Annual Report Corporate Social
Responsibility of ADLINK

2013

ADLINK
TECHNOLOGY INC.

www.adlinktech.com

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Corporate Social Responsibility (CSR) Report
Letter form the CEO

In 2015, we will celebrate the 20th anniversary of ADLINK as well as welcoming the 8th year of the ADLINK Foundation. Through these years, we have continued to uphold the idea of giving back what you take from society, by striving to create an equitable work environment with career advancement opportunities that attract global talent into contributing their strengths to the company, while also giving back to the community.

Since beginning ADLINK, what I was most concerned about was not how to solely maximize profits, but how to create a triple-win among corporate profits, corporate social responsibilities, and environmental commitments. With this goal in mind, making ADLINK into a world-leading manufacturer of measuring solutions, automation and computer communications is something I continually work toward, and am completely committed to for the long run. ADLINK continuously improves in technology and innovative capabilities by working with world class customers and suppliers, while acquiring in-depth industrial knowledge. We provide world class technical products to our customers and localized real-time services, and we can always be counted on to provide automation solutions of reasonable cost and excellent quality to our customers across the globe.

Following the globalization of our business, it is clear that not only have we had strong growth in our industry, we have also had an increasing impact on the global village in other ways. How to be a good corporate citizen is the primary challenge ADLINK needs to face in order to have sustainable operations. In terms of corporate social responsibilities, we are actively creating a challenging and nurturing work environment that includes continuous learning by establishing a workplace rewards system, while promoting greater work-life balance for our employees with the hope that each and every employee will enjoy a fulfilling life. In addition, opportunities for community engagement have been created through every event organized by the ADLINK Foundation in order that we continue to give back to society outside of simply earning corporate profits. We are also focusing on developing smart and low-energy consuming products and services to assist customers in increasing automation efficiency, lowering costs and reducing energy waste.

To our credit over the past few years, the ADLINK Taipei headquarters and Shanghai Operations Center have passed international standards such as ISO 14001 Environmental Management System, OHSAS 18001 Occupational Health and Safety Management System, and ISO 9001 Quality Management System. Through the establishment of procedures and mechanisms, ADLINK has displayed its commitment to maintaining social and environmental responsibilities. ADLINK manufacturing processes are now compliant with the Restriction of Hazardous Substances Directive (RoHS) and avoid using materials that are harmful to the environment, which helps us stay focused on both goals of corporate growth and the reduction of environmental pollution.

After 20 successful years, we have still kept to our original goal—Advance Technologies, Automate the World—to create a sustainable business, fulfill our corporate social responsibility commitments and to generate the maximum profits for our employees, customers, investors and society as a whole, while maintaining our stewardship of the environment.
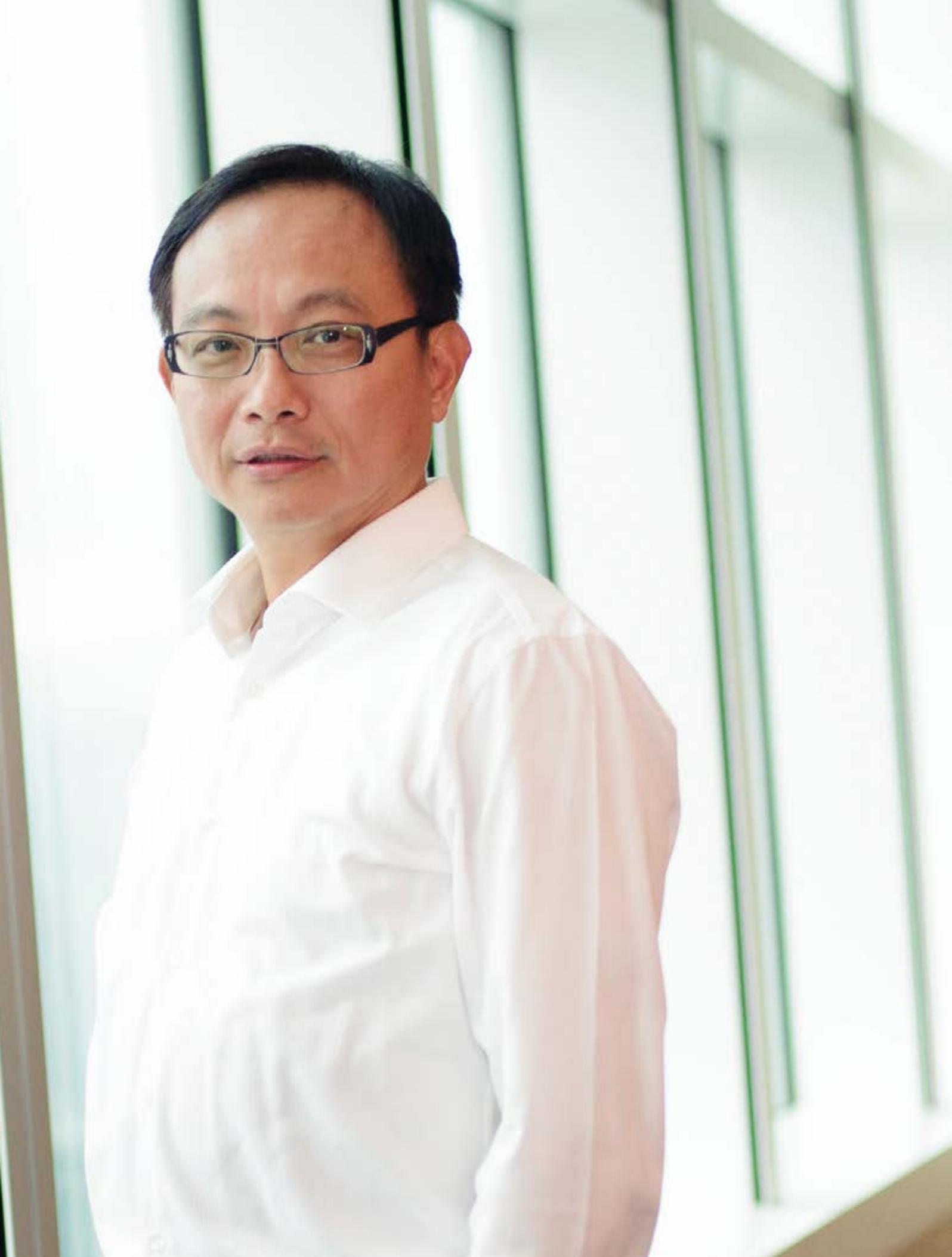
Report for Stakeholders

Looking back on 2013, ADLINK stayed focused, and continued to promote strategic goals for globalization and actively established superior research teams and product lines. In terms of operational management, ADLINK put human resources and finance functions into a "like business group" organizational structure to improve organization governance. It is expected that each business group director can become a strategic partner with finance and human resources staff and engage in timely and appropriate operational plans through effective two-way communication channels. Due to the increase in management efficiency and synergy, the revenue in 2013 was NTD 6.48 billion, and Profit before tax had a 121% increase, making earnings per share reach NTD 2.43, proving that ADLINK is continuously delivering brilliant performances.

To respond to the increasing concerns in economic, social and environmental areas brought forward from interested parties, ADLINK established the Corporate Social Responsibility Management Committee in May, 2014 to summarize current and pending items for the company. The Corporate Social Responsibility Management Committee is made up of representatives of each department, including Research & Development, Quality Assurance, Manufacturing Engineering, Procurement, Customer Care, Human Resources, Labour Safety, Finance, Information Technology and the ADLINK Foundation. There are five critical sub-committees including: Company Governance, Employee Care, Energy Efficiency, External Communication and Social Involvement. It is expected that through both the feedback from stakeholders and the systemic, efficient, and continuous support from the management committee, we will achieve the goals for a sustainable business and fulfill our corporate social responsibilities.

While increasing growth and profitability remains a primary concern, ADLINK also focuses on the protection of various social resources. CSR supply chain management was started in 2013 with the goal of surpassing regulation requirements, and lists new audit items for suppliers including human rights management, conflict minerals, social responsibilities, sustainable business, promotion of autonomous improvement in suppliers and bringing corporate social responsibilities together. Since the beginning of its incorporation in 2013, the Green Product Management System (GPMs) is expected to be introduced to all suppliers by the end of 2015.

To maintain sustainable business, ADLINK invests and manages all tangible and intangible assets with a great amount of care. Among these, "Human Resources" and "Corporate Culture" are undoubtedly the most important assets. During the shaping of its corporate culture, ADLINK always sets top priority on maximizing profits for employees, shareholders, customers and suppliers. The cultural atmosphere of CARE (Commitment, Accountability, Reliable, Execution) is established using a customer oriented mindset. The true essence of CARE can be internalized by employees through operational procedures and events. Once incorporated, employees then display actions in parallel with CARE and therefore establish a peaceful, yet competitive working environment.

In terms of social involvement, ADLINK believes in the concept of "giving back what you take from society" and set up the ADLINK Foundation in December, 2004 to promote technology education, the humanities and the arts. The ADLINK Foundation also contributes toward vulnerable groups with a vision stating that "ADLINK celebrates love and moves the world", and often organizes various social involvement events, cares for vulnerable groups, and actively sponsors charity events.

ADLINK is committed to maintaining the highest environmental, safety and hygiene standards as part of the company's core values, while providing the required support to implement work procedures for environmental safety. ISO 14001 certification was obtained in October, 1999, and OHSAS 18001 certification was approved on December 2012. The goal of operating a sustainable business is gradually being achieved. ADLINK continues in its efforts to save energy and resources, establish resource recycling, use low-pollution and certified environmental friendly materials, and set up safe, hygienic and environmentally friendly workplaces. This is being done with the aim of achieving zero occupational hazards and incidents, complying with environmental health and safety regulations, complying with commitments requested by other organizations, and continuously improving occupational hazards and pollution prevention. These goals and plans were submitted during the 2013 Occupational Safety and Health Committee meetings, and look to reduce harmful materials so that exposure to lead is reduced for employees during the manufacturing process. Recently, lead-free materials were starting to be introduced into raw materials. Also, the evaluation of lead-free processing machines was also being done, and is expected to have been improved by the end of 2015.

Looking to the future, ADLINK will maintain a spirit of innovation and transformation to increase performance while strengthening corporate governance, thus actively fulfilling corporate social responsibilities, working toward greater environmental protection and social involvement, and taking further steps toward the positive growth of sustainable operations.

01

Corporate Overview

Corporate Overview / Business Performance and Expectations /
Association and Guild Memberships

1.1 Corporate Overview

Established in August, 1995, ADLINK is devoted to the improvement and innovation of measuring, automation and computer communications technology in order to provide automation solutions of excellent quality and reasonable prices to the world. ADLINK's operational mission is to become a world class leader in the measuring, automation and computer communications fields.

ADLINK's headquarters are in Taiwan, with research and development locations in Taiwan, China, the USA, and Germany. Products are manufactured in Taiwan and Shanghai, China. Sales and services are available worldwide. Up until the end of 2013, there were over 1,400 employees worldwide. ADLINK shares have been listed on Taiwan Stock Exchange since 2004.

Company name	ADLINK Technology, Inc.
Incorporated	1995
Headquarters	Taipei, Taiwan
Total consolidated revenue in 2013	NTD 6,479,834 Thousands
Earnings per share in 2013	NTD 2.43
Total number of employees in 2013	1,445 employees (worldwide)
Stock symbol	6166

Technological products and future development

ADLINK specializes in the design, manufacture and sales of industrial computers. Its products include machine vision, motion control, measuring, industrial motherboards and systems, servers, industrial touchscreens, and modular computers. ADLINK is able to meet customers' requirements for application systems in various vertical markets, including industrial automation, communication, medical, national defense, transportation and entertainment information. In addition, ADLINK provides comprehensive IOT solutions using innovative embedded technology connected through cloud technology such as smart platforms, gateways, handheld terminals and network servers.

Future supply and demand market conditions and future growth

For supply and demand conditions and the future growth of the global industrial computer market, the Compound Annual Growth Rate (CAGR) was 12.8% between 2009 and 2015, and the compound growth rate of annual sales is 17.6% according to the estimation of IMS Research, a world famous research institution. The turnover growth rate in 2013 was 10.6%, and the sales growth rate was 13.9%. The turnover growth rate in 2014 was 10.6%, and the sales growth rate was 14.3%.

Competitive advantages

(1) **Strong research and development team and technology that grabs market opportunities**
Annual investment in research and development accounts for 13% of revenue, with the company heavily reinvesting in innovative technologies. Whether aTCA, cPCI, PXIe, AXIe, or SMARC, ADLINK can develop excellent products ahead of the rest of the industry.

(2) **Globalized logistical support system and comprehensive marketing channels**
Overseas operations include the U.S.A., Europe, Singapore, India, Korea, Japan and major cities in China. ADLINK attends professional trade shows while immediate support and expedited services are provided to customers around the world.

(3) **Strategic alliance with major international brands**
Through strategic partnerships with international companies and the introduction of a strategic alliance with Agilent Technologies in the beginning of 2013, ADLINK expanded the integrity of its products and strengthened its sales ability.

(4) **The establishment of the Shanghai Operations Center and development of the China market**
The Shanghai Operations Center is located in the Pudong technology park in Shanghai and officially opened in June, 2010. It includes a manufacturing center and a design center that are capable of supporting medium and large-sized projects. It also provides a location for globally strategic partners and customers to collaborate on developing markets in China.

2013 Core ADLINK Locations Around the World

San Jose ▶▶

It has been 18 years since ADLINK was first established. ADLINK subsidiaries now exist in the USA, Singapore, China, Japan, and Germany, with offices in France, India and Korea to provide immediate support and expedited services to local customers. ADLINK products are sold to over 40 countries on 5 continents worldwide, working closely with our partners in several countries from Asia-pacific to Europe.

Figure 1.1 Core ADLINK locations around the world ▶

1.2 Business Performance and Expectations

Since its beginning, ADLINK has had a vision of making long-term plans with a globalized footprint and a localized workforce. To realize this vision, ADLINK has had to bravely adopted technological innovations and corporate transformations while facing swift changes in global industries. In 2008, ADLINK acquired Ampro, an American brand, through a cross-border merger. The Shanghai Operation center was officially established in Zhangjiang Hi-Tech Park, in Putong, Shanghai in 2010. In 2012, 100% equity was obtained of Lippert Embedded Computers GmbH, a German company. Funds and technologies from Agilent Technology, a worldwide recognized company and industry leader, were introduced in the same year to form a strategic alliance. ADLINK has successfully established its brand awareness and has become the second largest industrial computer company in the Asia Pacific region.

ADLINK continues to deliver strong performance. The consolidated revenue of ADLINK in 2013 was NTD 6.48 billion, with an annual growth of 15.8%. Gross Margin and after-tax net profit margins were 40.60% and 6.42% respectively. In terms of global strategic layout, the advantages and service of highly industrialized products are our strength and focus. ADLINK strives to increase manufacturing scale and capacity in research and development. The consolidated research and development expenses in 2013 accounted for 12.6%

Unit: NTD Millions

Item	Consolidated Financial Statement	2013 Fiscal Year	2012 Fiscal Year
Financial Receipts and Expenditures	Operating Revenue	6,480	5,595
	Gross Profit	2,631	2,290
	Gross Margin	40.60%	40.92%
	Profit before tax	530	240
	Profit after tax	416	196
	Net Profit Margin	6.42%	3.50%
Profitability	Earnings per share after tax (dollars)	2.43	1.24
Employee Salary and Benefits	Total sum of salaries	1,133	1,019
	Total sum of benefits	15	14
Payments to donors	Shareholders' cash and stock dividends	377	171
Payments to governments	Profit-seeking Enterprise Income Tax	114	44

▲ Figure 1.2 The financial receipts and expenditures and profit position of ADLINK in 2012 & 2013

Mannheim
Munich

Beijing
Seoul
Tokyo
Shanghai
Shenzhen
Taipei Headquarter
Bangalore
Singapore

Research & Development Centers
Sales / Support Offices
Manufacturing Site

of consolidated sales revenue. ADLINK hopes to become a sustainable business and manufacture various products in such diverse sectors as defense, industrial regulations, measurements, and automation to create a unique market position and brand value, making ADLINK a world class company.

