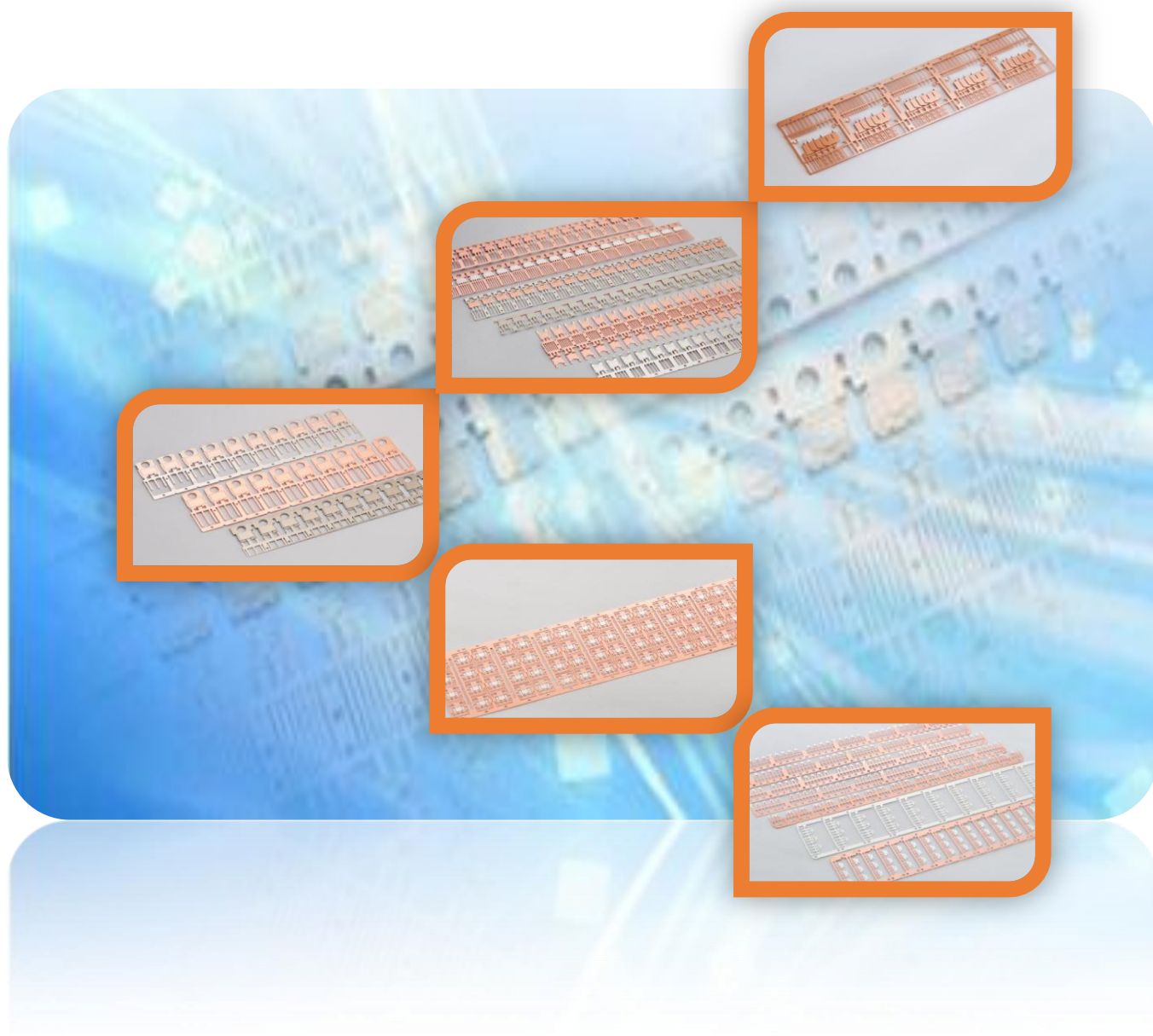




界霖科技股份有限公司
JIH LIN TECHNOLOGY CO., LTD

Corporate Social Responsibility Report

CSR report 2018



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About this report

The topics shown in this report are based on discussion meeting with the working group and various stakeholders to select and decide the priority issue for analysis.

Report Overview

This Corporate Social Responsibility Report is the first issued by Jih Lin and it will be continue to issue every year. The content starts from January 1st. 2018 to December 31st. 2018. CSR issues such as company profile, corporate governance, environmental protection, and employee care are compiled. Through publication of this report will enable Jih Lin to present its achievements to the public and a good communication with stakeholders.

Reporting Scope and Data Sources

The contents of this report comprehensively expose the company's social responsibility information in 2018, including the major sustainability considerations of the company's economic, environmental and social aspects.

During this period, there were no major events affecting the organization and business operations of the company. The relevant financial information was compiled using International Financial Reporting Standards (IFRS). The financial data were all in NTD and verified by Ernst & Young Global Limited.

Report Writing Principles and Programs

This report is based on the Global Reporting Initiative (GRI) G4 core option, and a GRI indicator comparison table at the end of the report. The financial related figures are calculated in New Taiwan Dollars and verified by an accountant. The company has passed ISO14001 international certification. Jih Lin has the operation mechanism for industrial environmental impact assessment, business waste separation, management and reuse.

The contact information

In order to continue to communicate with stakeholders, you are welcome to contact us and provide your valuable suggestions. Our contact information is as follows:

Address: No. 58, Zhongyang Rd., Nanzi Dist., Kaohsiung City 811, Taiwan (R.O.C.), Nanzhao81170

Tel: 07-365-8828 Ext. No.: 8301 Deputy General Manager: Edward Lu

Fax: 07-365-7808

Email: service@jihlin.com.tw

Website: <http://www.jihlin.com.tw>

Words from the Chairman

Since JIH LIN has been established in 2000, Jih Lin has always uphold the company's 「Integrity and Honesty」 as the highest ethical principle of business management. Facing to global economic and environmental changes and challenges, the company's operations are still growing steadily, and continue to break through the technology in mold equipment, product development, capacity efficiency, and marketing expansion.

