.8 Waste management	26-27 29-30 30-32	-
G4-EN23	Total weight of waste produced, disclosed by type and disposal method	4.3 Green management system 4.4 Disclosure of environmental information 4.8 Waste management	23-25 26-27 30-32	-
G4-EN24	Total number of volume of significant spills	4.3 Green Management System	23-25	There were no significant spills in the year of report.
G4-EN25	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	GRI G4.0 Reference Table	-	Ardentec did not produce this type of waste
G4-EN26	The characteristics, scale, conservation status and biodiversity value of the water and related habitats that are significantly affected by the organization's discharge and runoff	4.3 Green Management System 4.7 Water resource management	23-25 29-30	-

Environmental Performance Indicators				
GRI indicators		Report section	Page	Remarks
G4-EN27	The mitigation level of the environmental impact of products and services	4.3 Green Management System 4.6 Management of GHG reduction 4.8 Waste management	23-25 27-29 30-32	-
G4-EN28	Percentage of products sold and packaging materials reclaimed	4.3 Green Management System 4.4 Disclosure of Environmental Information	23-25 26-27	-
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	GRI G4.0 Reference Table	-	There were no violations in the year of report.
G4-EN30	Significant environmental impacts due to transportation of products, materials or personnel	GRI G4.0 Reference Table	-	Ardentec is a provider of testing services; it uses no materials and produces no tangible products
G4-EN31	Total environmental protection expenditures and investments by type	4.2 Environmental protection expenses and investment	23	-

Social Performance Indicators: Working condition and dignity of labor				
GRI indicators		Report section	Page	Remarks
G4-LA1	Total number and rate of new employees hired and employee attrition, disclosed by age, gender and region	5.7 Workforce structure	47	-
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	5.3 Compensation and Benefits	35-37	-
G4-LA3	Resumption and retention rate of workers on child care leave of absence, disclosed by gender	5.7 Workforce structure	47	-
G4-LA4	The minimum notice period of business change regardless if it is in the collective agreement	5.6 Labor-Management Harmony	45-46	-
G4-LA5	Percentage of total workforce represented in worker health and safety committees that help monitor and advise occupational health and safety programs	5.5 Workplace Health and Safety	39-44	-
G4-LA6	Analyze the type of injury and occupational injury rate, the incidence of occupational disease, the ratio of lost days, absence rate and total number of death related to work based on region and gender	5.5 Workplace Health and Safety	39-44	-
G4-LA7	Workers with high incidence of disease and high risk related to their occupation	5.5 Workplace Health and Safety	39-44	-
G4-LA8	Health and safety topics covered in formal agreements with unions	5.5 Workplace Health and Safety	39-44	There is no union in the Company, but there is an occupational safety and health management committee dedicated to this function
G4-LA9	Calculate the average annual training hours of a single employee based on the employee category and gender	5.4 Education and Training	38-39	-
G4-LA10	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	38-39	-
G4-LA11	The ratio of employees undertaking regular performance and career development review based on the employee category and gender	5.3 Compensation and Benefits	35-37	-



### Social Performance Indicators: Working condition and dignity of labor

GRI indicators	Report section	Page	Remarks
G4-LA12 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	5.7 Workforce structure	47	-
G4-LA13 Basic salary and remuneration ratio by employee category and gender in the important business locations	5.3 Compensation and Benefits	35-37	-
G4-LA16 The number of filed, processed and solved working condition cases rose through formal appeal mechanism	5.6 Labor-Management Harmony	45-46	-