Unit: NTD Millions

Consolidated Financial Statement	2013 Fiscal Year	2012 Fiscal Year
Net sales revenue	6,480	5,595
Research and Development Expenses	818	744
Research funds/Net sales revenue (%)	12.6%	13.3%

▲ Figure 1.3 The global sales ratio of ADLINK products

The 2013 consolidated revenue ratio of each region as divided by global markets is 34% for the American market, 29% for the European market, 20% for the Asian market (including Taiwan) and 17% for the China market. The business ratio of each product line is as follows: 34% for Embedded Computing Product Segment (ECPS), 26% for Measurement & Automation Product Segment (MAPS), 24% for Modular Computing Product Segment (MCPS), 14% for Design & Manufacturing Service Center (DMSC) and 1% for Industrial Mobile Computing Product Segment (IMPS).

America 34%
Europe 29%
China 17%
Asia Pacific 20% (including Taiwan)

IMPS 1%
Others 1%
DMSC 14%
MAPS 26%
ECPS 34%
MCPS 24%
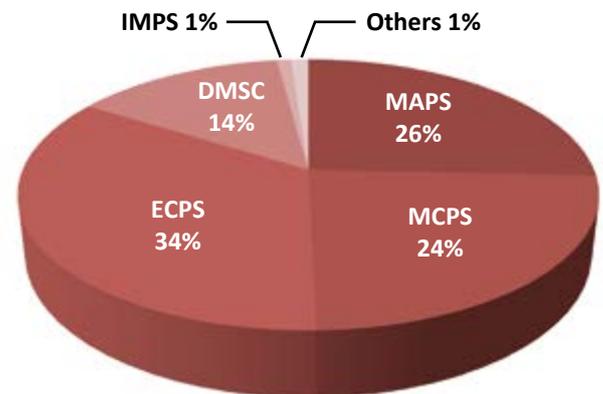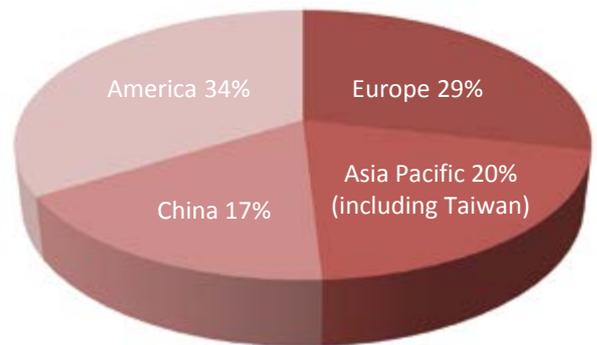
1.3 Association and Guild Memberships

ADLINK has applied for and obtained various international certifications, including ISO 9001, ISO 13485, ISO 14001, OHSAS 18001, Taiwan Excellence and TL 9000, for example. Factories are located in China and Taiwan, a globalized marketing network has been implemented, and new products are continuously developed for opening new markets. Maintaining the operational mission of innovative technology and moving the world, we actively participate in international member organizations to contribute toward improvements and cooperation in industrial technology. As of now, the international associations of which we are a part include the Intel Intelligent Systems Alliance, where we were promoted to Premier member at the beginning of 2014. We are executive members of the PCI Industrial Computer Manufacturers Group (executive members are able to participate in setting standards), a member of the board of directors and member of the highest level of the PXI Systems Alliance, a founding member of the PC/104 Consortium, a voting member of the SFF-SIG, a founding member of the AXIe Consortium and SGET, as well as being a Microsoft Embedded Silver Partner, Montavista Partner, Wind River Hardware Partner, and Automation Imaging Association. Through actively joining international organizations, ADLINK is recognized as a technological leader, familiar with market and technology trends while having a deep understanding of our customers' needs across the globe.

02

Corporate Governance and stakeholders

Corporate Governance / Board of Directors / Remuneration Committee / List of Majority Shareholders / Dividend Policy and Distribution / Employee Bonus Sharing and Compensation of Directors and Supervisors / Corporate Risk Management / ADLINK Corporate Social Responsibility Management Committee / Interested Parties' Areas of Concern and Communication Channels / Code of Ethics and Business Engagement

2.1 Corporate Governance

Shareholder's Meeting

Supervisors

Board of Directors

Chairperson

Auditing Office

CEO's office

President Office

Labor Safety and Hygiene Office

Legal Office

Advanced Product Technical Committee

Global Sales Office

Taipei Design Center

Customer Care Center

Global Operations Office

Global Business Management Division

Measurement & Automation Product Segment

Taiwan Sales

Sales Operations Department

Taipei Manufacturing Center

Information Services Department

Industrial Mobile Computing Product Segment

Asia Pacific Sales

Import and Export Department

Global Operations Quality Assurance Division

Human Resources & General Affairs Management Department

Embedded Computing Product Segment

European Sales

Global Procurement Division

Finance Department

Modular Computing Product Segment

American Sales

Product Engineering Technology Center

Accounting Department

Design & Manufacturing Service Center

China Sales

▲ Figure 2.1 Company structure

Business portfolio of major departments

Department	Business Portfolio
CEO's Office	Responsible for planning, research and promotion of company-wide goals, and the establishment of corporate strategies and guidelines.
Auditing Office	The establishment, engagement, auditing and review of internal control systems.
President Office	The coordination, communication, engagement, promotion and drafting of company-wide operational goals.
Labor Safety and Hygiene Office	Leads and manages ISO 14001 system, establishes environmental health and safety policies and systems for the company, guarantees the safety and health of employees, maintains and audits the environmental and health systems of each department. Determines the occupational hazards prevention plan while guiding responsible departments in its implementation, planning. Supervises labor health and safety management, checks and examines health and safety equipment for each unit. Supervise, guide and monitor relevant personnel to carry out visits and regular monitoring, including extensive search and testing of work environments, planning employee health checks and implementing health management systems.
Legal Office	Legal risk control and planning required for business operations as well as contract reviews, lawsuit control and intellectual property management.
Advanced Product Technical Committee	Responsible for product and technology planning, investment in new technologies, application for up-and-coming technologies and improvement of technological research for the ADLINK group.
Global Sales Office	Responsible for sales over all regions.
Taipei Design Center	Research and development of software, software testing and verification, establishment of hardware standards, manufacturing hardware layout, engineering drawing management, technology information management, components testing and selection, test instrument development, product design verification, product development supporting relevant PCB design, component approval management, environmental assessment, certification and reporting.
Embedded Computing Product Segment Modular Computing Product Segment	Market strategy planning for products and comprehensive operational performance, setting of sales price, managing and disseminating product information, suggesting new product development, market development and expansion of marketing channels, analysis and investigation of market needs, establishing product standards, product and project development schedule management, design modification, engineering drawing management, technology information management, customer support and service.
Design & Manufacturing Service Center	Establishing standards, hardware layout manufacturing, mechanical structure design, software development, testing and verifications, design information and engineering drawings management, testing instrument development, testing and verification for customized products.

Measurement & Automation Product Segment Industrial Mobile Computing Product Segment	EPlanning market strategies, market development and expansion of marketing channels for products. Performs market analysis and investigation, decisions and information for product pricing, road map planning of new products (software, hardware and firmware standards establishment of new products), software research and development, software testing and verification, hardware standards establishment, hardware layout manufacturing, engineering drawing management, technology information management, component testing and selection, test instrument development, product design verification and customer application services as well as product management from development to production and product marketing.
Global Operations Office	Taipei Manufacturing Center ・Quality Assurance: Quality management over suppliers, product and materials inspection, and production quality control. ・Production: The entire system of production. ・Manufacturing Engineering: Transfers research technologies to factory production as well as maintenance and post-sale maintenance of defective products during production. ・Planning: Production schedules, materials planning and planning and management for storage of raw materials and products. ・Continuous Improvement Center: Promotes lean manufacturing and production work systems, eliminates waste and creates value. Global Operations Quality Assurance Division: Responsible for strategies, management and planning of quality assurance, environment and health systems, customer quality project improvement and customers complaints report processing. Global Procurement Division: Responsible for managing suppliers and prices, procurement of production components and searching for vendors. Product Engineering Technology Center: Integrate supply chains and collaborate on strategies with products department to meet corporate operational guidelines.
Customer Care Center	Customer support services, customer quality management, post-sales maintenance and order management.
Global Business Management Division	・Information Services: planning of corporate information systems, computer equipment management, software maintenance, data management, establishment of computer networks. ・Human Resources & General Affairs Management: Human resources strategies such as selection, retention and training of talents including job planning, establishment and promotion of administrative and human resource management systems, remuneration system, manpower management oversight, global human resource corporate culture projects, general affairs procurement and fixed asset management. ・Finance: operational analysis of financial statements, fund planning and bank transactions, long and short-term investment analysis, foreign exchange hedge and shares operational affairs. ・Accounting: accounting, bookkeeping and tax processes, budget organization, and editing of financial reports.

2.2 Board of Directors

In order to fairly, justly and openly select directors and supervisors, ADLINK established the "Procedures for Election of Directors and Supervisors" according to the "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies". The selection of ADLINK directors and supervisors is made in accordance with the procedures.

The highest governing body at ADLINK is the board of directors, with current board members including five directors and three supervisors who are elected by shareholder vote. ADLINK relies on the supervisors' and directors' extensive expertise in different fields to keep the company aware of potential prospects for cutting edge technologies and familiarity of international market trends and dynamics. Besides being an institutional director, other board members require more than five years of business, legal, financial, accounting or other form of corporate expertise. The composition of the board is diverse so as to establish an excellent corporate governance system, as well as monitor, appoint and guide the corporate managers while strengthening research skills, increasing management functions and leading effective operations in economic, social and environmental aspects of the company. The board is devoted to maximizing the rights of its stakeholders .

The five directors include: Chairperson, Mr. Jim Liu; Vice President of manufacturing, Mr. Richard Lin; COO of Operational manufacturing management, Mr. George Feng. The directors at ADLINK do not concurrently hold positions as corporate managers. The board of directors has appointed Mr. Daniel Yang to be the General Manger of ADLINK. Anther director is Mr. Gary Chou of the Zenitron Corporation and Kai Sheng Investment Co. Three impartial supervisors provide oversight from outside the company. They are Ms. Amy Huang (Chroma ATE Inc.), Ms. Janice Chen, and Ms. Theresa Wu. The eight supervisors and directors have a variety of expertise and are well equipped with the professional knowledge required to execute their duties. ADLINK greatly values the reputation of these individuals, their ethical standard and leadership abilities.

The total number of shares held by the entirety of the directors and supervisors at ADLINK is 22%, in compliance with securities regulations. ADLINK purchases liability insurance for its supervisors and directors on and within the range of the business with which they are engaged.

Board meetings are held at least once per quarter, with eight board meetings convened in 2013.

List of ADLINK Directors and Supervisors

Title	Name	Gender	Primary duties and academic/work experience
Chairperson	Jim Liu	male	Company Founder Computer Science Graduate School, National Tsing Hua University Institute for Information Industry
Director	Richard Lin	male	Vice President of Manufacturing Department of Information & Computer Engineering, Chung Yuan Christian University Technological engineer at De Xin
	Gary Chou	male	Chairperson of Zenitron Corporation Asian Institute of Management, graduate of MDP class Department of Electronic Engineering, Tatung University Electronic Design Director, Tatung Company
	George Feng	male	COO of Operational Manufacturing Management for ADLINK University of Houston, Texas Industrial Engineering PRTM Shanghai Office/ Principal TGC Shanghai Office/ VP & General Manager

Director	Kai Sheng Investment Co., Ltd.	-	Institutional Directors
Supervisors	Chroma ATE Inc. Representative: Amy Huang	female	Director of Finance at Chroma ATE Inc. Department of Accounting, Tunghai University
	Janice Chen	female	Verigy US Inc. Global Credit Risk Control Head Business Management Master, University of Washington United National Bank (Cathay United Bank) Director of Finance Agilent Technologies Credit Manager of Greater China Region Washington State, Certified Public Accountant
	Theresa Wu	female	Chairperson of Fate-design Original Co., Ltd. Stack Devices Corp., Independent Director and Remuneration Committee Member China Chemical & Pharmaceutical Co., Ltd., Remuneration Committee Member Zenitron Corporation, Remuneration Committee Member National Taiwan University EMBA / Certified Public Accountants, CPAs International internal auditor/international computer auditor

2.3
Remuneration Committee

The mission of the Remuneration Committee is to assist the board of directors in executing and evaluating the remuneration and benefits policy of the entire company, as well as the compensation of directors and managers.

Remuneration Committee :
(1) Establishes and regularly reviews the performance evaluation of directors, supervisors and managers, the remuneration policy, system, standards and structure.
(2) Regularly evaluates and establishes the remuneration and compensation of directors, supervisors and managers.

In the execution of its duties, the Committee shall comply with the following guidelines :
(1) Performance evaluations and remuneration of directors, supervisors and managers shall refer to the payment standards within the industry, and shall take into consideration personal performance, company performance and future risks.
(2) The Committee should not encourage the directors and managers to conduct any activities exceeding an acceptable level of risk for the company in pursuit of higher remuneration.
(3) In respect of the proportion of short term bonus and changes in the time of payment of remuneration for directors and high-level managers, the Committee should consider the special characteristics of the industry and the business nature of the Company.

Composition and selection of the members of the Remuneration Committee :
Chairperson: Mr. Tony Wang
Members: Mr. Sandy Lo (term expired on 2014/3/19)
Ms. Jessica Lei
Ms. Wendy Lee (duly appointed on 2014/4/28)

Composition of the members of the Remuneration Committee was appointed by the board of directors with the current members as an external committee. The members of the Remuneration Committee shall perform with independence and professionalism as required by relevant regulations. The term of the members of the Committee shall be the same as that of the board of directors. In accordance to ADLINK's "Remuneration Committee Charter", Committee meetings shall be convened at least twice a year. ADLINK conducted a total of three Remuneration Committee meetings in 2013.

The background information, academic history, holding of a concurrent position in another company including board of directors positions, and the information on the scope of authority of each ADLINK Remuneration Committee member, is disclosed in the annual report which can be accessed from the company website and the Market Observation Post System.

2.4
List of Majority Shareholders

Names and shares of principal shareholders	Number of shares held	Percentage of shares held
1. Chroma ATE Inc.	19,896,215	11.63%
2. The investment account of Agilent Technologies UK limited in custody of Citibank (Taiwan).	12,608,694	7.37%
3. Zenitron Corporation	11,014,751	6.44%
4. Jim Liu	8,957,284	5.24%
5. Zhong Sheng Investment Co.	8,552,291	5.00%
6. Kai Sheng Investment Co.	6,233,284	3.64%
7. Tung Ho Steel Enterprise Corporation	4,505,399	2.63%
8. Ni Harn-Fen	4,401,458	2.57%
9. The investment account of Fidelity Worldwide Investment in custody of Standard Chartered Bank, Dunhua Branch	3,021,000	1.77%
10. Ling Shuo Technology Co., Ltd.	2,793,790	1.63%
11. Government fund and relevant shareholders		
A. Labor Pension Fund (New Scheme)	2,412,500	1.41%
B. Labor Pension Fund	2,130,500	1.25%
C. Public Service Pension Fund	359,000	0.21%
D. National Policy Foundation	80,000	0.05%
Total number of shares held by Government fund and relevant shareholders	4,982,000	2.92%

2.5
Dividend Policy
and Distribution

Dividend policy

There are many environmental variables in the industry that ADLINK is in and its corporate life cycle is in a stable stage of growth. Considering this continuous expansion, funds required by operational turnover and long-term financial planning, and satisfying shareholder expectations, ADLINK developed the Residual Dividend Policy in accordance with the Company Act and relevant regulations.

Future annual funding requirements are planned based on the future capital budget for the company, and then first finances the capital with retained earnings, with the remaining earnings distributed as cash dividends. Cash dividends shall not be lower than 10% of the total dividends.

During the annual earnings distribution for ADLINK, if there are earnings after the current accounting, they shall be used to make up for the accumulated losses after tax payment is made. The remainder shall then be appropriated to 10% or more thereof as legal surplus reserves. The earnings will then be allocated or turned over to the special earnings reserve in accordance with regulations, and the reminder shall be distributed in the following manner:
1.Employee bonuses: 3%~20%
2.Remuneration of directors and supervisors: no higher than 3%
3.The remainder as shareholder bonuses. The remainder after the previous two distributions together with accumulated undistributed earnings from previous years shall be deemed as distributable earnings, with partial earnings reserved when necessary prior to distribution.

The receivers of previously mentioned employee bonuses include subordinate company employees who match certain criteria.

The distribution of previous stated earnings shall be discussed by the board of directors, then submitted to the shareholders' meetings for resolution prior to distribution.

