

Corporate Social Responsibility

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
<p>1. Corporate Governance Implementation</p> <p>(1) Does the company declare its corporate social responsibility policy and examine the results of the implementation?</p> <p>(2) Does the company provide educational training on corporate social responsibility on a regular basis?</p> <p>(3) Does the company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?</p>	✓		<p>(1) The company has corporate social responsibility best practices principles along with an employee code of conduct and safety and health policies in place. The company devoted itself to the corporate social responsibilities and integrated it with each operational unit, including every police for engineering management, procurement, environment and employment training. The General Administration Division reviews periodically the effect of performance, and discloses the annual report and social responsibility report.</p> <p>(2) The company arranges for directors to undergo external training courses on topics such as corporate governance and insider trading policies. Meanwhile, employees are also provided with training on the company's policies, professional skills, and courses that inspire self-development. Through use of advocacy, training and rewards, the company hopes to incorporate corporate social responsibility into its daily operations.</p> <p>(3) The company assigned General Administration Division as the dedicated office for social responsibility of enterprise to take charge of the proposal and implementation of social responsibility policy and system. In addition, the division also constitutes working group with Quality Insurance & safety Department, Procurement Department and Financial Division to review and improve every implementation items periodically every year. The chief of General Administration Division reports to Board of Directors about implementation situation for social responsibility and discloses the result and performance on the website of the company simultaneously. It has reported the effect of performance for 2016 in the Board meeting on the 8th of November 2016.</p>	None

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(4) Does the company declare a reasonable salary remuneration policy, and integrate the employee performance appraisal system with its corporate social responsibility policy, as well as establish an effective reward and disciplinary system?			(4) The Company stipulated “Employment Remuneration Administration Policies,” “Employee Appraisal Guidelines,” “Employee Reward and Discipline Guidelines,” and “Employee Ethical Business Guidelines” according to the rules which are expected to encourage employees to perform well and improve on weak performance with the open and concrete administrations measures in order to carry out the business philosophy and achieve social responsibility of company. The General Administration Division does a market study to review the level of salary every year in order to provide sound rewards and remuneration program.	
<p>2. Sustainable Environment Development</p> <p>(1) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?</p> <p>(2) Does the company establish proper environmental management systems based on the characteristics of their industries?</p> <p>(3) Does the company monitor the impact of climate change on its operations and conduct greenhouse gas inspections, as well as establish company strategies for energy conservation and carbon reduction?</p>	✓		<p>(1) The company has passed ISO14001 Environmental Management certification, and continues to devote resources to technology R&D to provide customers with energy-saving solutions. Through the use of energy-saving and heat recovery equipment, the company expects to reduce environmental pollution, promote recycling and make more efficient use of resources such as power and water.</p> <p>(2) The company has set up standard operating procedures and operations manuals according to the nature of its construction work. In addition to requiring employees to comply with construction procedures, the company is also dedicated to enhancing safety and hazard control over the work environment, work activities, and any instruments or equipment used. Work environments are tested regularly and the company's work practices have received OHSAS18001 Occupational Health and Safety certification.</p> <p>(3) In addition to researching new energy-saving technologies, the company also takes the initiative in raising employees' environmental awareness.</p> <p>1. With regards to the use of paper, the company has been a strong advocate of a paper-less environment, and employees are reminded to print double-side and on used paper whenever deemed appropriate.</p> <p>2. With regards to the use of power, the company constantly reminds employees</p>	None