In addition to the best in the industry, the pursuit of the best revenue, profit and shareholder compensation, the company's promotion of corporate environmental and social responsibility will keep pushing forward. The company has established the 「Code of Integrity」, the 「Corporate Social Responsibility Code」 and the 「Corporate Governance Code」 as an effective corporate governance to strengthen the functions the Board of Directors, protect the benefits of shareholders, respect the rights and interests of stakeholders and enhance the transparency of company information.

In order to actively fulfill environment and social responsibilities, Jih Lin has the operation mechanism for industrial environmental impact assessment, business waste separation, recycle, paper reused. All are for conserve energy and water. Jih Lin establishes environmental goals and also has another promotion to turn off light etc., in order to achieve the benefits of carbon reduction.

The company also continuously inspects and checks greenhouse gas emissions, and actively promotes the improvement plans and activities to reduce environmental and climate impacts. Shandong Jinan Plant of Jih Lin Group has further action of water-saving and water resources by recycling and reuse (reclaimed water reuse) in 2017, raising the standard of environmental protection, striving the concept of sustainable development and making a contribution to the earth.

Jih Lin company is deeply involved in the two areas of 「Employee Rights」 and 「Social Participation」. Employees are the most important resources of Jih Lin Company. We also pay great attention to employees' physical, mental health and working environment. The company actively promotes environmental 5S activities in workplace, maintains the cleanliness of environment and equipment safety protection measures. The company regularly conducts employee health checks every year. Jih Lin provides effective career developments and diversified training plans to increase employee work experience and promote at work. The company irregularly engages the activities of socially disadvantaged charities and actively joins the activities such as neighbors and neighbors.

Our Corporate Social Responsibility covers three major areas: 「Economic」, 「Environmental」 and 「Social」. Facing global diversification risks and intense competition challenges, fulfilling Corporate Social Responsibility is not only helpful for enterprises to accumulate their abilities of sustainable management, but also effectively reducing or eliminate risks, generate positive energy, condense the sustainable force that keeps society moving forward. Let us create the best interests for our employees, customers and shareholders, and share the sustainable values with our stakeholders and create a better future for the next generation.

Chapter 1 Company Profile

1.1 About Jih Lin

Jih Lin Technology was established in 2000 and moved to Nantze Export Processing Zone in 2003. Jih Lin is a lead frame manufacturer in the field of semiconductor and has many years of technical experience. It has accumulated a number of unique mold technologies and capabilities to provide high quality and reasonably priced products according to different needs from customers. In addition to providing consistent operations from stamping to electroplating, Jih Lin develops high-precision and high-quality molds. The precision can be up to 0.001mm.

■ Precision mold design and Manufacturing:

According to customer's requirements, the products are designed, disassembled, and made sample by Jih Lin R&D Department. If there is a problem, it can be discussed immediately by the R&D, the Mold Manufacturing and Manufacturing Departments. The problem can be solved in the shortest time.

■ Manufacturing:

High-quality lead frame and precise electroplating process are very important for semiconductor assembly house. In order to provide customers with more competitive quality products, Jih Lin has consistently operations in the factory from stamping to electroplating. The stamping and plating molds are developed by Jih Lin that is an indispensable backing in manufacturing.

■ Quality and Certification:

The customer's affirmation of the quality of Jih Lin is the power to make us grow up. To upgrade the quality management system, the company has obtained ISO9001, TS16949 and ISO14001 certifications. Jih Lin will continuously improve quality management by verifying the international quality management system.

■ Human Resource:

Employees are Jih Lin's most precious asset, therefore, the company has an education training program, training for new hires, in-service professional occupation training, supervisor training, project training and OJT training. Different training programs are available for different needs.

■ Environmental Protection and Energy Conservation:

1. Waste management, recycling and reuse

Through the government waste environmental protection approval letter No. E4906433, E49A0622, and under the feasible technical and economic costs, the management of waste is the first focuses on waste reduction in the process, and continuously reduces the generation of waste, and then resources. Recycling, the last step is for waste disposal.

2. Resource Reduction

Through the government water pollution prevention measures No. 00472-00, 00707-00, the whole factory taps will use recycled water at sanitation facilities and replace all kinds of water-saving equipment with water-saving and economical slogans. All kinds of electrical switches are affixed with a classification color label, and the concept of shutting down the electrical equipment that is not used.

All of our members are based on the spirit of innovation, loyalty, dedication and responsibility, and wins the customers' comprehensive trust with the basic business principle "Quality First, Service First". At present, all members are striving to expand the business, and keep a high level business growth, and thus enhance the internationalization of the company and refined quality of their life. Expecting perfect service and excellent quality is in Jih Lin.

In addition to established R&D and operation headquarter building, Jih Lin has three production plants. To serve many customers in Greater China, Jih Lin invested 20 million US dollars to establish Jinan Jih Long Technology in Jiyang County, Shandong Province in 2006. The following are the detailed addresses of each factory.