Distribution of dividends

ADLINK's earnings distribution in 2013 has been validated by Official Letter No. 1030024515 issued by the Financial Supervisory Commission on June 27, 2014. 0.7004505723 dollars of stock dividend per share, and 1.50075661 dollars of cash dividends per share were distributed according to shareholders and the number of shares held recorded in shareholders' list up to the allotment base date. A total of 119,895,700 dollars worth of stock dividends and 256,883,600 dollars worth of cash dividends were distributed.

2.6
Employee Bonus Sharing and Compensation of Directors and Supervisors

1. Described herein is the basis for estimating the amount of employee bonuses and director/supervisor compensation, calculating the number of shares to be distributed as stock bonuses, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period.

The 2013 employee bonus is estimated at NTD 63,456,563 and NTD 4,230,437 for the remuneration of directors and supervisors, based on past distribution records. After the end of the fiscal year, when there are major changes in the distribution amount as resolved by the board of directors, the original annual distribution amount allocated shall be adjusted. If there are still changes in the amount by the date of the shareholders' meeting, changes should then be estimated by accounting and adjusted into account at the shareholders' meeting. If the shareholders' meeting adopts stock dividends as an employee bonus, the number of stock bonuses shall be decided by the stock's fair value divided by the bonus amount. The stock's fair value is calculated based on the closing price on the day before the shareholders' meeting considering the effect of ex-right and ex-dividends. The basis for estimating the amount of director/supervisor compensation is based on the salary standards of the industry, as suggested by the Remuneration Committee and approved by the Board of Directors.

2. Imputed earnings per share, proposed distribution of employee bonuses and amount of director/supervisor's compensation as approved by the board of directors: 2013 annual earnings distributions were approved by the board of directors on March 12, 2014 and passed in the shareholder's meeting on June 9, 2014. The earning distributions were as follow:
Cash dividends for employee bonuses were NTD 63,456,563 and NTD 4,230,437 for compensation for directors and supervisors, with a total of NTD 67,687,000. This total was the same as the recognized annual estimated amount, with no difference.

3. Actual distribution of employee bonuses and director/supervisor compensation for the previous fiscal year (with an indication of the number, dollar amount, and stock price of the shares distributed, and with any discrepancy between the actual distribution and the recognized employee bonuses and director/supervisor compensation duly noting the discrepancy, cause, and how it was treated):

2012 employee cash bonuses and compensation for directors and supervisors as passed by shareholder's meeting on June 25, 2013 were NTD 31,758,750 and NTD 2,117,250, respectively. The employee cash bonus and compensation for directors and supervisors approved by shareholder's meeting previously mentioned are the same as the employee bonus and compensation for directors and supervisors recognized in the 2011 financial report.

2.7
Corporate Risk Management

Internal audit

Internal audits are directly under the supervision of the board of directors. The internal auditor's responsibilities are to execute the audit plan and submit improvements in order to ensure meeting three major goals: "operational efficient and efficiency", "compliance with relevant laws and regulations" and "reliability of financial reporting".

2013 Internal Audit Key Points:

1. Testing and evaluating eight operational cycles (sale and receipt cycle, purchase and payment cycle, production cycle, labor and wage cycle, finance cycle, property, plant and equipment cycle, investment cycle, research and development (R&D) cycle), including the risks and validity of the control procedures of these items.

2. Auditors shall be processed according to the items requested by the Financial Supervisory Commission, Executive Yuan:Management of the use of seals, derivative products, management of endorsements and guarantees and loans to others, related parties transactions, supervision and management of subsidiaries, management of operation of board meetings, information security checks, management of the procedures for preparation of financial statements, including management of application of international financial reporting standards, procedures for professional accounting judgments, and processes for making changes in accounting policies and estimates and management of the operations of the remuneration committee.

3. Conduct physical audit and internal control system evaluations on ADLINK subsidiaries.

4. Engage in special audit projects as required by company operations.

The Audit Office established a 2013 Annual Audit plan and conducted internal control system auditing as planned. Forty-two audit reports were submitted during 2013, and the corrective measures suggested in these reports were submitted by the unit that was being audited. The correction status was followed up by the Audit Office during the year.

2.8
ADLINK Corporate Social Responsibility Management Committee

To respond to growing concerns from interested parties and customers, ADLINK set up the Corporate Social Responsibility Management Committee in May, 2014 and began to promote corporate social responsibility issues. The composition of the ADLINK Corporate Social Responsibility Management Committee mainly includes representatives from research, quality assurance, manufacturing, biotech, procurement, customer care, human resources, labor safety, finance, information services and the ADLINK Foundation. Through its promotion by the committee, ADLINK created five critical sub-groups, including: Company Governance, Employee Care, Energy Efficiency, External Communication and Social

Involvement. Through continuous group discussion and data collection, the key performance indicators focusing on the environment, economy and social welfare were highlighted for ADLINK, as well as eight other agendas that interested parties are concerned with.

ADLINK expects that feedback from interested parties and customers, on top of continuous promotion from the Management Committee, will help the company achieve its goals of sustainable business while fulfilling corporate social responsibilities.

ADLINK Corporate Social Responsibility Management Committee

| Corporate Society Responsibility Strategy | Responding to the needs of society and interested parties is our cornerstone, and the core focus of company operations |

Management Committee

General Director of CSR Promotion — **The ADLINK Foundation**

- Corporate Governance Committee
- Employee Care Committee
- Energy Efficiency Committee
- External Communication Committee
- Social Involvement Committee

Corporate Social Responsibility Projects

Established performance indicators for each project

△ Operational efficiency

△ Social responsibility

△ Check Items KPI

△ Public Disclosure of Information

△ Social impact/effects

2.9
Interested Parties' Areas of Concern and Communication Channels

Communicating and interacting with interested parties is an important part of company operations. ADLINK hopes to fully understand interested parties' thoughts and needs through their participation in multi-faceted communications channels, so that ADLINK can better respond to corporate social responsibility operations.

Strategies, plans, and innovative methods are provided to strengthen ADLINK's operational ability to fulfill interested parties' expectations and achieve sustainable corporate development.

The Corporate Social Responsibility Management Committee uses multiple communication channels and methods to discuss and identify interested parties, including shareholders, employees, customers, suppliers, communities at large, and government units.

Interested parties' areas of concern and communication channels

Interested Parties	Areas of Concern	Communication channels
Shareholders	· Business performance · Company governance · Risk management · Financial performance transparency · Environmental protection	· Market observation post system · Investor relations on company website · Annual shareholder's meeting · Regular investor conference · Inventor visits · Investor relations · pokesperson system
Employees	· Remuneration and benefits · Educational training and career development · Work environment · Labor and management relations	· Labor management meetings · Job promotion plan · Labor Health and Safety Office · The New ADLINKers Magazine
Customers	· Product quality and service · Green energy efficient products · Product delivery date	· Customer Care Center · International exhibitions and distributor conferences · Official company website · Media advertisements
Suppliers	· Business performance · Order management	· Supplier evaluations · Procurement contacts
Local community	· Environmental protection · Social involvement	· Coordination meetings · Telephone communications
Government	· Environmental protection · Social involvement	· Participation in research meetings and replying to audits by competent authorities · Disclosure of non-financial information

Areas of Concern

· Business performance
· Company governance
· Risk management
· Financial performance transparency
· Environmental protection
· Remuneration and benefits
· Educational training and career development
· Work environment
· Labor and management relations
· Product quality and service
· Green energy efficient products
· Product delivery date
· Order management
· Environmental protection
· Social involvement
· Compliance with regulations and legislation
· Labor conditions

H

6

13 1 5

9 10

4 7

16 2 12

8

14 3 17

Secondary topics 11 Primary topics

15

The degree of concerns
from interested parties

L

Level of immediate or potential impact on company

H
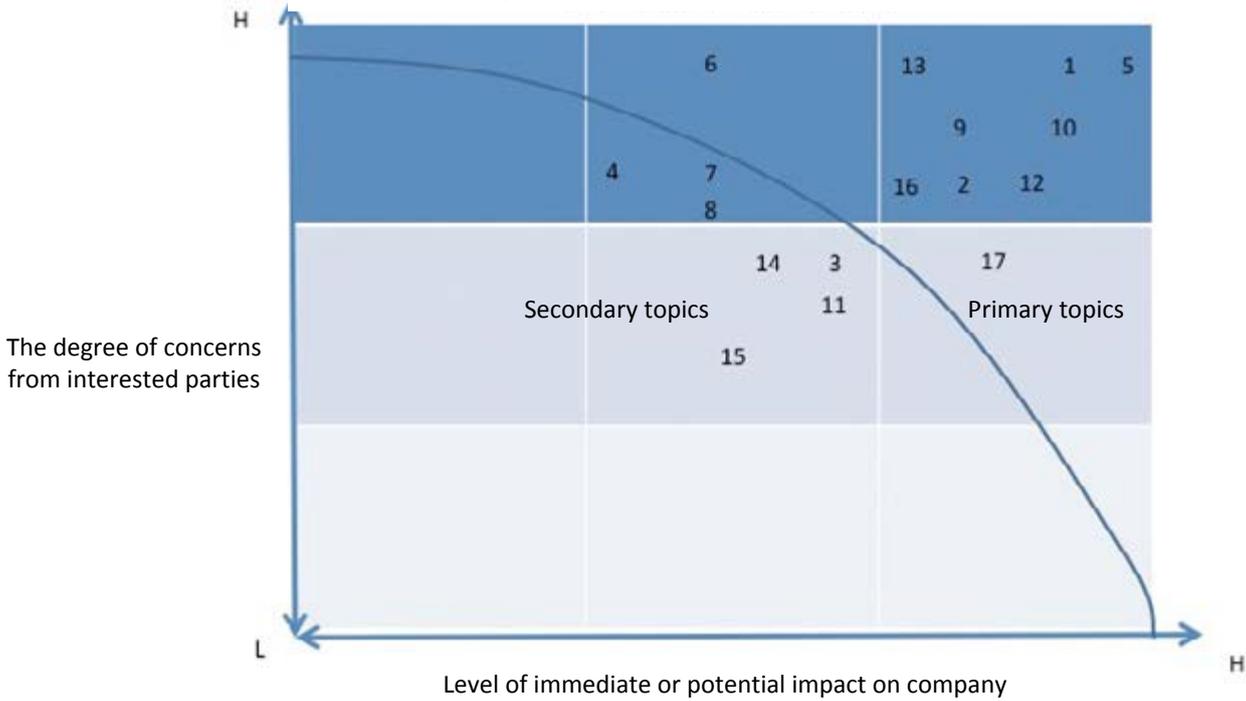
2.10 Code of Ethics and Business Engagement

Compliance with the law is a basic responsibility of every citizen. ADLINK, as a member of society, is no exception to this rule. Since its beginning, ADLINK has given priority to following various regulations including, business administration, corporate governance, labor and environmental protections. ADLINK is dedicated to ongoing participation with external training in order to better understand international and domestic regulations, governmental policy and perspectives, as well as specific regulatory requirements in the industry. Additionally, it is every ADLINK employees' duty to understand and ensure the legality of his/her work activities. ADLINK established the Legal Affairs Office to ensure the company has the correct and uniform understanding of current regulations. Besides processing regular legal affairs or litigation, the Legal Affairs Office is also responsible for the rights and obligations between the company, suppliers or customers, the legality of business activities, regulation compliance, and tracking of regulation amendments. The Legal Affairs Office has the added responsibility of internalizing regulations, helping employees grasp the latest information and assisting them in clearing doubts about regulations, which then prevents the risk of possible regulatory violations.

Aside from simple regulation compliance, ADLINK also engages in specific actions in areas that today's general public is concerned with. Ranging from personal information protection, intellectual property management, environment

and ecological protection, gender equality in the workforce, occupational health and safety guarantees, as well as anti-corruption, ADLINK strives to promote these topics in order to internalize these ideas as core work values for each and every employee. For example, there are confidentiality clauses written in the employment contract of every employee. There is a requirement for confidentiality of data that should be kept private that employees could come into contact with during their normal work related activities (e. g. personal information). During the training of new employees, ADLINK's core values on environmental protection, sexual harassment prevention, and occupational health and safety related content are introduced.

When necessary, additional information sessions are opened that focus on specific agendas, such as sexual harassment prevention. ADLINK is a strong advocate for all employees to implement a gender-friendly work environment with equal rights. Another example is the Labor Health and Safety Office at ADLINK, which manages the regulatory requirements of workers ranging from the management of qualifications for the emergency preparedness team, to fire prevention, emergency personnel, organic solvent operations supervisor, supervisors of operations with lead, forklift personnel, radiation-exposed workers as well as the arrangement of relevant drills or day-to-day training. The goal here is to proactively implement regulatory requirements. Take anti-corruption as an example; since 2006 ADLINK established

its Code of Ethics as a basic requirement of managers when dealing with company related affairs. In addition of active participation and initiation of responses to anti-corruption and anti-bribery requested by customers, ADLINK further requests all suppliers to sign the Letters of Undertaking Integrity. ADLINK hopes these internal and external actions will correspond to the high expectations of corporate integrity from the general public.

Competitive business practices are an inevitable outcome of corporate activities. ADLINK always considers reasonable competition to be the expression of corporate vitality. Therefore, a normal and healthy competitive environment is a basic requirement for the company's development, and is also the basis for the maximization of social values. Because legitimate competition is the most critical factor in the progression of social culture, negative impacts would undoubtedly arise in terms of societal and cultural progression if there were no competition in business.
         Anti-competitive practices are in accordance with the Fair Trade Act in our country. The Fair Trade Act regards anti-competitive practices as having two types of unfair competition and restrictive competition. The first is unfair business activities, such as commercial counterfeiting, deceptive and misleading advertisements, or commercial defamation. The second term refers to restricting other suppliers from fair participation in competition through business engagement, such as monopolies, mergers, concerted actions, as well as vertical restraints.

ADLINK views legal compliance as a core value, and adopts the necessary actions to implement it into every employee's

work behavior. ADLINK also greatly values the Fair Trade Act. Besides regularly communicating with authorities, ADLINK occasionally attends conferences to understand the latest regulations and practical operations on anti-competitive practices, both locally and internationally, with the knowledge gained then used internally to advocate for positive change.

Therefore, since its beginning, ADLINK has never engaged in anti-competitive practices, regardless of unfair competition or restrictive competition. ADLINK has also never received penalties, or warnings of any other kind due to the selling of products in an inappropriate manner.

ADLINK insists on having the high standard of self-discipline in ethically producing its products. ADLINK has also adopted an independent research and production method, and as such, has never been involved in any infringement or regulatory violation. The company has also never been prohibited from selling in a specific market, and has never received any punishment due to the selling of its products.

公平交易委員會
FAIR TRADE COMMISSION

經濟部
智慧財產局
INTELLECTUAL PROPERTY OFFICE

法源 法律網 LawBank

Bureau of Industry and Security
U.S. Department of Commerce
Where Industry and Security Intersect

Personal information protection

Intellectual property rights

Environment and ecology

Legal compliance

Anti-corruption

Workforce gender equality

Occupational health and safety

Compliance Issue

03

Customer Service and Supplier Management

Customer Service and Supplier Management / Product Service / Supply Chain Management

3.1 Customer Service and Supplier Management

ADLINK's dedication to research and innovation for measurement, automation, customization and IOT technology, is focused on providing automation solutions of reasonable cost and excellent quality to customers and partners across the globe. Our customers are globally recognized companies in communications, manufacturing, and the medical and transportation industries. Comprehensive customer service is an important core value for ADLINK, and we are devoted to delivering the highest standard of product quality and service to fulfill our customers' needs. The ADLINK sales group has established the Customer Project Management Customer Care Center, which is a service team created exclusively for our customers. They are responsible for executing customer orders, and oversight on product manufacturing, quality, delivery and post-sale services. In terms of questions and feedback from customers, they are also responsible for responses and ensuring comprehensive corrections are submitted accurately and timely. Every year, ADLINK engages in customer satisfaction investigations through third party consulting companies. These investigations are on products and overall quality, sales, technical support, customer service and focus on continuous improvements to the organization. Providing high quality professional services is a goal ADLINK continuously challenges itself to achieve.