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			to turn off lights and air conditioning in empty areas, while company headquarters has fully adopted the use of energy-saving equipment for greater energy efficiency. In an attempt to reduce its carbon footprint and greenhouse gas emissions, the company has set up a number of policies including: a. Green procurement; purchasing products that are certified environmentally friendly, energy-saving, water-saving, and are rated with a high EER; b. Revision of lighting requirements, improved lighting efficiency, decommissioning of redundant lighting, and development of the habit of turning off lights when not needed; c. Resource reuse: use of recycled paper and materials and refraining from use of over-packaged products. With regard to the usage of electricity and carbon emission, as the company targets a 1% reduction on electricity use and carbon emission every year from 2016 to 2018, the degree of electricity use and carbon emission level was at 225,664 degrees and 118,752 kilometers respectively in 2016, compared to 244,085 of electricity use and carbon emission volume of 127,233 in 2015, it was a reduction of 8% to 18,421 and 7% to 8,481 kilometers separately. It appears that it has taken effect on the electricity saving. The carbon dioxide level in the Company's operating environment obtained was 464 ppm to 785 ppm for 2016. It was within the standard value of 5,000 ppm.	
3. Preserving Public Welfare (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(1) The company has established a set of "Work Rules" based on the Labor Standards Act and other relevant laws to protect employees' interests. There are no ethnic or gender restrictions with regards to employee recruitment or promotion; each person is equally entitled as long as they possess the right abilities and satisfy requirements. For the purpose of eliminating sexual harassment, the company has implemented a "Sexual Harassment Prevention Policy" to handle sexual harassment complaints.	None

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<p>(2) Has the company set up an employee hotline or grievance mechanism to handle complaints with appropriate solutions?</p> <p>(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?</p> <p>(4) Does the company setup a communication channel with employees on a regular basis, as well as reasonably inform employees of any significant changes in operations that may have an impact on them?</p> <p>(5) Does the company provide its employees with career development and training sessions?</p> <p>(6) Does the company establish any consumer protection mechanisms and appealing procedures regarding research development, purchasing, producing, operating and service?</p> <p>(7) Does the company advertise and label its goods and services according to relevant regulations and international standards?</p>			<p>(2) The company offers an Employee Relations Hotline that provides a channel for employees to express their opinions regarding their work and the overall work environment. There are no opinions or complaints received in 2016.</p> <p>(3) The company provides its employees with comprehensive training on work operations, safety and health, and conducts company-wide health checkups on a regular basis to help employees stay healthy.</p> <p>(4) The company organizes regular meetings to encourage reciprocal communication. These meetings not only discuss the company's business performance but also serve as a means of opinion exchange with employees. Important messages are disseminated via announcements and meetings, whereas employer-employee relations are discussed separately according to the "Regulations for Implementing Labor-Management Meeting."</p> <p>(5) The company has set up employee promotion relative systems and provides proper suitable training courses according to personal potentials and capacity as well as lecturing by level and assists the employee to give full play of their strengths and complete the tasks in an outstanding manner.</p> <p>(6) The company organizes annual customer satisfaction surveys, during which the Administration Department mails out "Customer Satisfaction Questionnaires" and discusses with the Business Department about the issues raised and how the company may take steps to improve them. These analyses are reviewed by the Vice President before dissemination to departments for execution. The ultimate goal of such surveys is to meet customer expectations and achieve 100% satisfaction with service quality.</p> <p>(7) The company provides engineering technical service and provides customized design, as well as integrating construction service, etc. and its marketing and indication are in accordance with the execution of relevant regulation and international criterion.</p>	