Jih Lin Technology:

Headquarter: No. 58, Central Road, Nanzhe Processing Export Zone, Kaohsiung City

Plant I : No.43, Central Road, Nanzhe Processing Export Zone, Kaohsiung City

Plant 2 : No. 12, Xinjing 1st Road, Nanzhe Processing Export Zone, Kaohsiung City

Plant 3 :No 40-1, Central Road, Nanzhe Processing Export Zone, Kaohsiung City

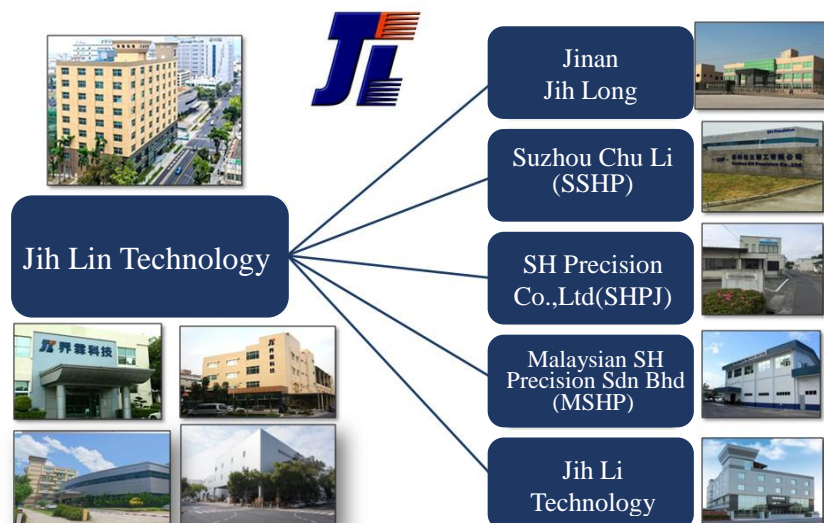
Jih Li Technology: No. 390, Minzhu Road, Alian District, Kaohsiung City

Jinan Jih Long: No. 5, Taixing W. Street , Jiyang Town, Jiyang County, Jinan City, Shandong Province , China .

Suzhou Chu Li: No. 48, Tinglan Lane, Xinglong Street, Suzhou Industrial Park, Suzhou City, Jiangsu Province, China

SH Precision Co.,Ltd: 901 Yamagata, Sakura-machi, Yamagata-machi, Yamagata-shi.,

Malaysian SH Precision Sdn Bhd: Senawang Industrial Estate Darul Khusus



■ Participation in public, associations / organizations:

Jih Lin Technology has always actively participated in external organization associations (such as: Electronic Industry Citizenship Coalition, Taiwan Processing Export Zone Motor and Electronics Industry Association, Republic of China Processing Export Industry Labor Relations Association, etc.), and caught the latest industry trends, worked together, common prosperity.

1. Electronic Industry Citizenship Coalition (EICC):

In June 2015, Jih Lin Technology applied to join the Electronic Industry Citizenship Alliance to become its member. Through the EICC platform, Jih Lin Technology as one of the Global Stakeholder communicates with labors in the labor, health and safety, environment, management systems and ethics code, and supports the UN Universal Declaration of Human Rights (UN) and International Labor, Organizational (ILO) regulations and requirements for human rights.

2. Taiwan export processing zone Electrical and Electronic Industry Association:

Through the Electrical and Electronic Industry Association, Jih Lin Technology communicates and coordinates with the same trade members, and enhances mutual benefits, plans to promote future industry improvement and promotes the prosperity of the entire business.

3. The Republic of China Processing Export Industry Labor Relations Association:

Jih Lin Technology deeply understands that labor and capital should help each other, not antagonistic. Within the fairness, both employers and employees should have a high degree of awareness on reasonable demand for each other's rights and interests.

1.2 Corporate Governance

1.2.1 Operational Status (Commercial Administration)

Jih Lin is a professional lead frame manufacturer. In addition to the rich experience of the management team and the deep technical innovation and new product development abilities, the R&D headquarters will be completed in the second quarter of 2018 and will be put into high precision. After that, we are continuing to invest in high-precision stamping parts development machine to shorten the development time of new molds and continue to develop lead frame products that can be effectively applied to various separate components and integrated circuits, and successfully entered the automotive semiconductor market. This enables our products to cooperate effectively with the semiconductor component manufacturers. For the global environmental sustainability, the company is committed to development of energy conservation and actively deploys lead frame products for energy-saving module applications. In recent years, with the clear market strategy and product positioning, our management team has been able to continuously research and develop new products that meet the needs of customers by our number of experienced R&D technicians. In the process, we have

obtained new products and process improvement patents. We also flexible in production and sales management, quickly provides customers with stable quality products. We are able to solve customer problems in a timely and improve the efficiency of production services.

1.2.2 Business Policy

The R&D headquarters was completed in the second quarter of 2018. In addition to the new high-precision stamping parts machine tools development to shorten time to develop new molds, and the company's resource allocation was optimized to improve overall production efficiency and productivity. Improve market share and competitiveness.

Shandong Jinan Factory has successfully obtained the environmental protection emission approval for increasing the electroplating production line, and has received local government incentives for the wastewater treatment "reclaimed water reuse" subsidy for the electroplating process. In 2019, it is expected to actively invest in "reclaimed water reuse equipment" to raise the standards of environmental protection and increase electroplating production line.

The second phase of production expansion plan in Shandong Jinan Plant has completed two production lines, which can effectively integrate the overall production resources and expand the related production equipment such as parts processing, self-made shaped raw materials, stamping process and electroplating process, and improve production economies of scale. Actively develop the market share of Mainland China.

1.2.3 The Board of Directors

According to the "Rules of the Board of Directors", the Board of Directors Meeting is hold at least once a quarter. In total, the Board of Directors of the Company held 10 meetings in 2018.

The election of directors of the Company follows the "Director and Supervisor Election Method". The election of directors and supervisors of the company shall be conducted in accordance with the nomination system for candidates as stipulated in Article 192 of the Company Law. The examination of the qualifications of the directors and supervisors, the background of the academic experience, and the existence of any of the provision of Article 30 of the Company Law shall not arbitrarily add other documents of qualifications, and shall provide the results of the review to the shareholders for reference. Select suitable directors and supervisors. The current board of directors has a total of seven seats. All directors are elected by shareholders. The directors consist of a chairman, three directors and three independent directors. The members are diversified and have different professional backgrounds or areas of work. They effectively assume their responsibilities and their duties this includes establishing a good board governance system, supervising, appointing and guiding the company's management, strengthening management functions, and being responsible for the overall economic, social and environmental aspects of the company's operations and commits to maximizing the interests of

stakeholders.