Overall Satisfaction

Calculation of overall satisfaction: Customer service accounts for 1/3,
The product accounted for 1/3, brochures and websites account for 1/3

"ADLINK" Average Overall Satisfaction =70.6

Website satisfaction level	74.3
Customer Service satisfaction level	67.5
Documentatiob satisfaction level	75.2
Product satisfaction level	71.8

0   70.6   100
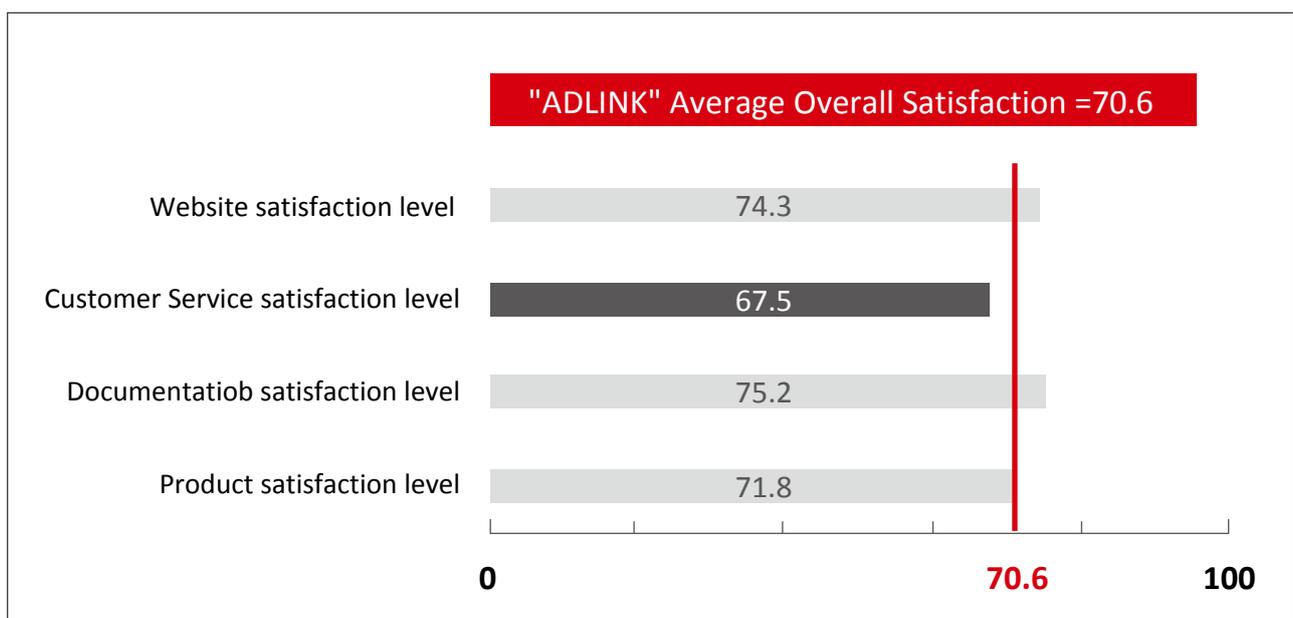
3.2 Product Service

ADLINK greatly values product technical support services and pre-sale solutions. Thus, ADLINK created the FAE Training & Certification (AFTC) program. It is a systemic training and certification program for technical support service personnel, and is designed as an extension of the "customer first" culture in the company. It is expected that strengthened sales, product optimization, and technical support service improvements will become the iron triangle to realize customer expectations.

Considering that improvement in FAE capability requires steady and solid development, AFTC defines the contribution level and promotion standard of each class at four different levels (Basic, Intermediate, Expert, and Consultant). Besides giving clear and challenging goals for FAE personnel, the certification classification results can even be used as an inventory of the technical support services capacity for RBU and the Product Center. Together with market product focus, this inventory will help decide how to allocate the most effective training resources.

Besides being implemented within the company, AFTC has been promoted to external agents since the end of 2014 through a rewards system that encourages agents to improve their technical service support solutions and create a win-win situations.
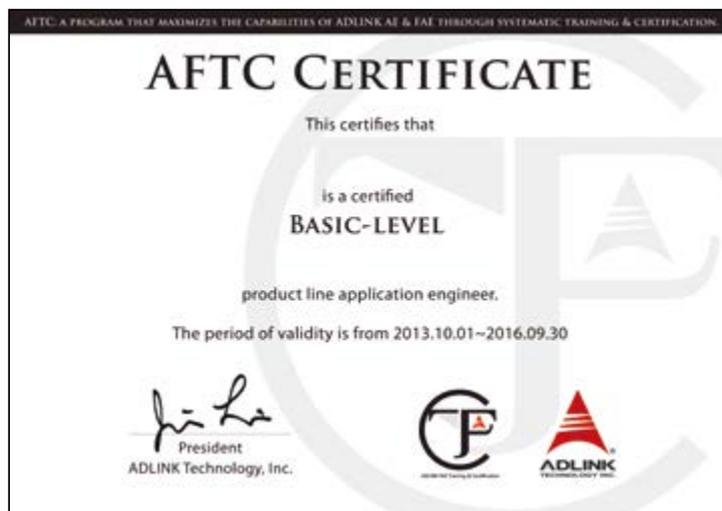
▲ AFTC Certification of Completion

Value / Contribution

Business Contributor

Solution Provider

Problem Solver

Effectively analyze & solve customers' problems in the first line

Delivering technical expertise for solution providing & implementation to customers

Contributes to sales activities of field & acts as the customer voice to influence product design to meets market needs.

Capability / Experience

▲ AFTC Capability development architecture

3.3 Supply Chain Management

Characteristics of local and offshore procurement and supply chain

Suppliers are important partners for ADLINK's business. Together, we seek sustainable corporate operations and growth through close cooperation.

In 2013, the number of suppliers that consistently collaborated with ADLINK was 724. In terms of a materials procurement strategy, ADLINK chose suppliers located near the production area. In addition to considering the efficiency of material supply, energy waste due to transportation was reduced to achieve the goal of reducing global warming gas emissions.

Since 2011, ADLINK has actively selected suppliers that have a local production base as their materials procurement strategy. Our local procurement percentage increased from 64% in 2011 to 73% in 2013.
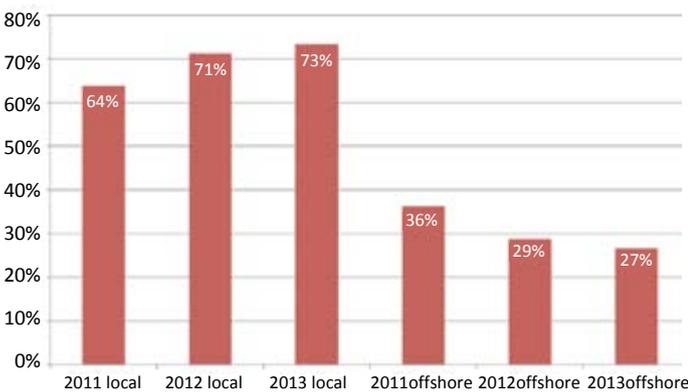

Figure 3.3 Local and offshore procurement

Supplier management

For the management of ADLINK's suppliers, besides the original promotion of the RoHS green materials regulation, capability evaluations of new suppliers was also executed. The evaluation focused on organization leadership, production and manufacturing, design and research, cost control, product quality, delivery service, and environmental and labor safety. The auditing team was composed of quality assurance, procurement and design members. New suppliers who passed the review process would then become partners. For the approval of materials, they would have to be comply with RoHS requirements before being adopted for internal use. For suppliers that have been partnered with ADLINK, regular audits and evaluations are conducted to ensure that standards of quality are maintained.

ADLINK also advocates the concept of sustainable operations and requires that it be extended through the supply chain. The past auditing methods for suppliers only focused on traditional auditing items, which were inadequate.

Sustainable development capabilities should be further improved in order to expand the green performance of the overall value chain. Thus, ADLINK included corporate social responsibility ideals in supply chain management in 2013 with the goal of surpassing regulatory requirements and listed new auditing items for suppliers including human rights management, conflict minerals, social responsibilities, sustainable business practices, promoting autonomous improvement by suppliers and advocating for carrying corporate social responsibilities together.
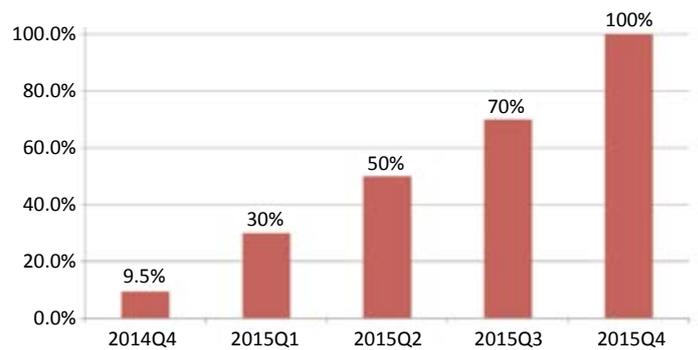

Figure 3.4 GPMs Introduction Project

ADLINK has been incorporating qualified suppliers and vendors into the Green Product Management System (GPMs) since the beginning of 2013. Through systemic and efficient management, it is expected that all suppliers will be incorporated into GPMs by the end of 2015.

Conflict minerals

In view of relevant regulations on conflict minerals issued by the United States Securities and Exchange Commission on August 22, 2012, ADLINK declared that it would reject metals from illegal mining operations in conflict regions. ADLINK also started advocacy work with suppliers on such issues, asking suppliers to sign letters of declaration that minerals are conflict-free, while adding the following requirements to procurement contracts:

(1) After countersigning or delivery by suppliers, it shall represent that the metals included in any products sold to ADLINK are all guaranteed to comply with DRC Conflict-Free policy.

(2) After countersigning or delivery by suppliers, it shall represent that the metals included in any products sold to ADLINK are all guaranteed to comply with RoHS, PFOS and REACH.

(3) Suppliers promise to implement environmental friendly actions and promote employee health, while complying with the contents of the code of ethics, as well as complying with the terms of conduct in accordance with the ADLINK Website http://www.ADLINKtech.com/about_ADLINK/aboutus.php?file=csr.htm

04

Industry-Academic Collaborations

Research and Development Projects / Research and Development Projects and Alternative Civilian Service / Cooperative Education / Academic Cooperation - In-Depth Projects / Innovative Management

4.1
Research and
Development Projects

In terms of ADLINK's global strategic planning, the superiority of our highly industrialized products and services continue to be strengthened, and are our main areas of focus. ADLINK strives to increase manufacturing scale and capacity in research and development, and will continue the execution of its past strategic planning to ensure future growth. The following three key plans explain how ADLINK plans to achieve this aim.

(1) Deeply cultivate the five main application fields, establish strong customer relationships and strengthen smart application platform development.

ADLINK has comprehensive middle-to-long-term planning for industrial applications that can cultivate the vertical market in depth. There are five main application fields that will be focused on gradually in the future: Infotainment, Medical Applications, Telecommunications, Military/Transportation, and Measurement/Automation. In these five areas, ADLINK already has long-term and stable world class customers who will help with future product development strategies to extend into system development of Application Ready Intelligent Platforms (ARIP). This not only increases the additional value of products, but can establish in-depth partnership relationships with customers while expanding scope of services and sales.

(2) Increase efficiency and effectiveness of the company's resource usage.

Faced with market competition, opportunities come with risks and challenges, among which, evaluating the efficiency and effectiveness of resource usage will continue to be an important management focus for ADLINK. Since 2013, ADLINK adopted the business group organization structure and coordinated it with a balanced analysis to implement a performance review on resource management. Each business group submitted their resource needs, monthly reviews specific to annual planning, provided forecasts, effectiveness analyses, and risk evaluation. In addition, to ensure the effectiveness of investments and maintain innovation in research, ADLINK will integrate market needs through the High Performance Product Development (HPPD) plan to continuously strengthen our international competitiveness on product research and development.

(3) Training and management of globalized talent.

As an integral part to our global strategic planning, ADLINK will strengthen its focus on the management of talents from different countries and cultural backgrounds. Besides establishing various localized management structures, ADLINK emphasizes the establishment of mutual respect and trust within internal teams through open attitudes and an international perspective on cross-cultural values. ADLINK believes that the globalized training and management of talents shall be the critical factor in maintaining long-term competitiveness for the company.

4.2
Research and Development Projects and Alternative Civilian Service

ADLINK believes that talents are the most critical factor in achieving our success, so we actively cooperate with the government, letting excellent talent join us earlier through alternative civilian service. We have planned a series of systems for draftees, as outlined here.

(1) Career and training planning

For training, draftees of the alternative civilian service are mostly people who have just started working. Therefore, when the new draftees start work, they will join the ADLINK mentoring system, and will be guided by senior employees of the same unit. Through the leading and guidance of a mentor, draftees can more easily adapt to the new environment and put their best effort forward.

Newly hired draftees must participate in the new hire training organized by the company. The training content includes a company introduction, quality assurance, environmental health and safety documents, company system and employee benefits, work environment introduction as well as an introduction on each unit of the company. This training helps with adapting to the corporate environment as quickly as possible. After work commences, each department submits and executes individual training according to the annual training plan, using mostly internal training with the two main types being planning and educational training. Planning training is about gathering a majority of employees and teaching them in a group; educational training is based on operational needs. The department head assigns specific personnel for the training in mostly a one-on-one teaching style.

To strengthen talent development and training, the following year of training courses are planned at the end of the current year while executing the company's talent development plan. The objective is to increase the personnel's comprehensive capabilities through a series of internal and external training corresponding to specific job skill requirements while assisting newly hired draftees in planning their careers.

(2) Management planning during service period

1. Before work starts, draftees should understand the future work planning and execution items, so as to understand the main duties and basic requirements of their positions. The scope of duties covers their main working responsibilities, and also includes work from their department, or the company's project/annual strategic key items which encourages employees to actively seek tasks for growth in their capabilities.

2. If a draftee appears to be the wrong fit for a position, the human resources department and the department head will collaborate and analyze any issues as well as understanding the capabilities of the draftee. Training will be conducted to make up for any deficiency, or an alternative position will be proposed.

3. If a draftee has excellent performance, an appropriate duty rotation will be proposed, as a mechanism for talent reserve.

4. After being hired, ADLINK enrolls the draftees into the mentoring system, and will be guided by senior employees of the same unit. Through the leading and guidance of a mentor, draftees can more easily adapt to the new environment and put their best effort forward. If a draftee appears to be unable to adapt to the working environment, the direct mentor will give the appropriate guidance, with human resources attempting to understand the causes of any issues, and arrange appropriate training or other career counseling programs.

5. Talent training and development is based on position and job level, which focuses on the career development needs on both the professional and managerial levels. Promotions for positions and job levels shall take into consideration the evaluation, capability, and performance of draftees. Promotions are based on the availability of positions and also consider if the personal capabilities of the candidate will match with the requirements of the position.

6. Benefits system
   · An amount of money shall be allocated to the Employee Welfare Committee every month, enabling the committee to execute relevant benefit measures, including birthday gifts, wedding gifts, birth gifts, child education funds, emergency assistance, community grants, local and overseas travel grants, wedding and funeral funds, disease and injury subsidies and birthday parties.

   · To encourage community organization, the Employee Welfare Committee will issue grants. Currently, there are nine communities: a dance club, a Zen club, a basketball club, a robot club, a softball club, a coffee and dessert club, a yoga club, a swim club, and a tennis club.

   · The Employee Welfare Committee is devoted to improving the work environment and making a comfortable and safe environment for employees. Setting up an

employee rest area, providing free coffee and snacks as well as training class rooms are examples of how this is achieved.

7. Communication, care and concern are priorities in the labor-management relationship. To foster this relationship, ADLINK has established the following:

・The establishment of a grievance committee and a supervisory committee for retirement to comply with all regulations.

・Organize employee events, letting employees interact and mingle after work, which increases teamwork.

・The establishment of a resignation or job transfer interview system, so employees can receive the necessary help and effective placement before they decide to leave their job or being transferred.

(3) Performance evaluation and incentive measures planning Performance evaluation

1. Performance review table:
Sixteen different types classified by job duty, job level and job categories.

2. Self-evaluation table:
In addition to the description of current performance review, this also includes work expectations and ideal career development for the new fiscal year.

3. Supervisor evaluation table:
Supervisors shall describe the future work content and planning for the employee.

4. Relevant colleague evaluation table:
Replaces the evaluation marks with an evaluation message. Employees who have interaction with the evaluated employee via work shall give feedback to serve as reference for supervisors on comprehensive evaluations.

5. Human resources record:
Provides job change supervision for employees, records promotions, incentives and punishment, and serves as reference for career planning.

After the annual performance review, supervisors will arrange one-on-one interviews with employees. The interviews shall be used intelligently to gain an in-depth understanding of an employee's development.