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<p>(8) Does the company evaluate the records of suppliers’ impact on the environment and society before taking on business partnerships?</p> <p>(9) Do the contracts between the company and its major suppliers include termination clauses which come into force once the suppliers breach the corporate social responsibility policy and cause appreciable impact on the environment and society?</p>			<p>(8) As the company rules management operations of suppliers upon internal control system, and makes records of supplier basic information for material and engineering contractor. Further, it appraises on our supplier comforting to procurement and material management procedure. For the case of suppliers obtaining ISO 9001 quality and management system certificate ISO 14001 international environmental management system criteria, OHSAS18001 vocational security and health management systems relevant certificates, and other qualification remark of government and quality qualification remarks of foreign government, it will evaluated such suppliers as excellent grade, as a plus item to appraisal.</p> <p>(9) It enforces and promotes company corporate social responsibility in its transactions company with its suppliers :</p> <ol style="list-style-type: none"> 1. It specifies in the article of the condense agreement of the Company : “Article 12 The suppliers shall abide by the corporate social responsibility company requirements of the company. In the event that any of the policies were violated and their actions cause an impact on environment and society, the company can terminate or cancel the agreement at any time.” 2. It stipulates environmental security and management procedure of contractor to specify that contractor shall the related regulations and requirement of environmental safety and health. 3. It regulates “safety and health requirement of contractor” on engineering contracting agreement and rigidly conduct the requests the suppliers shall comply with every environmental safety and health requirement during construction toward supplier. 4. It concludes “Honest and Integrity Commitment” establish healthy supplier chain relationship between the company and suppliers once the supplier breaches the commitment. The company holds the right to terminate the cooperation relationship and the supplier shall burden all legal 	

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			responsibilities accordingly.	
4. Enhancing Information Disclosure (1) Does the company disclose relevant and reliable information regarding its corporate social responsibility on its website and the Market Observation Post System (MOPS)?	✓		(1) Information relating to corporate social responsibility is disclosed in the company's annual report and corporate social responsibility report. Please refer to the company’s website and the Market Observation Post System (MOPS).	None
5. If the Company has established the corporate social responsibility principles based on “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the Principles and their implementation: The company has made a commitment to corporate social responsibility, and has implemented measures such as an employee code of conduct and environmental safety and health policies. These actions are consistent with the rationale of the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies."				
6. Other important information to facilitate better understanding of the company’s corporate social responsibility practices : Please refer to <Table 1>.				
7. A clear statement shall be made below if the corporate social responsibility reports were verified by external certification institutions: The company has prepared a 2015 corporate social responsibility report and entrusted the PricewaterhouseCoopers (PwC) Taiwan to carry out limited assurance according to the Assurance Standards Gazette No. 1 of the Republic of China for the Report. 2016 corporate social responsibility report is still in progress.				

<Table 1>

Social Responsibility Item	Implementation Status			Detailed Description
	Not Yet Executed	Executed	Planning in Progress	
1.Human rights				
(1) Compliance with the Labor Standards Act		V		The company has established a set of "Work Rules" based on the Labor Standards Act and other related laws. To maintain employer-employee relations, the company holds employment meetings on a regular basis according to the "Regulations for Implementing Labor-Management Meetings."
(2) Other (e.g. protecting employees and recruitment candidates from harassment and discrimination)		V		The company has implemented a "Sexual Harassment Prevention Policy" to protect employees' interests and privacy.
2.Employees' rights, safety and health				
(1) Adequate training for employees		V		In order to inspire growth among employees and nurture professional talent, the company has implemented a set of training guidelines and empowered internal departments to oversee employee training.
(2) Employees' right to express opinions		V		Employees are allowed to express opinions by employee mailbox at anytime regarding their rights, welfare, management and the work environment.
(3) Other (e.g. OHSAS18001 certification on occupational health and safety, and offering of reasonable welfare and remuneration packages to employees)		V		The company has obtained ISO9001 certification on quality, ISO14001 certification on environmental management, and OHSAS18001 certification on occupational safety and health. And the Company is certified by the Health Promotion Administration, Ministry of Health and Welfare to be a healthy workplace. Its employee remuneration system has been developed in compliance with relevant laws including those that govern minimum wages and mandatory benefits.
3.Employee care				
(1) Workplace safety		V		The company has empowered a Quality Insurance & safety Department to oversee safety and health conditions at various work sites. The department conducts regular tests on the operating environment and takes steps to ensure that safety and health regulations have been strictly complied with to provide employees with the utmost assurance.