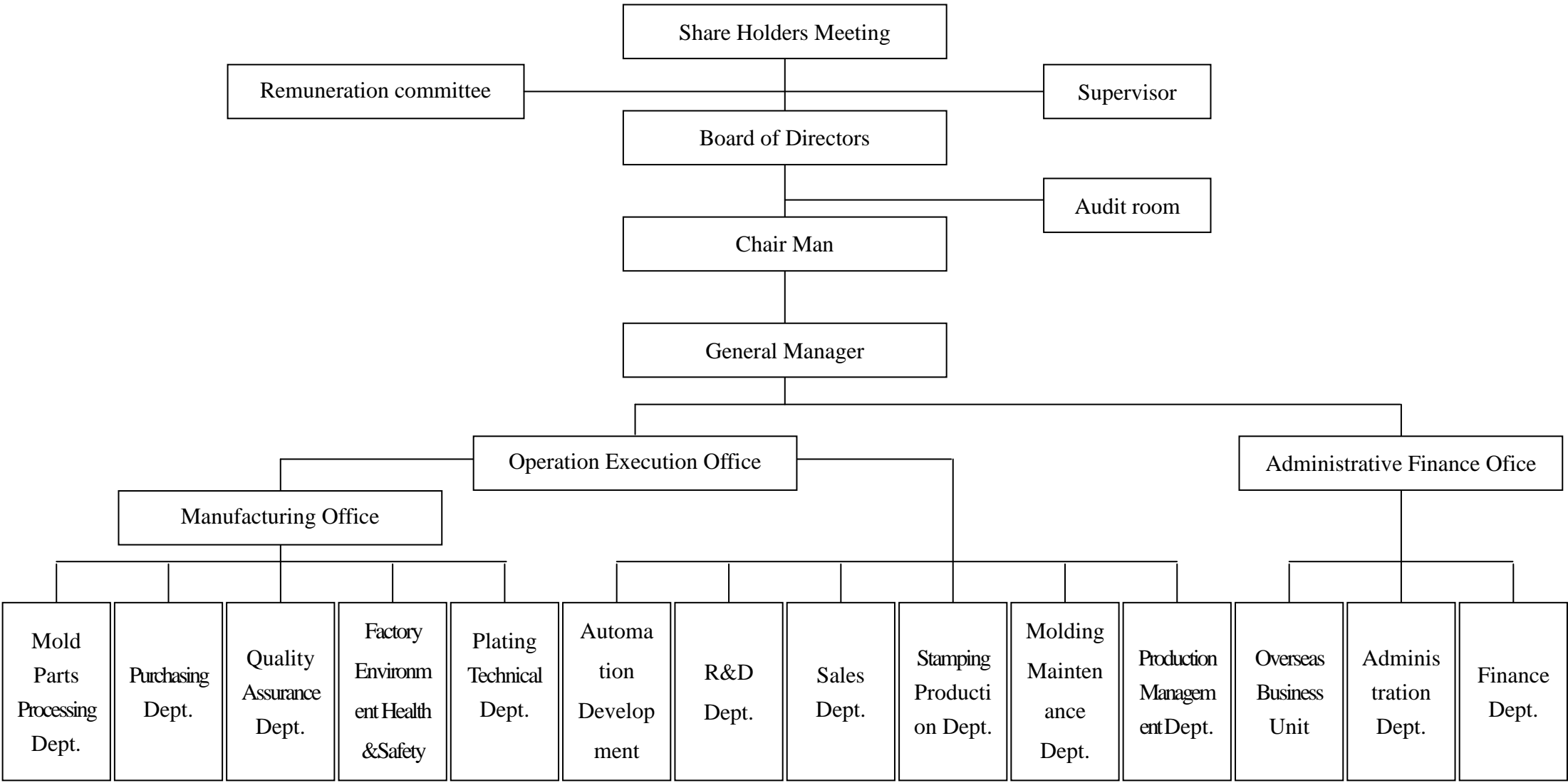
The background information, academic qualifications, and other company positions and information on the operation of the board of directors and various functional committees have been published in the company's annual report and are available to find company's annual report information on the public information observatory and the company website (<http://www.jihlin.com.tw/>). In response to the international attention and trends in corporate governance and corporate social responsibility development in recent years, directors are encouraged to participate in further studies and to apply for training certificates to the company. The company exposes relevant records of directors' participation in training and further training at public information observatories and company.

The website is (<http://www.jihlin.com.tw/>). It also can be found in the company's annual report.

The member of the board		Gender
Chairman	Shang-Yuan , Tsai	Male
Director	Shang-Ming , Tsai	Male
Director	Wayne , Tsai	Male
Director	Chen-Han , Chiang	Male
Independent director	Yen-Ru,Chen	Female
Independent director	Chau-Jung,Ku	male
Independent director	Lee-Chu,Wu	Female

1.2.4 Remuneration committee

In 2012, the board of directors established a remuneration committee. The Remuneration Committee is designed to assist the Board in the implementation and evaluation of the company's overall compensation and benefits policy, as well as the remuneration of directors and managers. According to the constitution of the Jin Lin Technology Remuneration Committee, the committee shall be at least three members and at least one of them is an independent director. The current committee assembles by three independent directors. All of them are professional in law or management background.