In regards to review results and planning for the next year, employees are encouraged to speak openly and express opinions while actively giving feedback. Interviews focus on expectations and goals for the coming year.

(4) Retention plan after the service term is fulfilled

1. When the draftee's work term is complete and desires to stay with the company, the draftee will continue in the same position and same department, while discussing future career development.

2. The draftee's job functions and his career development plan shall be analyzed to provide systemic talent development training.

3. Draftees are encouraged to increase their duties and challenges in order to increase capabilities and receive greater competitive remuneration.

4. ADLINK's objective is to create an excellent learning and growing environment, and to retain talents through other incentives.

4.3
Cooperative Education

Use what you learn—let cooperative education shorten the distance between theory and practice.

To facilitate integration of learning, ADLINK assists students in gaining more practical experience thereby easing the barrier of entering workforce. ADLINK has over 10 years of experience in cooperative education to help future prospective employees understand the professional skill requirements in the industry as early as possible. For ADLINK, cooperative education also helps develop human resources and talent training.

ADLINK sees interns officially as part of the corporation. When each intern reports to the company, ADLINK will provide specific new-hire training to let every intern understand the workplace environment, in addition to delivering ADLINK's corporate culture as the code of conduct during their internships. The long-term cooperative educational relationship establishes strong trust and partnerships between the company and schools. To help align the theory learned in school to the working environment, the company also develops specific internship content enabling interns to put their best effort into their work. ADLINK knows that training talents in social development is also a meaningful goal of our corporate social responsibility.

Bringing forward industry innovations creates industry value.

ADLINK has put long-term effort into projects relevant to the promotion of industry innovations by the Ministry of Economic Affairs. ADLINK strives to innovate application capabilities and invest in the technological development of prospective industries that have potential and can strengthen system integration. In recognition of our efforts, ADLINK has been given the "Information Application Model Award" from the Ministry of Economic Affairs. Through its technology program, ADLINK works with the government to create new research and work towards future innovations to support local industry. ADLINK's strategic vision of "bringing forward industry innovations creates industry value" establishes long-term competitive advantages in international markets.

With its ten year long partnership with the Ministry of Economic Affairs, ADLINK continues to increase the value of its products, while striving towards gaining international competitiveness, niche markets and developing emerging markets using innovations.

4.4
Academic Cooperation
– In-Depth Projects

"High commonality, high technical challenge, highly expected economic impact and extensive potential market application" contributes toward industry technological improvements.

Besides training talents through cooperative education, ADLINK also actively participates in the industrial fundamental technology project by the Ministry of Science and Technology to contribute towards the industry's technological improvement. With regards to basic technology, ADLINK has cooperated with academic research from National Central University to build a technology research center to develop high commonality, high technical challenge, highly expected economic impact and extensive potential market applications for core knowledge and root development. Striving towards the research and development of prospective industrial PC virtual core technology, ADLINK trains talents to further improve Taiwan's basic technological capabilities, thus making the technology industry more competitive.

There are already impressive results from ADLINK's in-depth technology projects, and ADLINK is strategically oriented to transplant the results through systemic technologies into other industries. In this way, the research results can not only be used by ADLINK itself, but also benefits other industries, speeding up improvements of the other industries' capabilities and bringing forward a technological leap for the entire industry.

4.5
Innovative
Management

Innovations are the main motivating power for ADLINK to continuously seek improvement. High-Performance Product Development (HPPD) is the main axis of innovation management for ADLINK. From Project Management, Resource Management, and Portfolio and Pipeline Management, we hope to increase the utilization of resources by letting RD personnel who engage in research and innovations focus on research and reduce time spent on non-research work through improvements and innovations on procedures or management. In addition, HPPD not only emphasizes research, but also the entirety of work collaborating on market requirements, research work and sales services. Through close communication and collaboration across departments, ADLINK provides a complete "product portfolio", and not a single "product" to customers. In the entire product portfolio, every procedure and every employee plays a critical role that the product portfolio quality depends on. ADLINK also hopes to optimize all resources through highly efficient research and development management in order to maximize efficiency.

Lab reliability test management

ADLINK has worked with top-notch international suppliers for years. Besides the introduction of equipment and scientific tests and management technology, in-depth collaboration with international suppliers has also lead the lab to act in the role of risk management and partial design guidance. The research and development unit can understand the working limits of products through experiments done by the lab. Research and development personnel then can understand the weaknesses of products at the development stage and engage in reliability improvements. Simulation software can be designed to conduct electromagnetic compatibility (EMC) and Mean Time Between Failures (MTBF) testing and decrease research cost and subsequent risk.

05

Community Involvement

ADLINK Foundation / Concerns for Vulnerable Groups / Campus Activities

5.1
ADLINK Foundation

ADLINK celebrates love and moves the world

ADLINK believes in the concept of "giving back what you take from society", and so set up the ADLINK Foundation in December, 2004 to promote technology education, the humanities, and arts. The ADLINK Foundation also contributes towards vulnerable groups and established its vision, "ADLINK celebrates love and moves the world". Only through education can people understand the truth of love, and the world turns only through the power of love.

The main affairs of the ADLINK Foundation include:
1. Promote or sponsor charity events relevant to technology, culture and education.
2. Engage in reward events relevant to technology, culture and education.
3. Organize or sponsor training classes or research conferences focusing on welfare, social and cultural development and technology.
4. Promote or sponsor various social or cultural charities and relevant educational events that benefit children, adults, families, and school communities.
5. Promote or sponsor the publishing of high quality magazines or literary works relate to social and cultural development and technology.
6. Other relevant educational charities and groups that are in line with the purpose of this foundation.

2013 Volunteer Camp Activities

"Youth is a time to build your dreams with ADLINK" Youth volunteers training camp
"Living and Growing with the ADLINK spirit" cross-strait summer camp for children

Since 2011, the ADLINK Foundation has organized the "ADLINK shares love and life" cross-strait summer camp for children at ADLINK's China branch. Twenty school children from underprivileged families in Shanghai and Taiwan are selected every year to attend the camp. All expenses including travel, food, lodging, visits and courses are fully covered by ADLINK.

In 2013, twenty school children from underprivileged families were selected. From Taiwan, the World Peace Association was asked to select four children from Le Li, Shin Jie and Yuan Sheng Elementary Schools in New Taipei city. Six more were chosen by the National Taiwan College of Performing Arts. From Shanghai, the China Foundation for the Promotion of Education and Culture CEO, Mr. Chang Hua-Pao and a Shanghai Non-government Middle Schools and Primary Schools Association teacher, Mr. Fei Cheng-Long, helped to choose ten school children from Chu Lin and Yu Miao Elementary schools. In addition, Ms. Ma Wei-Chien, teacher at the National Taiwan College of Performing Arts, and Ms. Huang Chiung-Yao, teacher at the Ji Lin Elementary School, were appointed as teachers from July 18 to July 23.

ADLINK Chairperson, Mr. Jim Liu, hoped to give underprivileged children from both regions a different experience through the organization of the annual children's summer camp. Team spirit, positive and active attitudes were the focus of the camp, and children were able to learn about technology through visits to ADLINK's production lines. The visits also allowed employees of ADLINK, China to understand the value charity and paying kindness forward.

Since 2013, university juniors and sophomores from Taiwan have been included in the camp as service staff and must attend an ADLINK Foundation organized three-day training camp prior to volunteering at the children's camp. Ten students who have excellent performance were selected to go to Shanghai as team leaders. The main expectation is that the warmth and spirit of these team leaders will touch every camper's heart and that they will still look up to the team leaders even during hard times and maintain a positive outlook. It is hoped that these campers will never stop working hard, have perseverance, be uninhibited, and ensure that they achieve their goals, and then share their joy and experiences at the camp to many other children.

5.2 Concerns for Vulnerable Groups

2013 Charity sponsored results

Leader Radio station at Taipei Detention Center
Production and broadcast of "Life is great"

Famously known as "the top in Taiwan", the Taipei Detention Center set up a prison radio station, Leader Radio, six years ago, the first in Taiwan. Leader Radio produces light-hearted and encouraging radio content to subtly influence the inmates, hoping that they will turn over a new leaf and have a fresh start. If the results are positive, broadcasting will expand to all detention units across Taiwan, spreading the concept of kindness far and wide.

Former CEO, Mr. Liu Ming, was invited by Leader Radio six years ago to be a radio host. He was asked to interview inmates with life sentences, who were never afraid of difficulties or obstacles, to share their encouraging life stories. Recording is done once per month, with two to three thirty minute shows pre-recorded each time. The radio show is broadcast every Tuesday night.
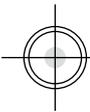
Disabled citizens from New Taipei City
Movie night

Many disabled people don't get to watch movies in the cinema due to their disability. To make the cinematic experience more accessible, ADLINK Foundation Director Chen Chia-Wen organizes movies nights, collaboratively sponsored by Mr. Liao Chang-Chao, manager of Cathay Life Insurance. Entertaining movies produced locally and from abroad are chosen for screening.

Movies previously screened include:
Promised Land on February 24, 2013
27 °C-Loaf Rock on August 5, 2013
Zone Pro Site on September 4, 2013
Bridge Over Troubled Water on September 15, 2013
Linsanity on October 28, 2013

Boyo Social Welfare Foundation
Charity Sponsor

ADLINK sponsored the Boyo Social Welfare Foundation with funding to implement English tutoring classes for underprivileged children in remote areas of each city and county, balancing the unequal teaching resources between urban and rural areas. The Boyo Social Welfare Foundation has eleven tutoring centers across Taiwan, servicing eighteen remote rural areas, 142 elementary and secondary schools, with 415 local tutors. Classes are five days per week, two to three hours per day and directly service 2,115 elementary and secondary school students. Classes and books are provided free of charge. After graduating from secondary school, the foundation continues to follow up on students.

"I wrote my life with breaths"
Published/ Written by: Chen Wen-Chao

Retired sergeant from Nantou, Mr. Chen Wen-Chao, was paralyzed from severe spinal cord injury, and had only little motor ability left in his head and fingers. Understandably, he was upset, angry and blamed others for the accident that injured him. One day, his father, unable to bear the pressure of taking care of his invalid son, choose to commit suicide. At that moment, Mr. Chen Wen-Chao resolved to start living with a more positive attitude.

Since then, he attended computer classes at the job training center in Nantou. He learned how to control a mouse using his mouth and began writing a diary. His diary is up to around one million words so far, and has even registered for the Guinness World Records. After being set down this difficult path, Mr. Chen Wen-Chao has turned over a new leaf and often gives speeches across Taiwan to share his life stories with people.

The ADLINK Foundation was deeply moved by Mr. Chen's story and decided to publish his diary. Ding Ding creative marketing company was in charge of publishing the book. It is expected the diary will encourage patients who suffer from spinal cord injuries and help them move towards a life with a brighter perspective.
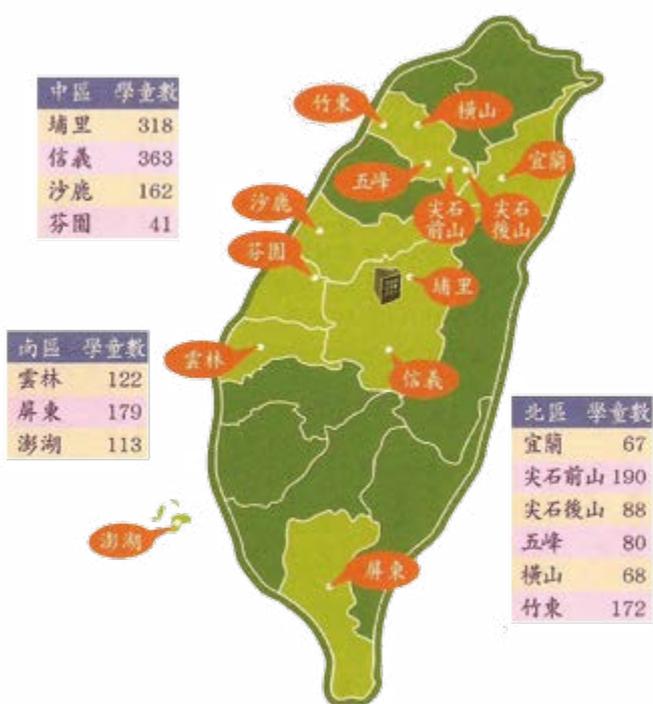
5.3
Campus Activities

Corporate visits

ADLINK is devoted to facilitating industry-academic cooperation, recruiting future talents, and the establishment of its corporate image, and therefore provides corporate visit activities, shortening the distance between the technology industry and education. ADLINK has welcomed many school groups to view its facilities, including National Central University, Chung Yuan Christian University, Ming Chi University Of Technology. Supervisors from ADLINK were also invited to discuss the company's technology and working environment, production procedures, and introduce ADLINK's position in the industry, its history of growth, and how to provide comprehensive products and service to customers.

Each visit promotes positive interaction between the students and ADLINK staff, and introduces the students to the world of industrial computing. Student feedback is mostly positive, with students looking forward to the work environment and office culture. ADLINK's efforts on corporate social responsibility and technological development also impress students.

Projects	Results
Summer internships	Every year, nearly 200 summer internships are provided to local and overseas students. This kind of arrangement enables students to use what they learn, experience work culture at an earlier stage, and enjoy learning with teams from TSMC.
Teacher and student visits from targeted departments and schools	Enables overseas and local students to learn about the work environment of the semi-conductor industry at an earlier age and facilitates the interaction between the industry and education.
Campus workshops	Allows internal supervisors and professionals to share corporate ideas and career development opportunities related to the semi-conductor industry to colleges and universities, encouraging students to participate in research in related fields.

Campus recruitment

Through campus events, ADLINK hopes to connect with excellent sources of talent and integrate organizational research sources in the company, collaborating with academic research to create greater synergy. To attract and encourage young talent to invest in ADLINK, we make every effort to organize specific projects and events to let students understand and experience the work and outlook for the industrial computer industry as soon as possible. The main activities are listed in the project list at right.

06

Environmental Concerns

Management System / Pollution Management /
Carbon Reductions and Energy Efficiency / Green Products

6.1
Management System

ADLINK promises to maintain the highest environmental, safety and hygiene standards as part of the company's core values, while providing required support to implement working procedures on environmental safety and hygiene. ADLINK is willing to continuously improve environmental, safety and hygiene performance to maintain safety and hygiene of the work environment. ISO 14001 certification was obtained in October, 1999 and OHSAS 18001 certification was approved on December 2012. The goal of operating a sustainable business is gradually being achieved.

ADLINK promises to:
1. Save energy resources and establish renewable resources.
2. Use low-polluting and certified environmentally friendly materials.
3. Set up safe, hygienic and environmentally friendly workplaces with the aim of achieving zero occupational hazards and incidents.
4. Comply with environmental health and safety regulations, and with commitments requested by other organizations.
5. Continuously improve to avoid occupational hazards and promote pollution prevention.

6.2
Pollution Management

The garbage that arises from ADLINK operations is centrally collected and processed by the Building Management Committee, and is classified as general garbage, recycling (waste paper, glass bottles, plastic, tin cans, tin foil) and hazardous garbage (light bulbs, lamps and batteries).