### Social Performance Indicators: Human rights

GRI indicators	Report section	Page	Remarks
G4-HR2 Report the total hours of human right policy or procedure training related to operation and the ratio of trained employees	5.4 Education and Training	38-39	-
G4-HR3 Total number of incidents of discrimination and corrective actions taken.	5.4 Education and Training	38-39	No discrimination reported from all communication channels and suggestion boxes
G4-HR4 The business locations and suppliers that might pose damage or violate the freedom of association and collective agreement have been identified as well as the measures to support these rights	GRI G4.0 Reference Table	-	Taiwan headquarters, Site Singapore and Site Korea are located in countries with sound human rights review
G4-HR5 The business locations and suppliers that might have significant child labor risks have been identified and measures to effectively eliminate child labor have been taken	GRI G4.0 Reference Table	-	Taiwan headquarters, Site Singapore and Site Korea are located in countries with sound human rights review
G4-HR6 The business locations and suppliers that might have forced or compulsory labor risks have been identified and measures to effectively eliminate all forms of forced labor have been taken	6.5 Supplier/contractor management	51-52	-
G4-HR7 The percentage of security personnel undertaking human rights policies and procedure training related to operation	5.4 Education and Training	38-39	-
G4-HR8 Total number of incidents of violations involving rights of indigenous people and the actions taken	GRI G4.0 Reference Table	-	There were no incidents of human rights violations of indigenous people in the reporting year
G4-HR9 The total number and percentage of business locations that might be affected by human rights review or impact review	GRI G4.0 Reference Table	-	Taiwan headquarters, Site Singapore and Site Korea are located in countries with sound human rights review
G4-HR10 Percentage of new suppliers that were screened using human rights criteria.	3.7 Major investment and supplier human rights	21	-

Social Performance Indicators: Society				
GRI indicators		Report section	Page	Remarks
G4-SO2	Business activities that have significant actual and potential negative impacts on the local community	3.4 Ethical Guidelines	19-20	-
G4-SO4	Anti-corruption policies and procedural communication and training	3.4 Ethical Guidelines	19-20	-
G4-SO5	Confirmed corruption incidents and actions taken	3.4 Ethical Guidelines	19-20	-
G4-SO6	Total value of political contribution by nation and receiver/beneficiary	GRI G4.0 Reference Table	-	Ardentec cares for all aspects of national development but remains politically neutral; We encourage employees to exercise civil rights, but fully respect the political orientation of individual employees
G4-SO7	Total number of legal actions taken for anti-competitive behaviors, anti-trust, and monopoly practices, and the outcomes of such actions	GRI G4.0 Reference Table	-	Semiconductor testing is a competitive industry in which Ardentec does not have a monopoly
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	GRI G4.0 Reference Table	-	There were no significant fines or non-monetary sanctions in the reporting year that were due to non-compliance with laws and regulations

Social Performance Indicators: Product responsibility				
GRI indicators		Report section	Page	Remarks
G4-PR1	Percentage of key products and services that requires improvement due to impact on health and safety	GRI G4.0 Reference Table	-	The Company's business activities were primarily semiconductor testing with no tangible products produced. The testing procedures pose no health or safety concerns
G4-PR2	Report the number of products and services that violate health and safety regulations and voluntary norms in the life cycle by the category of the result	GRI G4.0 Reference Table	-	The Company's business activities were primarily semiconductor testing with no tangible products produced. The testing procedures pose no health or safety concerns
G4-PR3	The product and service type by the organization's requirement of product and service information and labeling procedure, and the percentage of the key products and services requiring the information	GRI G4.0 Reference Table	-	The Company's business activities were primarily semiconductor testing with no tangible products produced. The testing procedures pose no health or safety concerns
G4-PR4	Report the number of product and service information and labeling that violate health and safety regulations and voluntary norms by the category of the result	GRI G4.0 Reference Table	-	There were no penalties imposed in the reporting year
G4-PR5	Measure the result of the customer satisfaction survey	6.4 Customer Satisfaction Surveys	50	-

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Social Performance Indicators: Product responsibility			
GRI indicators	Report section	Page	Remarks
G4-PR6 The sales of prohibited or controversial products	GRI G4.0 Reference Table	-	The service we provide is for the enterprise market of the process of the customers' products. There are no sales of tangible products.
G4-PR7 Report the number of product and service that violate market communication regulations and voluntary norms by the category of the result	GRI G4.0 Reference Table	-	There is no violation of market communication regulations or voluntary norms in the reporting year
G4-PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	3.6 Risk Management 6.2 Customer Secrecy Protection	20-21 50	Complaints of violation of customer privacy or data leakage in the reporting year
G4-PR9 The monetary value of significant fine due to the violation of laws and regulations of provision and use of product and services	GRI G4.0 Reference Table	-	There is no violation of laws and regulations in the reporting year