1.3 Financial Performance

1.3.1 Jih Lin Technology 2016-2018 Consolidated Income Statement

Unit: Thousands /NTD

Item /Year	2016	2017	2018
Revenue			
Sales Revenue	2,185,384	3,710,409	5,009,229 -
Non-operating income or (expense)	16,850	(39,786)	552
Total Revenue	2,202,234	3,670,623	5,009,781
Expenditure			
Cost of Revenue	1,780,091	2,960,615	4,106,126
Operating expenses	235,257	341,835	443,741
Total Expenditure	2,015,348	3,302,450	4,549,867
Income before Income Tax	186,886	368,173	459,914
Income Tax Expense	36,499	43,777	79,096 -
Net Income	150,387	324,396	380,818

1.3.2 Jih Lin Technology 2016-2018 Employees Salary and Welfare Expenses Table

Unit: Thousands /NTD

Year	2016			2017			2018		
Categories	Cost of Revenue	Operating Expenses	Total	Cost of Revenue	Operating Expenses	Total	Cost of Revenue	Operating Expenses	Total
Pay Roll Expenses	\$165,802	\$89,366	\$255,168	\$322,370	\$146,688	\$469,058	\$407,787	\$178,702	\$586,489
Labor and Health Insurance Expense	\$23,988	\$9,555	\$33,543	\$26,569	\$9,478	\$36,047	\$30,728	\$13,914	\$44,642
Pension Fee	\$4,725	\$2,281	\$7,006	\$4,819	\$2,549	\$7,368	\$4,787	\$2,832	\$7,619
Other Employees Benefits	\$9,531	\$4,730	\$14,261	\$9,804	\$11,126	\$20,930	\$17,163	\$12,864	\$30,027

1.3.3 Dividends Distribution:

In 2016, the cash dividend for year 2015 surplus was 134,640,000 dollars.

In 2017, the cash dividend for year 2016 surplus was 119,680,000 dollars.

In 2018, the cash dividend for year 2017 surplus was 265,079,034 dollars.

List of the past three years surpluses distribution is as follows:

Unit: NTD

Year of Surplus	2016	2017	2018
Earnings per share	2.01	4.17	4.54
Cash Dividend	1.55	3.16	3.6(Note)
Rate of Surplus Distribution	77.1%	75.8%	79.3%(Note)

Note: Shareholders pass to distribute dividends per share

1.3.4 Financial Performance

In 2018, Jih Lin Technology consolidated sales revenue was NT\$5,009,229 thousand dollars, which was increased approximately 1,298,820 thousand dollars compared to the previous year of 2017. It is an increasing of approximately 35%. The income list is as follows:

Unit: Thousands /NTD

Year	2016	2017	2018
Business Income	2,185,384	3,710,409	5,009,229
Growth rate from the Previous Year	(3.43%)	69.78%	35.00%

Considering the competitive advantages of Taiwanese manufacturers with more flexibility, the high production costs industrial OEM trend to be transferred from Europe, America and Japan to Asia regions. To master the pattern of cross-strait competent cooperation, Jih Lin Technology Taiwan's parent firm as its R&D design center. Our mature products are produced by Mainland companies. We keep developing and manufacturing shaped raw materials to increase the rate of self-made in raw material and reduce the outsourcing ratio to cost down production costs and improve our products' competitiveness. In addition to shorten the development of mold production, production resources will be effectively integrated and expanded the usage of related equipments such as parts processing, stamping process and electroplating process to increase production economies of scale. In addition, we will strengthen personnel recruiting, production research and energy build and new products develop in order to increase the application arrangement. It will be helpful to the new customers in future.

1. Business Investment

As of December 31, 2018, Jih Lin Technology has a total of seven domestic and foreign investment companies. The main investment business is in the field of lead frame and the establishment of domestic and overseas markets by opening domestic and overseas investment companies. Providing services after sale to the nearest customers and increasing our company's overall business performance.

Among them, SPEEDY INVESTMENT LIMITED and Jih-Linchpin Limited are holding companies. Jinan, Jih Rong Technology Co., Ltd. and Suzhou Zhu Jih Li Precision Industry Co., Ltd., respectively recognized as our investment gains and losses. The orders in Mainland China market is the advantage due to the exclusivity specific of technology and lower manpower cost, it relatively makes our business more stable.