Business waste is collected by legitimate removal and processing vendors approved by the Environmental Protection Administration. Waste includes lead compounds, electronic component scraps, metal-containing printed circuit boards, components of waste printed circuit boards, and waste liquid with a flash point below 60° C.

garbage (kg)

Name	2011	2012	2013
Lead compound C-0102	473	400	297
Electronic component scraps E-0217	65	92	268
Metal-containing printed circuit boards E-0221	795	697	674
Components of waste printed circuit boards E-0222	409	461	465
Waste liquid with a flash point below 60° C C-0301	380	258	787

unit: kg
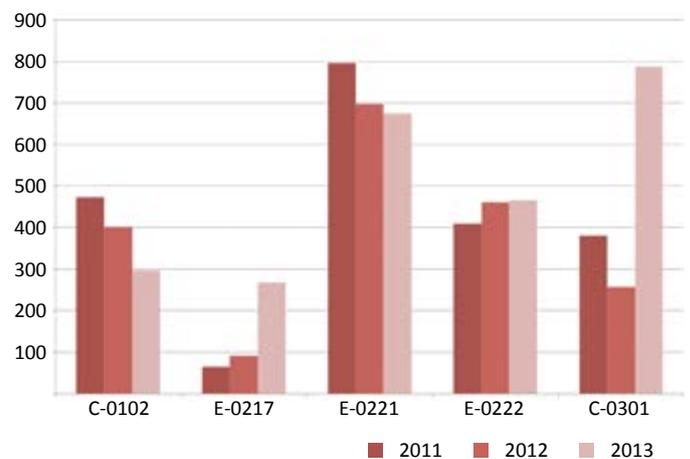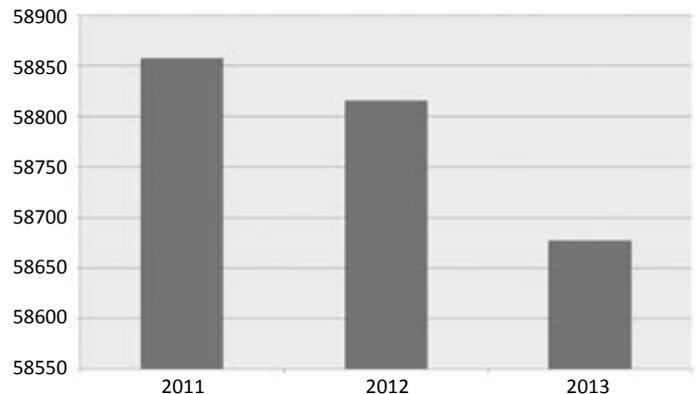
ADLINK also devotes time to promoting recycling, collecting recyclables produced by the company and transporting to legitimate recyclers, contributing towards greater environmental protection.
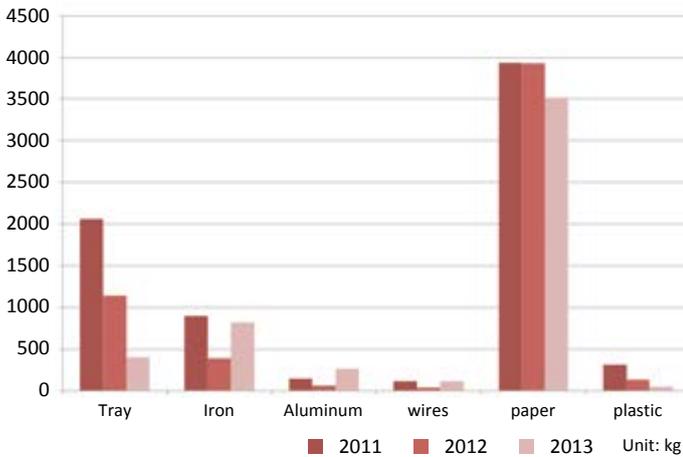
Name	2011(kg)	2012(kg)	2013(kg)
Tray	2061	1137	401
Iron	895	391	819
Aluminum	148	66	266
wires	116	35	118
paper	3938	3928	3519
plastic	312	132	50

During an energy crisis, the reuse of waste materials must be done in addition to focusing on improving energy efficiency in order to create more sources of green energy and preventing the environment from being destroyed. Since the introduction of the environmental health and safety management system, ADLINK has constantly promoted various pollution reduction or waste reuse measures. In 2013, we engaged in the following work.

The reduction of hazardous materials produced during production
An environmental health and safety goal management project was submitted during the meeting of the 2013 Environmental Health and Safety Committee, which updated the DIP production line with new equipment to ensure everything had lead free production. This caused a reduction in the exposure to lead for employees at work. Lead-free materials have started to be introduced since 2013 into raw materials while the evaluation of lead-free process machines is being done. Meanwhile, ventilation equipment is being installed during production to reduce residual waste gas from soldering processes, improvements scheduled to be finalized by the end of 2015.

Dross recycling and reuse
In 2012, ADLINK introduced use of dross recycling machines, which are able to effectively recycle and reuse waste dross, with the recycling rate of waste dross as high as 75%. The recycling of dross reduces the procurement of raw tin and maximizes space use and cost savings.

Previously, dross was collected at a fixed production area, then sent to an authorized recycler. This waste dross, without being purified, is large in volume and contains high levels of tin. Direct recycling is uneconomical and not environmentally friendly. The introduction of the dross recycling machine changed the traditional dross recycling process. The dross recycling machine is able to extract the usable pure tin from the dross with a recycling rate is as high as 75%, which increases the availability of dross and reduces the tin procurement volume by 10%. The storage area of dross is reduced as well as the labor time associated with storing dross, which subsequently keeps the production line clean and tidy. Not only does it save space and reduce cost, but it also improves the work environment of the factory.

	Purchased quantity of tin rods	Recycled quantity of tin rods
2012	1940	211
2013	1700	213

Electronic system input and reducing paper waste
Since 2011, in order to slow down deforestation and to protect biodiversity, ADLINK has been striving to reduce paper usage. ADLINK has introduced the CT system for procurement and replaced the printing of procurement documents with an electronic system. Not only this will contribute towards energy efficiency, but also increase procurement efficiency.

The reduction of paper used by the procurement unit in 2013 was 61,000 sheets.

Steel plate recycling policy
To protect the earth and reduce waste, ADLINK implemented the steel plate aluminum frame recycling policy in 2013. Since steel plates are often discarded as scrap, the aluminum frame of scrapped steel plate can be recycled for reuse. There were 640 aluminum frames recycled for steel plates in 2013.

6.3
Carbon Reductions and Energy Efficiency

Energy resources and climate change

The development of human civilization is closely related to the use of energy and resources. The evolution from human labor, animal labor, water energy, fire energy and to electricity, resulted in the development of corporations and improvements in society. Therefore, the appropriate usage of energy resources is of importance to corporate operations.

However, humans have consumed energy resources on an epic scale since the industrial revolution in eighteenth century. Not only are petroleum and other resources accumulated over tens of millions of years nearly depleted, but the large volume of energy usage within a short time has also caused extreme changes in the global climate.

In view of this, effective control of the byproducts from energy production (also an important factor in causing global climate change, i.e. greenhouse gases) has become a point of consensus for action among countries around the world. The Kyoto Protocol, established in 1997 and effective since 2005, is an expression from the world community on greenhouse gas reduction. Taiwan itself suffers serious environmental disasters almost every year related to climate change. Since Taiwan was unable to sign the Kyoto Protocol due to its unique standing in the international community, its citizens instead stood up support greenhouse gas reductions with their actions.

Based on the concept of being a leading global corporate citizen, ADLINK strongly supports the concept of being environmental friendly. ADLINK has put in place specific measures towards the examination of its energy use in order to manage more efficient energy usage while developing various reduction actions.

Water resources

Since there is no need for water in production, all water used by ADLINK is for personal use. Since the company is located in a business park instead of on privately owned land, the recycling and reuse of water is difficult to gauge. Based on environmental limitations, ADLINK has thus far focused on saving water as its current water resource policy.

Water used by ADLINK is solely controlled by the Taiwan Water Corporation. Water discharge is completely authorized to the park where the company is located and is centrally collected and processed.

To reduce water usage, ADLINK has consistently, and for a long time, promoted water saving measures. It is calculated that the total quantity of water used by the entire company was 9,896 L in 2011, 10,178 L in 2012,

Although there has been a trend of increased water use in these three years, it is because the number of employees has also increased. If the number of employees is added to calculate the quantity of water used per person, the results show that in 12,840 L were used in 2011, 11,619 L in 2012, and 11,187 L in 2013, proving that the quantity of water used per person is actually decreasing, and that the promotion of water saving measures by ADLINK is effective.

Quantity of water used per person
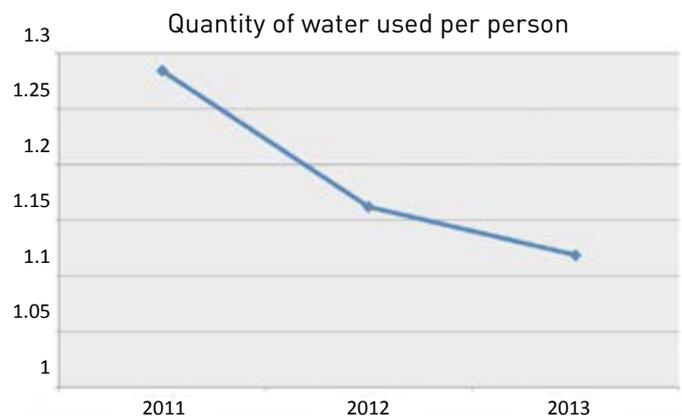
Milling equipment installed with automatic polishing heads

At the end of 2013, ADLINK installed automatic polishing heads on its milling equipment (used on electronic components, and slicing of BGA and PCB materials) to assist in polishing work. This replaced manual labor with automated polishing work. Originally, the time and water needed for manual polishing were longer and higher in volume, but the addition of automatic polishing heads has reduced polishing time and saved water. In the first year, 1,440 L of water was estimated to be saved.

Electricity and greenhouse gas emissions

In terms of energy consumption for the industry, there are two categories: internal and external, with ADLINK's energy consumption being in both categories. For the purposes of this report, the energy consumption mentioned here refers to internal only.

ADLINK uses electricity as its main power source in production and corporate operations. According to records, the total quantity of electricity used for the entire company from 2011 to 2013 was 2,403,860 kWh, 2,726,559 kWh and 2,885,889 kWh, respectively. In terms of energy intensity, the energy intensity from 2011 to 2013 at ADLINK were 2.1163 kW/unit, 2.0368 kW/unit and 2.0651 kW/unit respectively as calculated by electricity consumption and production volume.

To save energy, ADLINK promotes long-term energy saving measures. The table at right shows the main energy saving measures adopted in 2013.

Main energy saving measures	
Goal	Measures
Understanding power usage	A summary of each region's electricity shall be used as a base point.
Reducing power usage	Fire hydrant indicator lights changed to energy efficient LEDs.
	Emergency exit lighting updated to new and energy efficient model that comply with fire regulations, saving 1,472 kWh per year.
	Lighting equipment to use energy efficient lights.
	Delegated staff to turn off power sources not in use during lunch break and after work.
	Use of sunshades to reduce solar exposure.
Avoid unnecessary electricity consumption	Regularly inspect distributors.
	Produce corresponding control chart on electrical switches in public areas to avoid testing mistakes that could cause a waste of resources from being calculated.
Avoid high energy consuming equipment	Current OA machine replaced with energy efficient model.
	Newly purchased equipment should consider energy efficiency.
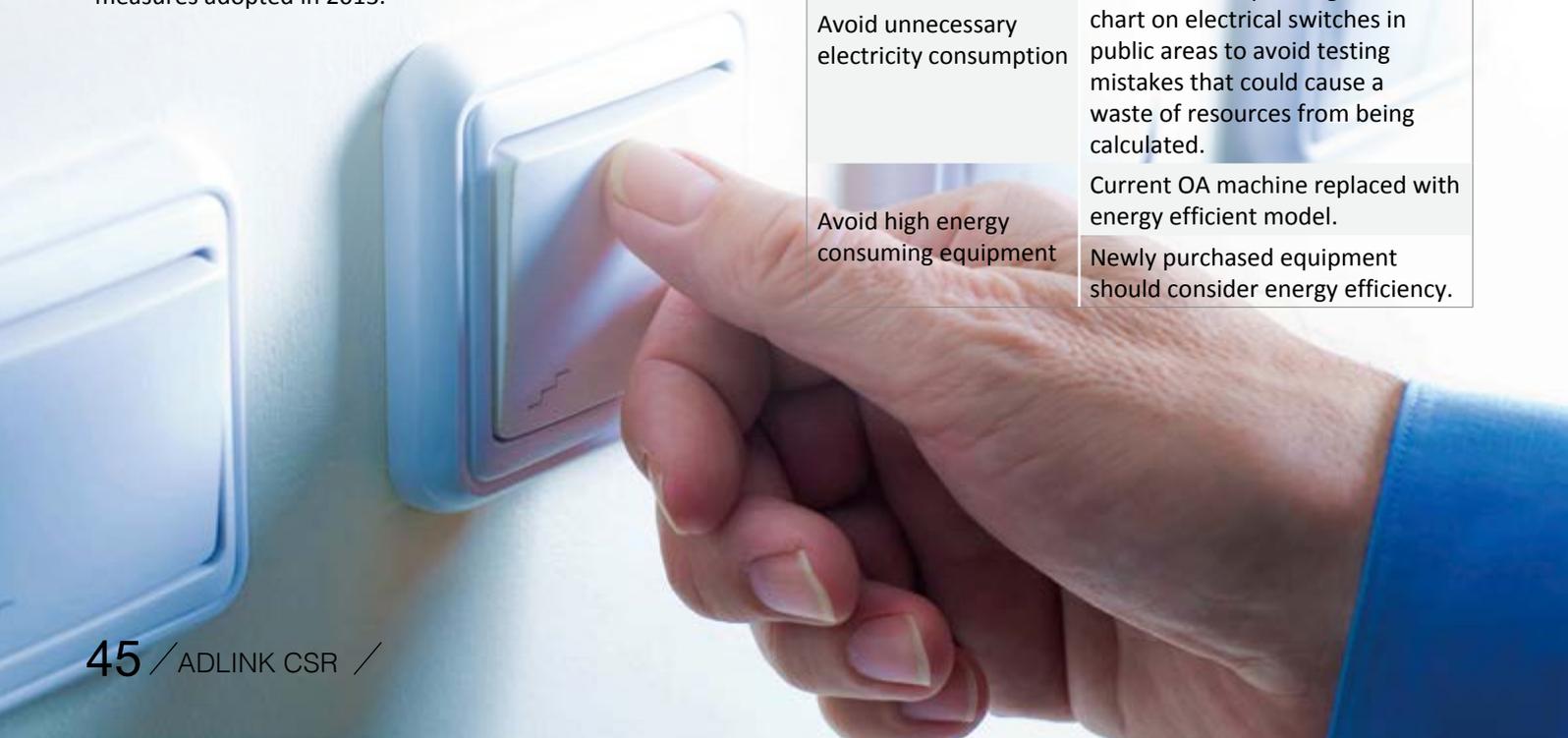
Greenhouse gases mainly refer to the following: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), HFCs, PFCs, and SF6. The characteristics of greenhouse gases are that they can absorb infrared radiation, thus infrared radiation cannot pass to the space through the atmosphere, and as a result, heat is trapped in the atmosphere closer to ground, resulting in the constant increase of temperature at the earth's surface. Greenhouse gases are the main reason behind the greenhouse effect. Therefore, a reduction of greenhouse gas emissions is the most important issue for the world today.

ADLINK actively supports greenhouse gas emission control with a cross-departmental execution and integration platform implemented through the Labor and Environmental Health and Safety Committee. ADLINK is currently examining its emissions of greenhouse gases and use this data as a standard to promote energy efficiency and carbon reduction plans in the future.

The primary source of greenhouse gas (scope 1) for ADLINK is refrigerant from air conditioners and refrigerators. Their types and volume are listed in the table below.

Types of refrigerant	Volume
R134a	1,076 g

Since ADLINK uses electricity as its main source for energy, the main emission source of greenhouse gas for ADLINK is the indirect greenhouse gas produced from electricity purchased for company operations and production (scope 2). In 2013, The indirect greenhouse gas emission volume for ADLINK was about 1,838 tons of CO2/year, which is calculated as 0.00131 ton CO2/piece for the emissions intensity.

Year	Volume (unit: ton CO2/year)	Emission intensity (unit: ton CO2/piece)
2011	1,531	0.00134
2012	1,737	0.00129
2013	1,838	0.00131

In view of the above, ADLINK is devoted to optimizing energy usage efficiency and engaging in further regulating greenhouse gases. Collected data will be used as a standard for analysis. Through promotion and practice, the concepts of energy saving can be deeply rooted in all employees and it is hoped that solid results for contributing to the greening of the earth will be shown.

Environmental expense information: The management of environmental protection, improvements in pollution prevention equipment and health management for ADLINK. Every year, ADLINK actively invests funds to increase the environmental, health and safety concepts of all employees.

The environmental, health investment expenditure table for ADLINK in 2011-2013:

	2011	2012	2013
Determination of working environment	42,360	42,360	39,492
Clearing and transportation of waste	60,360	54,676	69,686
Physician consulting services fee	39,000	39,000	39,000
Employee health checks	207,442	343,350	561,850
Drinking water quality testing costs	5,040	10,080	10,080
Ventilation equipment maintenance	63,600	63,600	63,600
ISO 14001 environmental management system certification costs	118,440	71,350	71,350
Certification fees for OHSAS 18001 Occupational Health and Safety Management System	0	158,000	71,000

6.4
Green Products

Hazardous substances management

With the official announcement of the Restriction of Hazardous Substances Directive 2002/95/EC (RoHS) on Waste Electrical and Electronic Equipment in 2005 by the European Union, ADLINK established the implementation of green products in response. The updated RoHS 2011/65/EU directive is officially in use in European Union member countries, with the rest of the world soon following suit. ADLINK also actively controls the production of all its products to make sure that they are in compliance this regulation. With the implementation of the Registration, Evaluation, and Authorization of Chemicals (REACH) regulations on June 1, 2007, ADLINK is well aware of products that contain substances of very high concern (SVHCs) to ensure that REACH is being complied with. The main international environmental regulations are regularly collected to keep up with the latest environmental protection trends around the world.