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(2) Establishment of written employee health and safety policies		V		The company has employee health and safety policies in place and co-operates in their execution.
(3) Other (e.g. care for employees' physical/mental development and family life)		V		The company has been established "Employee Welfare Committee" for a long years, it planes employee traveling activities, association, gathering party, reunion party and so on., including family day, using activities to increase the interaction of employees with their families. We anticipated that our employee could attach importance on the family life and mental development apart from work value the importance of family for our employees and our Human Resource Division staff aims to take care of the needs of the employee, including physical and mental development.
4.Environmental Protection				
(1) Establishment of written environmental protection policy		V		The company complies with the environmental management standards laid out in ISO14001. It actively invests in the development of energy-saving technologies and has long-advocated awareness of environmental protection concepts. Over the years, the company has taken steps to reduce paper waste and recycle resources, and exercised supervision over subsidiaries to see that this is done.
(2) Compliance with environmental protection laws		V		
(3) Other (e.g. development of energy-saving and pollution-reducing technologies, equipment and activities; steps taken to reuse or recycle waste, or to reduce or prohibit the use of hazardous substances)		V		
5.Community involvement				
(1) Participation in community services and charity activities		V		The company organizes activities aimed to help the socially disadvantaged and charity organizations whenever deemed appropriate.
(2) Other (e.g. aid and investment in the community [including manpower, supplies, knowledge and skills], steps taken to ensure the health and safety		V		

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of the community)				
6.Social contributions and social welfare				
(1) Donations to charities, educational, healthcare, artistic activities etc.		V		<p>1. The company cooperates with national tertiary institutions on various research projects, and offers summer internships to help students put theory into practice. It also offers scholarships and employment opportunities to those students.</p> <p>2. The company donated social vulnerable groups. In 2016, we contributed “Support Vulnerable Kid” event of “Passing our Love” series, Economics, Trade and Cultural Association for NT\$ 475 thousand.</p> <p>3. The company participates in relevant events held by social support and charitable groups for vulnerability irregularly. In 2016, we donated to Taiwan Reading and Culture Foundation & Philanthropic Library as well as Teacher Chang Foundation for NT\$ 695 thousand and sponsored its benefit concert by NT\$ 700 thousand.</p>
(2) Other (e.g. aid to less-developed countries, offering of employment opportunities to the socially disadvantaged etc)		V		
7.Social services				
(1) Promotion of social welfare		V		The company assists in providing scholarships to financially disadvantaged students.
(2) Other		V		
8.Investor relations				
(1) Operating transparency		V		The company publishes financial and business information on the "Market Observation Post System" as required by law.
(2) Corporate governance		V		In an attempt to achieve more robust corporate governance, the company has empowered its directors and audit committee in accordance with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" to make the company's operations more transparent to shareholders.
(3) Other		V		The company has set up its own website and implemented a spokesperson and a deputy spokesperson policy as a means of providing more transparent financial information to investors.

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9. Supplier relations				
(1) Reasonableness of procurement prices		V		The company has developed a set of "Material Procurement and Management Procedures" based on ISO9001 standards. By establishing procurement contracts with suppliers, the company is able to define the specifications for its purchases and thereby protect its own interests. Business dealings with suppliers are based on trust and a mutually beneficial relationship made possible by open communications.
(2) Other		V		
10. Stakeholder interests				
(1) Intellectual property rights		V		The company respects intellectual property rights, and is yet to be involved in any case of IP infringement.
(2) Regulatory compliance		V		The company's operating policies and systems are in strict compliance with laws.
(3) Other (e.g. disclosure of corporate social responsibilities on company website)		V		The company has disclosed its corporate social responsibilities in prospectus and in its annual reports.
11. Consumer interests				
(1) Emphasis put on customers relations (e.g. consumer protection, product quality, safety and innovation, attention to customers' complaints, provision of full product information etc.)		V		In order to provide customers with "total satisfaction" the company has devoted much attention to the quality, safety and innovativeness of its construction techniques, and addresses customer complaints in the shortest time possible.