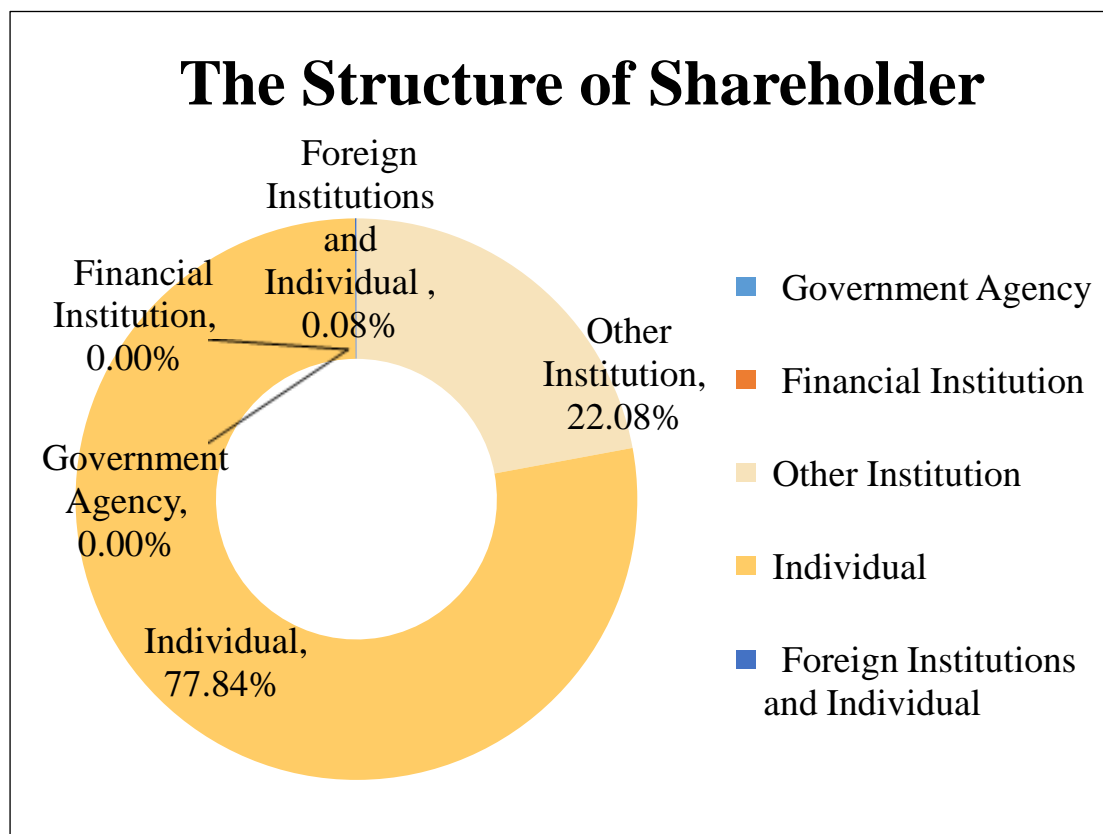
In 2018, the shareholding investment

Business investment	Location	Shareholding Percentage
SPEEDY INVESTMENT LIMITED	US	100%
Jih Li Technology Co., Ltd.	Taiwan	100%
Jinan Jih Long Technology Co., Ltd.	Mainland China	100%
Jih-Linchpin Limited	Samoa	100%
Suzhou Sumitomo Hitachi Precision Co. Ltd.	Mainland China	100%
Sumitomo Hitachi Precision Co., Ltd	Japan	100%
Malaysian Sumitomo Hitachi Precision Sdn. Bhd	Malaysia	100%

2. Government shareholding percentage :

I. Jih Lin Technology as of December 31, 2018, there is no subsidize from government.

II. The government does not hold any shares in Jih Lin Technology. As shown in the table below:

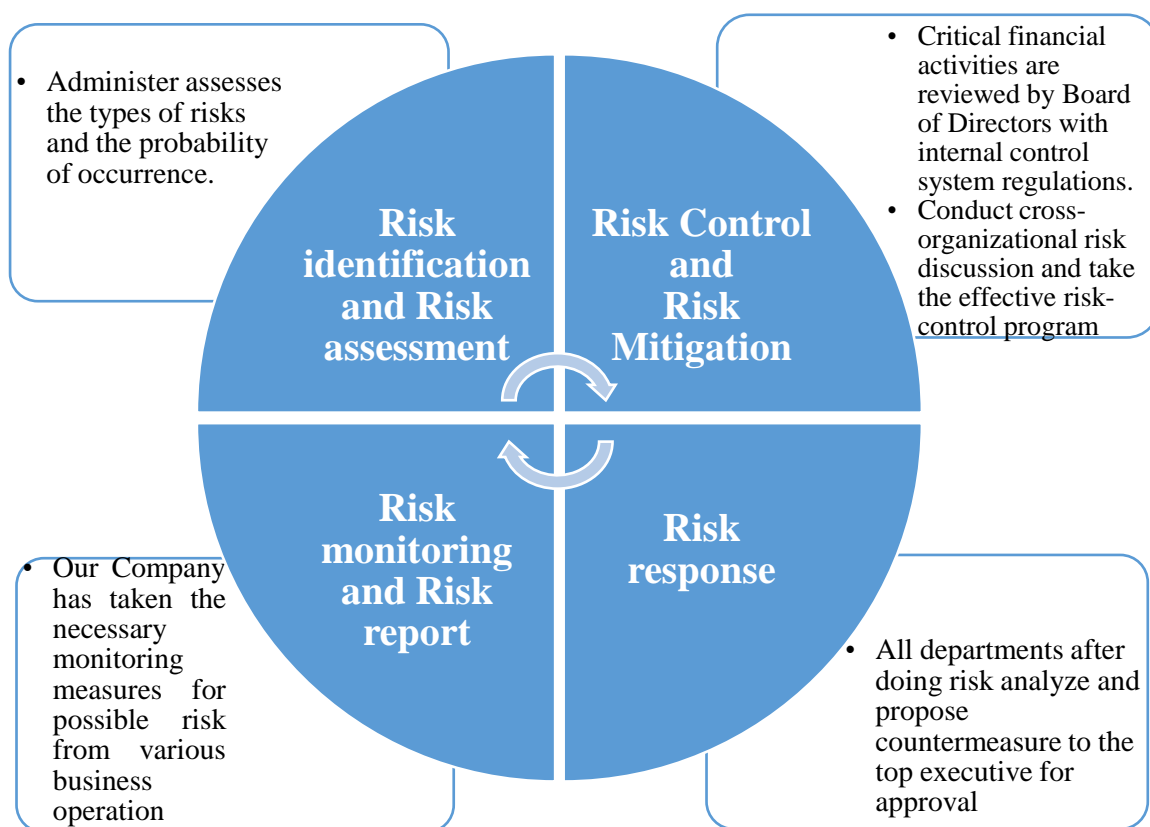


1.4 Risk Management

1.4.1 Category of Risk Management

Strategy Considerations	Business Operation Considerations	Financial Considerations	Hazard Events Considerations
<ul style="list-style-type: none"> ● Economic Recession 	<ul style="list-style-type: none"> ● Sales Centralized ● Material Supply Interruption ● Information System Abnormal 	<ul style="list-style-type: none"> ● Currencies Risk ● Interest Rate Rise ● Inflation Risk 	<ul style="list-style-type: none"> ● Earthquake and Other Natural Disaster ● Fire or Chemical Leakage