Environmental protection regulations

In recent years, climate change, hazardous substances within products related to health and safety, as well as human rights have become ever more important issues in corporate social responsibility. Key points have previously been discussed in Green Supply Chain Management. To use environmental issues as an example, ADLINK has established internal control standards for various environmental protection policies (such as RoHS 2.0), and conducted risk control through the green supply chain information management platform. This resulted in the selection of materials for every ADLINK product at are 100% compliant with the following environmental regulations:

1. Compliance with the environmental management substances listed in 2011/65/EU Restriction of the Use of Hazardous Substances (RoHS) Directive on electronics and electrical production.
2. Compliance with European Dangerous Substances Directive (76/769/EEC), 2006/122/EC directive that strictly restricts the sale and use of perfluorooctanesulfonic acid (PFOS).
3. Compliance with any substances listed in the SVHC list of REACH (1907/2006/EC).

Besides the aforementioned green design regulations, all ADLINK products undergo safety regulation certifications at the design and development stages to ensure CE/FCC/CCC compliance. ADLINK promotes green products through safety and environmental requirements and makes announcements on the company's website at: http://www.adlinktech.com/about_adlink/Environmental.php?utm_source=

Green supply chain information management platform

ADLINK works with the Green Supply Chain Management software (GPMs)

2012	ADLINK implements GPMs system
2013	Continues to process customer's request on special green components and provides green reports for customers 1. MSDS excludes hazardous substances regulated in "EPAD-06-1 The Environmental Quality Certification System For ADLINK Products" 2. If MSDS might contain hazardous substances, the ICP test reports of materials must be included.
2014	Input ISO and environmental protection documents from vendors into GPMs
	1. □ISO 9001 □TL 9000 □ISO 13485 □ISO 14001 □OHSAS 18001 2. Authenticity guarantee, agents agreement, confidentiality commitment, statement of undertaking integrity, supplier quality and EHS statement, statement of environmental protection, statement of commitment on corporate social responsibility guidelines, corporate social responsibility review form

Confirmation of Green Approval Procedure (Part/BOM, Green, PLM Integration)

	ERP	PLM	GPM- ADLINK	GPMS-Supplier

Vendor

- Establishes suppliers → Establishes AVL → Suppliers
- Create Parts —Item master→ Establishes BOM —Inform suppliers→ Upload test report and writes Prohibited And Restricted Substance Declaration Letter
- Change in names of components —vendor→

Part

- GP Level —Inform ADLINK→
- Revision procedure
- BOM cancellation procedure
- Review MCD and test reports or relevant documents ←Inform ADLINK—
- Green Status ← Review the dismantled parts of components
- Upload the latest test reports
- Revision procedure of expired products —Inform suppliers→
- Green information management → Upload control documents

BOM

- Create BOM ←Inform ADLINK—
- Verification of product compliance

▲ Figure 6.5 Green supply chain management procedure

07

Optimum Workplace

Equal Employment for a Global Work Environment / Team Building / The ADLINK Employee Magazine / Internal, External Training Opportunities and Expatriation / Labor-Management Meetings / The Safe and Healthy Work Environment

7.1
Equal Employment for a Global Work Environment

Lovely corner

Making a comfortable and safe environment for employees is our responsibility. While considering the safety and hygiene of the workplace, comfortable areas in the office should be set up to provide a comfortable and relaxing space for employees during their busy work schedule.

Physical and mental balance

ADLINK cares about the work-life balance of our employees, because we deeply believe that the company will have long-term competitiveness only when its employees have a balanced mind and body.

In terms of health, besides regular employee health checks that focus on prevention, professional doctors are also invited on site in every quarter to provide medical services and answer employee questions.

Employee participation in family day, sports day and festival activities helps create cohesion within the corporate culture, while the Employee Welfare Committee establishes a platform for providing added employee benefits. Through multiple benefit systems, club activities (golf, photography, basketball, badminton, softball, coffee and dessert, mountain hiking and swimming) and travel opportunities, ADLINK strives to provide various recreational benefits to nurture employees minds and bodies, and create a balanced lifestyle.

Equal Employment

ADLINK's annual manpower planning, according to operational targets, complies with local labor regulations for each branch in terms of hiring. Hiring a local workforce is the principle target, as well as keeping up with the equal opportunity standards and recruiting of employees, regardless of race, gender, age, religion, nationality or political belief, including the prohibition of hiring child labor. ADLINK maintains the idea of "open hiring without discrimination" to recruit the best talent from around the globe.

2013 Manpower status of main offices in Taiwan for ADLINK

Employee Type	Gender		Full-time	Contract
	Male	Female		
Supervisor	90	23	113	0
General staff	359	269	584	44

2013 Reinstatement of job for ADLINK Taiwan employees after parental, maternity and paternity leave

	Male	Female
Number of reinstatements after parental leave, maternity and paternity leave / total number of reinstatements	36／37	18／19
Reinstatements (%)	97%	95%

2013 Employee hiring

6%
Contract

94% Full-time
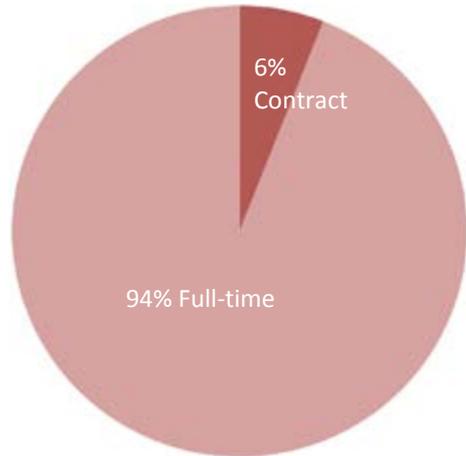
2013 Employee occupations

45%
PM/RD

37%
MFG/Qual

13%
Infra
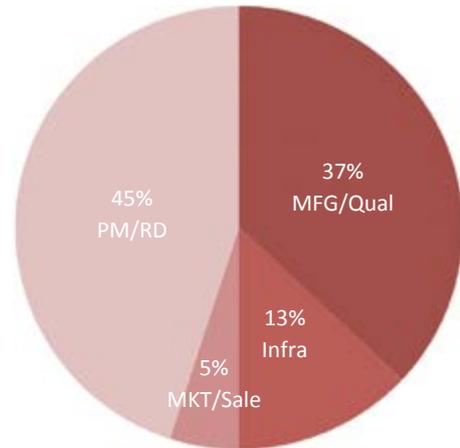
5%
MKT/Sale
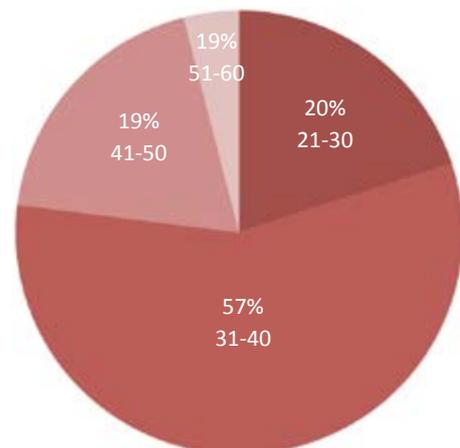
2013 Employee gender

39%
Female

61% Male
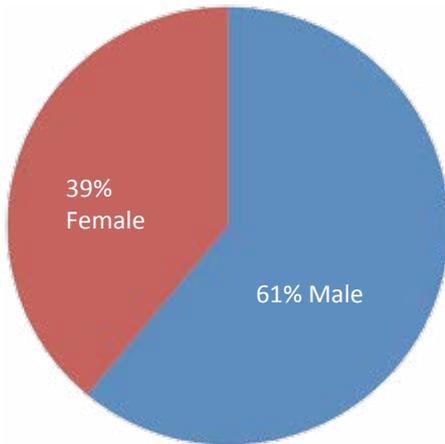
Managers and executives

16%
Female

84% Male

2013 Employee age

19%
51-60

19%
41-50

20%
21-30

57%
31-40
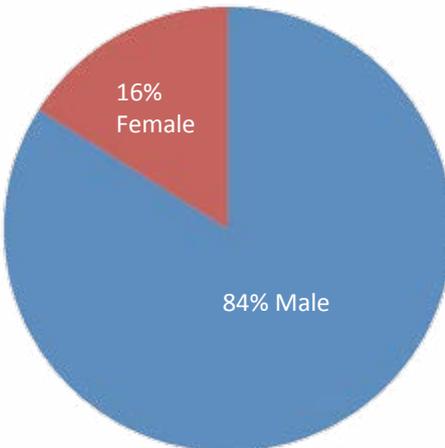
Core value: enjoying work
One of the core values of organizational culture for ADLINK is "enjoying work". ADLINK assigns work based on the principle of "suitable work makes the best job ". Appropriate duty rotation, diverse learning and overseas training given in accordance with one's duties assists employees in working at their best, and to allow them to have a sense of accomplishment during their entire working career. This core values provides for excellent performance and creates a contented life for employees.

Corporate Culture: Customer CARE
To have a sustainable operation, ADLINK invests and manages all tangible and intangible assets with a great amount of care. Among them, "human" and "corporate culture" is undoubtedly the most important asset for ADLINK. During the shaping of its corporate culture, ADLINK always sets a top priority on maximizing profits for employees, shareholders, customers and suppliers. The cultural atmosphere of CARE (Commitment, Accountability, Reliable, Execution) was established using the customer oriented mindset. In addition, the true essence of CARE should be internalized by employees through operational procedures and corporate events. Employees can then display actions in parallel with CARE and establish a peaceful and competitive working environment.

Competitive remuneration
ADLINK ensures that both employee benefits and shareholders' rights are reviewed via market salary investigation every year with the results used as a basis for the comprehensive annual salary review. Thus, maintaining salary standards in line with the market attracts and retains top quality talent. The complete salary package at ADLINK includes a base salary, bonus and rewards. Compensation is decided by the employee's professional knowledge and skill, position, performance and long-term investment as aligned with the company's operational goal. ADLINK's core reward system of Pay by Contribution shares remuneration with employees in the form of an annual bonus. Tangible rewards such as incentives are given for exceptional work performance and contributions.

CARE

Commitment Accountability Reliable Execution

7.2
Team Building

ADLINK understands that good teamwork is an important keystone for achieving greater work quality and efficiency. As the organization continues to grow, there is a period of time needed to produce high performance and team spirit for employees who are basically strangers from different countries and backgrounds. Therefore, ADLINK regularly organizes annual team consensus courses. Through a series of team building events, experiential learning is conducted away from the normal work environment, letting employees get to know each other gradually while building trust amongst each other. The exercises facilitate open communication, learning to process conflicts and establish the acknowledgment of working in a team. Understanding teamwork and the value produced by individuals encourages development of more challenging goals. Also, positive feedback on cross-departmental communications helps break down departmental barriers, creates cohesion of consensus, and strives towards reaching collaborative goals during activities. Building teams with passion outside the company helps bring the same momentum and passion to the workplace.

1. Employees who don't get to interact with each other during work start to talk to each other during the activities.
2. Various groupings help the employees enjoy the activities.
3. Employees will understand the importance of teamwork from the activities.
4. ADLINK Chairperson, Mr. Jim Liu, participates in the team activities and engages in the events, breaking down barriers between employees and supervisors.

7.3
The ADLINK Employee Magazine

ADLINK highly values communication and interaction between employees. We believe that good communication channels will increase the acknowledgment and consensus from employees to the company. In terms of the company, ADLINK must fulfill its responsibilities and let employees fully understand the company's operational status. In terms of employees, a platform for interaction should be created for employees to express themselves. Therefore, The ADLINK Employee Magazine, a publication specific to ADLINK employees, is being published.

The ADLINK Employee Magazine is published every six months and includes facets of ADLINK such as: company outlook, annual direction and strategy, corporate culture and core values, cross-industry alliance cooperation, international cooperation and mergers, global plant expansion, etc. This information is not directly involved with employees' personal day to day work, but it is important to be aware of corporate news. Through the reporting and publishing of The ADLINK Employee Magazine, every employee can have a clear understanding of important milestones for ADLINK. The magazine also includes information on company annual events, important policy promotion, departmental introductions, description of new products, various festivals and events, the ADLINK Foundation charity events, or personal stories related to employees, such reviews of employee on business trips, lifestyle, travels, hobbies and other interests. The contents of the magazine are diverse and rich to enhance communication between the company and employees.

We also hope for more direct contact between the company and employees' families, to gain more understanding about ADLINK. Every issue of The ADLINK Employee Magazine is directly mailed to employees' residences so their family members can also receive firsthand information about ADLINK and understand more about the environment where their loved one works.

7.4
Internal, External Training Opportunities and Expatriation

Employees are an important asset for corporate development, and the investment we put in employee training includes: occupational training, potential talent training, and employee on-campus study subsidies. Through the implementation of relevant projects, an employee's capabilities can be seen, and their willingness to seek new knowledge can be strengthened.

Learning resources
ADLINK values employee training and development. Every employee can obtain suitable learning resources through diverse paths, including new hire training, core competency training, management training, professional courses, new supervisor training, internal instructor training, various workshops and external training courses.

In addition, employees can use the training resources of the Training Website through the online learning system, which is unrestricted by time and location. There are other resources available in the library for loan to employees including the latest publications and magazines, such as CommonWealth Magazine, Global Views Monthly, Business Today and Harvard Business Review, etc. In addition to training courses, the company also promotes its mentoring system, work rotations, and project delegation which allow employees to constantly increase their competitiveness through multiple means of learning, or practical work.

Internal training
ADLINK wishes all its employees exhibit the Learning, Passion, Communication (LPC) spirit, which is valued by the company in its work. LPC stimulates personal potential through challenges and by actively seeking greater performance, so ADLINK especially values talent training. Since the establishment of ADLINK, it has constantly invested resources in talent development and educational training, and a set comprehensive learning blueprint (shown below) to improve core competencies and professional ability required by its employees which allows them to do their best while acquiring a sense of accomplishment.

Expatriation
ADLINK values employment retention planning and fosters a spirit of respecting employees. Employees are encouraged to combine their interests and performance to provide a comprehensive training plan over their careers. ADLINK encourages employees to engage in internal rotation and provides for complete internal rotation measures. ADLINK also focuses on the future career planning of employees to design personalized development plans for greater achievement and sense of purpose.

External training opportunities
While supporting employees in attending internal training provided by company, ADLINK also wishes employees to attend external training according to their work requirements. The Training Management Procedure explains the application procedures and subsidies for external training in detail, allowing employees to have enough training resources and helping employees increase their skill sets and produce more value at their job.