### Annex 3 -ISO26000 Reference Table

ISO26000 indicators		Corresponding chapter	Explanatory Note
Organizational governance	Decision-making 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 6.5 Supplier/contractor management	The Taiwan headquarters, Site Singapore and Site Korea are located in countries with sound human rights review. All business operations are located in the industrial zones supervised by the governments. All human rights related matters meet the regulations.
	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	Ardentec cares for all aspects of national development but remains politically neutral; We encourage employees to exercise civil rights, but fully respect the political orientation of individual employees
	Economic, social and cultural rights	5. Employees as Partners	-
	Fundamental principles and rights at work	5.2 Right People for the Right Job 5.3 Compensation and Benefits	-
	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 5.5 Workplace Health and Safety 5.6 Labor-Management Harmony	-
Labor practices	Social dialogue	2.7 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	-

ISO26000 indicators		Corresponding chapter	Explanatory Note
The environment	Prevention of pollution	4.3 Green Management System 4.8 Waste management	-
	Sustainable resource use	4.8 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	4.1 Environmental Sustainability Policy 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 for all aspects of national development but remains politically neutral; We encourage employees to exercise civil rights, but fully respect the political orientation of individual employees
	Fair competition	3.4 Ethical Guidelines	The Company serves corporate customers and is not involved in the mass market. Ardentec 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 6.5 Supplier/contractor management	-
	Respect for property rights	3.6 Risk management	The Company complies with regulations that govern intellectual property rights. It maintains sound and legal business interactions with customers as well as upstream and downstream partners.
	Fair marketing, factual and unbiased information and fair contractual practices	3.4 Ethical Guidelines	The Company complies with regulations that govern fair trade. It maintains sound and legal business interactions with customers as well as upstream and downstream partners.
Consumer issues	Protecting consumers' health and safety	-	The Company's business activities were primarily semiconductor testing with no tangible products produced. The testing procedures pose no health or safety concerns to the customers.
	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 6.4 Customer Satisfaction Surveys	The primary operation does not contain any tangible products. Therefore, there is no concern about customer services, support, complaints and disputes.
	Consumer data protection and privacy	6.2 Customer Secrecy Protection	The primary operation does not contain any tangible products. Therefore, it does not involve customer data and privacy.
	Access to essential services	6.1 Customer service	-
	Education and awareness	-	The Company's services are not targeted at individual consumers
	Community involvement	7. Community involvement	-
Community involvement and development	Education and culture	7.1 Community Engagement 7.2 Educational Support	-
	Employment creation and skills development	1.7 Development strategies and innovations 5.2 Right People for the Right Job	-
	Technology development and access	1.7 Development strategies and innovations	-
	Wealth and income creation	1.5 Market Size and Performance 5.3 Compensation and Benefits	-
	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	Letter from Chairman and President 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 6.5 Supplier/contractor management	The Taiwan headquarters, Site Singapore and Site Korea are located in countries with sound human rights review. All business operations are located in the industrial zones supervised by the governments. All human rights related matters meet the regulations.
	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	5.2 Right People for the Right Job 6.5 Supplier/contractor management	-
	Effective abolition of child labor	5.2 Right People for the Right Job 6.5 Supplier/contractor management	-
	Elimination of discrimination in respect of employment and occupation	5.2 Right People for the Right Job 5.3 Compensation and Benefits	-
The environment	Business should support a precautionary approach to environmental challenges	4.3 Green Management System 4.6 Management of GHG reduction 4.7 Water resource management 4.8 Waste management 7.4 Sustainability of the Environment and Ecosystem	-
	Undertake initiatives to promote greater environmental responsibility	4.3 Green Management System 4.6 Management of GHG reduction 4.7 Water resource management 4.8 Waste management 7.4 Sustainability of the Environment and Ecosystem	-
	Encourage the development and diffusion of environmentally friendly technologies	7.4 Sustainability of the Environment and Ecosystem	Ardentec primarily offers testing services and technologies, and does not produce tangible products.
	Anti-corruption	3.1 Governance Principles 3.4 Ethical Guidelines 3.5 Internal control 6.5 Supplier/contractor management	-



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