1.4.2 Framework of Enterprise Risk Management:

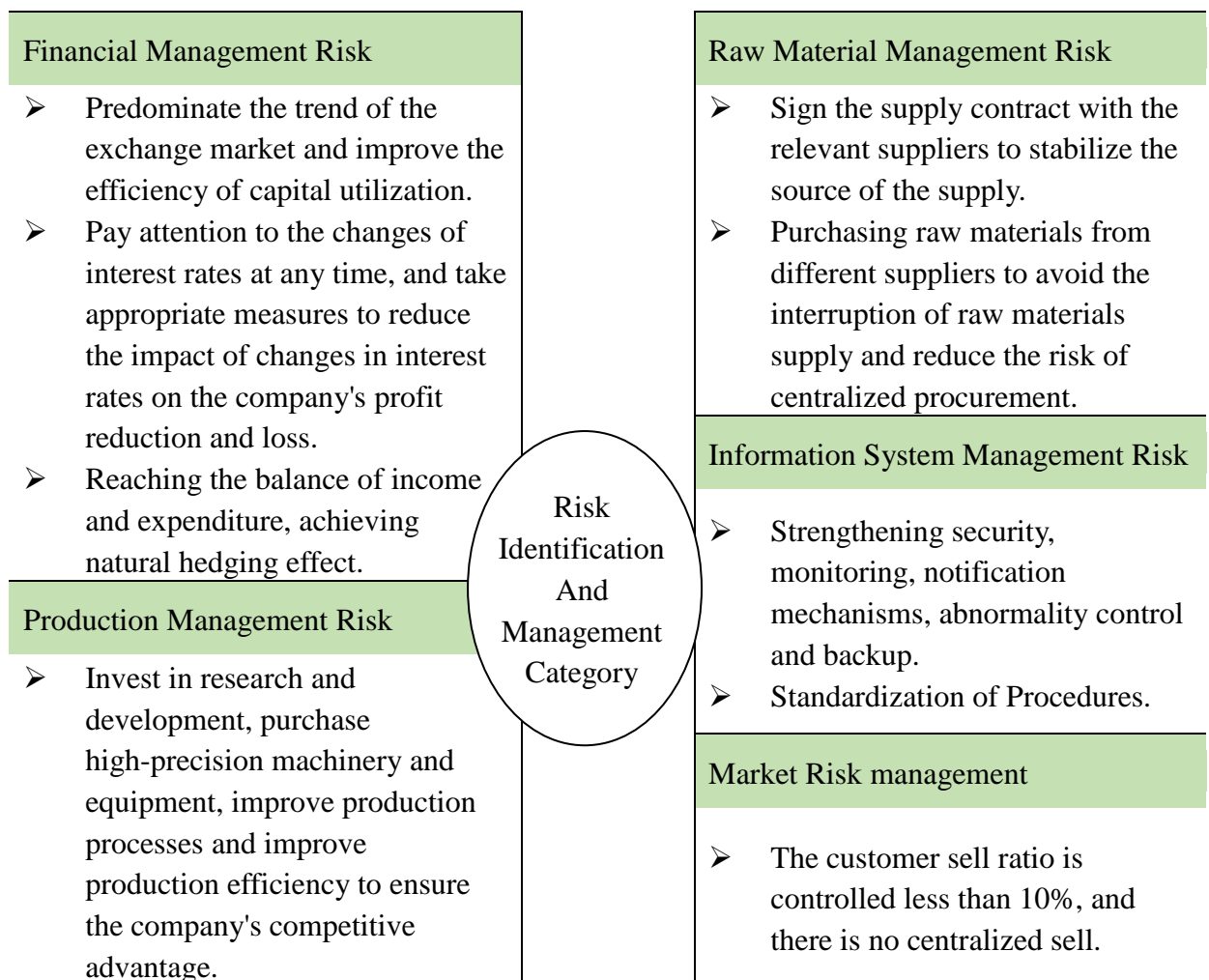


1.4.3 Implementation of Risk Management

The main businesses of Jih Lin Technology are the manufacture and sell for power semiconductor lead frames. It does not engage in high-risk or high leveraged investments. For the aforementioned risk management, our appropriate policies, procedures and internal controls have been established in accordance with relevant regulations. The important activities must be reviewed by the board of directors abide by relevant regulations and internal control systems.

1.4.4 Risk Identification and Management

Each functional unit will identify the detailed risks according to the professional specialization and formulate management strategies and response plans to reduce, transfer or avoid risks. It is effectively reduce the risks of business operation.



1.4.5 Code of Ethics and Business Conduct

Integrity management is the insistence since its establishment. Except for the establishment of a complete internal control system and operating procedures, employees are prohibited from any form of corruption, extortion and misappropriation of public funds, and refuse to provide or accept any improper interests, or other may lead to the company. Significant loss behavior. For the various business processes of the company's daily business activities, the company will also conduct timely publicity campaigns for potential greedy risks to prevent greed. In order to construct and foster the environment of technological innovation, technological leadership and business profitable growth, we pay extra attention to Business Relationships which absolutely respect to intellectual property rights, confidential information and business secrets of our companies, customers and other stakeholders.

In terms of information disclosure, Company managers, especially high-level leaders, under the supervision of the board of directors, it must be ensured that the company's financial accounting information that reported by the securities authorities or other external disclosures are completed, accurate and understandable.

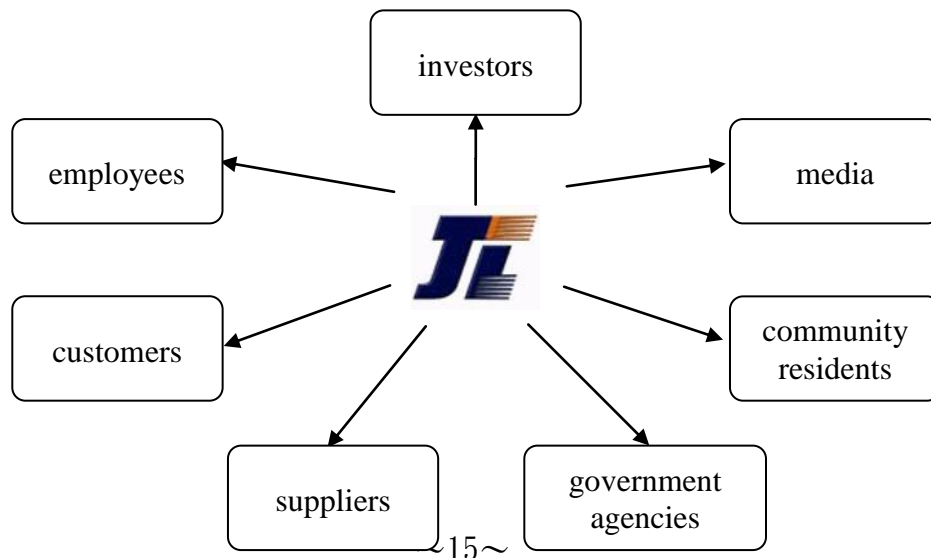
1.5 Stakeholder identification, communication analysis and major considerations