Internal training

Levels	Management	Aides	Skills	Business
Professional Courses Level 3	1. Executive strategy planning 2. Organizational design connecting strategies 3. Drafting of talent strategy 4. Communication of vision for executives 5. Management changes	1. Work planning for executive aides connected to strategy	1. Leadership of research and development managers 2. Research project management and project leaders	1. Market sales and pricing strategy
Professional Courses Level 2	1. Department budgeting guideline and cost management 2. Coaching for performance 3. Problem Solving & Decision Making 4. The financial knowledge of supervisors 5. Establishment of team and team leadership 6. English briefing skill 7. Execution and goal management 8. KPI performance indicator management 9. Project management 10. People Management 11. English Presentation 12. Highly efficient team leadership 13. Leadership & Management	1. Communicational skills 2. Project planning skills 3. Overall quality management 4. Internal instructor training 5. Time management 6. Project management 7. Professional secretary work management capability 8. Problem Solving & Decision Making 9. Knowledgeable management 10. Effective communication	1. Technical document writing 2. Project management 3. Problem Solving & Decision Making 4. Market sales and pricing strategy 5. Overall quality management 6. Internal instructor training 7. Basic briefing techniques 8. Product manager development 9. Effective communication 10. Knowledgeable management	1. Negotiation skills 2. Strategic selling 3. Professional Marketing Training 4. Crossing the chasm 5. Conceptual Selling 6. Channel Management 7. Problem Solving & Decision Making 8. Critical selling capability 9. Management and cultivation of key customers 10. Customer satisfaction and customer complaints
Professional Courses Level 1	1. Presentation Skills 2. BEI interview techniques 3. Performance interview 4. Mentor career lecturer basics 5. Advance class of brief report production 6. Effective communication 7. Internal instructor training 8. Time management and work plan 9. Effective communication 10. Reading of financial statements 11. Overall quality management 12. Effective meetings management 13. Basic supervisory management capability 14. Team Building	1. The PDM procedure of administrative logistic personnel 2. File and document management techniques 3. Excel basics and advanced classes 4. Word basics and advanced classes 5. The basic class of brief report production 6. Time management 7. Effective meeting management 8. Electronic file and document management	1. PDM application procedure 2. The concept of intellectual property 3. Company legal resources and procedures 4. Company quality management system 5. Company production management procedure 6. Company procurement system 7. Emotions and pressure management 8. Research and development tools and resources introduction 9. Time management and work plan	1. ADLINK Sales School 2. Presentation Skills 3. AMP 4. Funnel Management 5. Working in groups 6. Customer relationship management 7. Project management 8. Effective meeting management

7.5
Labor-Management Meetings

ADLINK knows that good teamwork is an important keystone for achieving quality and efficiency. Following the constant growth and expansion of the organization, ADLINK still hopes to keep internal communication channels unblocked, allowing every employee to be able to express their expectations and feedback to the company.

Besides regularly organizing labor-management meetings, ADLINK also organizes AOM meetings every year where the operational supervisors explain the company's operating conditions, future guidelines, and reply to employee questions. Employees also learn about the latest updates and solutions of the company. For new hires, the new hire workshop is held three months after hiring to help the employee with adapting to the new work environment, and to provide answers to inquiries.

ADLINK also has an employee opinion box in the public area of every floor, allowing employees to submit questions or suggestions at any time. There are various units dedicated to ensuring employee suggestions receive the appropriate response.

Various agendas in labor-management meetings include: the labor-management relationship, facilitation of labor-management cooperation, labor conditions, labor benefits and work efficiency increases, the company's financial status, business status and benefits, and health and safety issues. ADLINK also sets up various internal labor-management communication channels to actively engage with employees.

To increase communication between labor and management, ADLINK encourages employees to face and process problems with a positive attitude. Through a harmonious labor-management relationship, carefully fostered by the company and employees, we can create a better work environment together.

7.6
The Safe and Healthy Work Environment

Employees are the most important asset for ADLINK. To ensure all ADLINK employees have work-life balance, maintaining the physical and psychological health of our staff are values that ADLINK deeply cares about. We believe "only excellent employees can provide excellent service". And only excellent living quality will make an excellent employee.

ADLINK has designed a four-point health maintenance project with each point representing the employee, the work environment, accident prevention, and ensuring that employees are helped to achieve mind and body balance and enjoy their work.

1. Caring about health

To maintain our employees' health, ADLINK promotes healthy living information, also covering inquiries about disease and healthcare. ADLINK established an infirmary that is managed by a professional nurse to provide basic healthcare needs to employees. Medical equipment in the infirmary is regularly inspected, and courses promoting health knowledge to employees are regularly scheduled to promote greater awareness. ADLINK also works with hospitals to assign doctors who regularly visit the company and can provide detailed information on any environmental factors posing a threat to our employees' health.

In accordance with regulatory requirements, companies must regularly conduct employee health checks, and employees are reminded of their obligation to accept the health checks. This regulation is designed to help both employees and companies in understanding an employee's health status, and to be able to respond as soon as possible to any possible abnormal results found during the physical check. ADLINK has gone beyond regulatory requirements by providing at least one health check every two years for all employees, enabling employees to have a more accurate understanding of their own health. After receiving health check reports, ADLINK also arranges for the authorized hospital to assign professional medical staff to the company for health report explanations. Employees can also use monthly doctor visits to seek further medical advice, and to understand what the data in the health check report represents.

In addition to the general employee health check, ADLINK has two job types that require special medical attention: "ionizing radiation work" and "lead work". Staff engaged in these jobs shall undergo a separate special health check every year, according to regulatory requirements, in order for doctors and nurses on site to more closely monitor the employee's health status.

2. Safe work environment

ADLINK believes that a safe working environment is an important basis for employees' health. Therefore, ADLINK established a labor safety and hygiene office, in accordance with regulatory requirements, which is responsible for establishing, planning and promoting an environmental and occupational safety and hygiene system managed by the Occupational Health and Safety Committee. The committee is comprised of relevant personnel from general affairs, labor safety, environmental safety, legal affairs, human resources, quality assurance, manufacturing, and the on-site nurse. It is directly under the office of the CEO and organizes meetings every quarter. Besides reviewing and coordinating the occupational health and safety policy and safety and hygiene management plan drafted by employers, it also submits suggestions related to occupational health and safety. Under the collaboration of labor and management, its mandate is to continuously improve the safety and hygiene management of the company. According to regulatory requirements, participation in the Occupational Health and Safety Committee must have over 1/3 representation by labor; at ADLINK, labor representatives account for over 1/2 of the Occupational Health and Safety Committee. This highlights ADLINK's dedication valuing its employees and labor-management collaboration. The Occupational Health and Safety Committee is even more important at ADLINK as there is no labor representation by unions.

The environmental, labor, safety and health goals ADLINK wishes to promote include:
1. Save energy resource, increase resource regeneration.
2. Use low-emission and environmental-protection requirement compliance material.
3. Establish a safe, hygienic and environmental-protection workplace. Aim to meet a goal of zero-occupational accident.
4. Comply with legal requirements regarding environment, health and safety,we meet and commit to all requirements from our customers.
5. Continual improvement. Prevention of occupational accident and pollution.

Because ADLINK values the work environment, it introduced and has promoted the OHSAS 18001 Occupational Health and Safety Management System since 2012. ADLINK promises to maintain the highest safety and health standards in the industry, and since August 2012, has taken the initiative and joined the "incidents free work hour record website". ADLINK regularly declares various occupational incidents that impact working hours and accumulates incident-free work hours. It is expected that through monitoring from an official body, ADLINK maintains its dedication to ensuring occupational health and safety for its employees. As of February 2014, there were 2.43 million hours of zero incidents recorded, thanks to the collaborative efforts of ADLINK employees. ADLINK also received a zero incidents work hour record certification from the Industrial Safety and Health Association (ISHA) of the R.O.C., as authorized by the Occupational Safety and Health Administration, Ministry of Labor. ADLINK is not complacent in this achievement, and hopes to use this as a basis to realize complete zero occupational incidents, ensuring a safe and secure working environment that allows all employees to enjoy their work.

GRI Indicator Index

The following indicators are in reference of principles and structures of G4 Sustainability Reporting Guidelines by the Global Reporting Initiative (GRI) and which corresponds to this report content.

GRI G4 Index			Corresponding sections of this report	Page number	Note
General standard disclosures					
Strategy and analysis	G4-1	Statement from the most senior decision-maker of the organization	Letter form the CEO	3	
	G4-2	Critical impacts, risks and opportunities	Letter form the CEO	3	
Overview of the organization	G4-3	Name of the organization	Corporate Overview	8	
	G4-4	Main brands, products and service	Corporate Overview	8	
	G4-5	Location of headquarters	Corporate Overview	8	
	G4-6	Country where the organization operates in	Corporate Overview	8	
	G4-7	The nature and legal form of ownership	Corporate Overview	8	
	G4-8	Market where the organization provided service for	Corporate Overview	9	
	G4-9	Organization scale	Corporate Overview / Equal Employment for a Global Work Environment	8 / 50	
	G4-10	Total number of employees classified by employment contracts, region and gender	Equal Employment for a Global Work Environment	50	
	G4-11	The percentage of total employees covered by collective bargaining agreements	Labor-management meetings	57	
	G4-12	Supply chain of the organization	Supply Chain Management	28	
	G4-13	Any critical changes in organizational scale, structure, ownership and supply chain during report period			There was no major organizational change in 2013 for this company
	G4-14	Precautionary approach or principle addressed by the organization	Corporate Risk Management	20	
	G4-15	List of externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	Association and Guild Memberships	10	
	G4-16	List of memberships of associations (such as industry associations) and national or international advocacy	Association and Guild Memberships	10	
Identified material aspects and boundaries	G4-17	All entities included in the organization's consolidated financial statements or equivalent documents	Corporate Overview	8	
	G4-18	The process for defining the report content and the aspect boundaries	Stakeholders areas of concerned agendas and communicational channels	22	

Identified material aspects and boundaries	G4-19	List of material aspects	Stakeholders areas of concerned agendas and communicational channels	22	
	G4-20	The aspect boundary within the organization for material aspect	Stakeholders areas of concerned agendas and communicational channels	22	
	G4-21	The aspect boundary outside the organization for material aspect	Stakeholders areas of concern agendas and communicational channels	22	
	G4-22	The effect of any restatements of information provided in previous reports, and the reasons for such restatements			2013 is the first release
	G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries.			2013 is the first release
Interested parties engagement	G4-24	List of stakeholder groups engaged by the organization	Stakeholders areas of concern agendas and communicational channels	22	
	G4-25	The basis for identification and selection of interested parties with whom to engage	Stakeholders areas of concern agendas and communicational channels	22	
	G4-26	The organization's approach to stakeholder engagement	Stakeholders areas of concern agendas and communicational channels	22	
	G4-27	Key topics and concerns that have been raised through interested parties engagement, and how the organization has responded to those key topics and concerns	Stakeholders areas of concern agendas and communicational channels	22	
Report profile	G4-28	Reporting period (such as fiscal or calendar year) for information provided	Reports for stakeholders	5	
	G4-29	Date of most recent previous report			2013 is the first release
	G4-30	Reporting cycle	Reports for stakeholders	5	
	G4-31	Provide the contact point for questions regarding the report or its contents	Reports for stakeholders	5	
	G4-32	Report the 'in accordance' option the organization has chosen and the External Assurance Report	Reports for stakeholders	5	
	G4-33	The organization's policy and current practice with regard to seeking external assurance for the report			This report did not seek external assurance
Governance	G4-34	The governance structure of the organization, including committees of the highest governance body	Board of Directors ADLINK Corporate Social Responsibility Management Committee	15 21	
	G4-38	The composition of the highest governance body and its committees	Board of Directors	15	
	G4-39	Whether the Chair of the highest governance body is also an executive officer	Board of Directors	15	

Governance	G4-40	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 include diversity, independence, expertise and experience	Board of Directors	15	
	G4-46	The highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	Board of Directors	15	
	G4-47	The frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities	Board of Directors	15	
	G4-51	The remuneration policies for the highest governance body and senior executives	Employee bonus sharing and compensation of directors and supervisors	19	
	G4-52	The process for determining remuneration, if the remuneration consultants are involved in determining remuneration and whether they are independent of management	Remuneration Committee	16	
	G4-53	The frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities	Board of Directors	16	
Ethics and integrity	G4-56	The organization's values, principles, standards and norms of behavior	Code of Ethics and business engagements	23	

Specific standard disclosures (Economic aspect)

Economic performance	G4-EC1	The direct economic value generated and distributed (EVG&D) on an accruals basis by organization	Business performance and expectations	9	
	G4-EC3	Coverage of the organization's defined benefit plan obligations	Business performance and expectations	9	
Market image	G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation			The lowest wage is higher than the legal minimum wage
Procurement practices	G4-EC9	Proportion of spending on local suppliers at significant locations of operation	Supply Chain Management	28	

Specific standard disclosures (Environmental aspect)

Energy	G4-EN3	Energy consumption within the organization	Carbon Reductions and Energy Efficiency	44	
	G4-EN4	Energy consumption outside of the organization	Carbon Reductions and Energy Efficiency	44	
	G4-EN5	Energy intensity	Carbon Reductions and Energy Efficiency	44	
Energy	G4-EN6	Reduction of energy consumption	Carbon Reductions and Energy Efficiency	44	
	G4-EN7	Reductions in energy requirements of products and services	Carbon Reductions and Energy Efficiency	44	

Water	G4-EN8	Total volume of water withdrawn by the sources	Carbon Reductions and Energy Efficiency	44	
	G4-EN9	Total number of water sources significantly affected by withdrawal			Unknown. The company uses a common water source supplied to the area.
		Percentage and total volume of water recycled and reused			Our company did not recycle or reuse water resources
Emissions	G4-EN15	Direct greenhouse gas (GHG) emissions (scope 1)	Carbon Reductions and Energy Efficiency	44	
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (scope 2)	Carbon Reductions and Energy Efficiency	44	
	G4-EN17	Other indirect greenhouse gas (GHG) emissions (scope 3)	Carbon Reductions and Energy Efficiency	44	
	G4-EN18	Greenhouse gas (GHG) emissions intensity	Carbon Reductions and Energy Efficiency	44	
	G4-EN20	Emissions of ozone-depleting substances (ODS)			Our company did not emit ozone-depleting substances
	G4-EN21	Nox, Sox, and other significant air emissions			Our company does not emit significant air pollutants
Effluents and waste	G4-EN22	Total water discharge by quality and destination	Carbon Reductions and Energy Efficiency	44	
	G4-EN23	Total weight of waste by type and disposal method	Pollution Management	42	
	G4-EN24	Total number and volume of significant spills			There were no significant spills in 2013
Product and service	G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Pollution Management	42	
Legal compliance	G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Code of Ethics and business engagements	23	
Overall	G4-EN31	Total environmental protection expenditures and investments by type	Carbon Reductions and Energy Efficiency	46	
Supplier environmental assessment	G4-EN32	Percentage of new suppliers that were screened using environmental criteria	Supply Chain Management	28	
	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	Supply Chain Management	28	
Specific standard disclosures (Social- Labor Practices And Decent Work)					
Labor and management relations	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Equal Employment for a Global Work Environment	50	

Labor and management relations	G4-LA2	Benefits only provided to full-time employees by significant locations of operation	Equal Employment for a Global Work Environment	50	
	G4-LA3	Return to work and retention rates after parental leave, by gender	Equal Employment for a Global Work Environment	50	
Occupational health and safety	G4-LA5	The percentage of the total workforce represented in formal joint Occupational Health and Safety Committee	The safe and healthy work environment	58	
	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	The safe and healthy work environment	58	
Training and education	G4-LA9	Average hours of training per year per employee by gender, and by employee category	Internal, external training opportunities and expatriation	55	
	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Internal, external training opportunities and expatriation	55	
Diversity and equal opportunity	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to indicators of diversity	Equal Employment for a Global Work Environment	50	
Supplier assessment for labor practices	G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	Supply Chain Management	28	
	G4-LA15	Significant actual and potential negative labor practices impacts in the supply chain and actions taken	Supply Chain Management	28	
Specific standard disclosures (Social- Human Rights)					
Non-discrimination	G4-HR3	Total number of incidents of discrimination and corrective actions taken	Code of Ethics and business engagements	23	
Child labor	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	Equal Employment for a Global Work Environment	50	
Forced or compulsory labor	G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	Code of Ethics and business engagements	23	
Indigenous rights	G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	Equal Employment for a Global Work Environment	50	
Supplier human rights assessment	G4-HR10	Percentage of new suppliers that were screened using human rights criteria	Supply Chain Managemen	28	

Supplier human rights assessment	G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	Supply Chain Management	28	

Specific standard disclosures (Social- Society)					
Anti-corruption	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	Code of Ethics and business engagements	23	
	G4-SO4	Communication and training on anti-corruption policies and procedures	Code of Ethics and business engagements	23	
	G4-SO5	Confirmed incidents of corruption and actions taken	Code of Ethics and business engagements	23	
Anti-competitive behavior	G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Code of Ethics and business engagements	23	
Legal compliance	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Code of Ethics and business engagements	23	
Supplier assessment for impacts on society	G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	Supply Chain Management	28	
		Significant actual and potential negative impacts in the supply chain and actions taken	Supply Chain Management	28	

Specific standard disclosures (Social- Product Responsibility)					
Customer health and safety	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Green Products	47	
	G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	Code of Ethics and business engagements	23	
	G4-PR5	Results of surveys measuring customer satisfaction	Customer Service and Supplier Management	26	
Marketing communications	G4-PR6	Sale of banned or disputed products	Code of Ethics and business engagements	23	
	G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	Code of Ethics and business engagements	23	
Customer privacy	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Code of Ethics and business engagements	23	
Legal compliance	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Code of Ethics and business engagements	23	

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