Jih Lin Technology recognizes the need for long-term interaction with stakeholders. Therefore, we actively establish a communication channel with many parties, and hope to understand the issues of concern to stakeholders and serve as an important reference indicator for sustainable development of the company. The society and the environment bring positive and positive contributions. The stakeholders and major issues identify processes of Jih Lin Technology are as follow:

Collection of business continuity issues,	Major issues Analyze	Completing Major issue Matrix	Confirmation
1. GRI G4 2. Trends of International sustainable development and market conditions. 3. Domestic and Oversea related industries benchmarking concerns 4. Industry news issues (Social events and Current issues)	1. Interviewing or surveying 2. The object is our seven stakeholders. 3. Identified for 33 concerned issues	1. Output matrix according to interview or questionnaire 2. Identified for 10 major issues	Approval by top level executive management

Through the various units of the Corporate Social Responsibility Committee, the company will bring together the stakeholders in the daily operations, and arrange the stakeholders to be divided into seven categories: investors (shareholders), employees, consumers(→customers), suppliers, government agencies, community residents (→ non-governmental organizations and academic institutions) and the media.

Internal, external organizations and individuals that have any impact on, or are influenced by the decisions and actions of the company.



Due to the consideration of economic, environmental, labor exercise and labor dignity, human rights, society, product responsibility and other aspects, Jih Lin company differentiates 33 concern issues and 10 major issues:

No.	Concern issues	Category
1	Business Financial Performance	Economics
2	Indirect Economic Impacts	
3	Supply Chain Management	
4	Raw Material Recycle and Reuse	Environment
5	Water resource Management	
6	Biodiversity	
7	Waste pollution and Waste	
8	Products and Services (Renewable Materials Recycling)	
9	Relevant Regulations (Environmental Acts)	
10	Transportation (Room temperature Gas Emissions)	
11	Overall Situation (Public Policy Participation)	
12	Supplier Environmental Assessment	
13	Environmental Issues Complaint Mechanism	
14	Labor & Employment Relations	Social aspect
15	Labor & Employer Relations	
16	Occupational Environment Health and Safety	
17	Education and Training	
18	Employees Diversification and Opportunity Equality	
19	Female Men's Remuneration Equality	
20	Suppliers, Labor Exercise Assessment	
21	Labor Practice Issues Grievance Mechanism	
22	Child Labor	
23	Forced and Compulsory Labor	
24	Security Exercise	
25	Indigenous Rights	
26	Anti-bribery	
27	Compliance (Penalty, total amount of severe Penalty)	
28	Assaulting of community complaint mechanism	
29	Customer Health and Safety	
30	Products and Service Indications	
31	Marketing communication (Customer Service)	
32	Customer privacy	
33	Compliance (Products)	

Focus on issue analysis and matrix

Statistics stakeholders who concern on the major issues, the most relevant of company issues will be grouping into the corporate social responsibility group, to determine the resolution of the impact of major issues on company's operations, and the results of the major issues are matrix as follows:

Concern Of Stakeholders	High	18 Employee diversity and Opportunities of Equality	31 Marketing communication (customer service) 17 Education and Training 1 Financial performance	32 Customer privacy 33 Compliance (Product) 30 Product and service Indications 3 Supply chain management
	Mediun	10 Transportation (Room temperature Gas Emissions) 23 Forced and Compulsory Labor 22 Child Labor 19 Male and Female equality payment 13 Environmental Issues Complaint Mechanism	27 Regulatory Compliance (Penalty, total of severe Penalties) 12 Supplier Environmental Assessment 6 Biodiversity 20 Supplier Labor Practice Assessment 16 Occupation Environment Health and Safety 29 Customer Health and Safety	9 Relevant Regulations (Environmental Law) 5 Water Source Management 7 Water Pollution and Waste
	Low	11 Overall Situation (public policy participation) 26 Anti-Bribery Community Impact 28 Issues Complaint Mechanism 25 Indigenous Rights 24 Security Exercise	2 Economic Indirect Assault	14 Employment relations Products and Services 8 (Renewable Materials Recycle) 4 Raw materials recycling and reuse 15 Labor relations The Practices of Labors 21 complaint mechanism
		Low	Mediun	High
Impact on the company				

Concern 10 major issues

Priority issue	Corresponding section	GRI index	Page	Supervisor	employees	client	investors	supplier	government agencies
Customer Privacy	2.2.2 Customer Privacy Protection	G4-PR8	26	●		●	●	●	●
Regulatory compliance (product)	2.3 Regulations Compliance	G4-PR9	26	●		●	●	●	●
Product and Service indication	2.1 Product and service Indication	G4- PR3	20~21	●	●	●	●	●	●
Supply chain management	2.1 Product and service Indication	G4-12 G4-EC9	20~21			●	●	●	●
Marketing Communication (Customer Service)	2.2.1 Customer Satisfaction Survey	G4-PR5	22			●	●	●	●
Education and Training	3.2 Personnel cultivation and development	G4-LA9	33~34		●	●	●	●	●
Business financial performance	1.3 Financial performance	G4-EC1 G4-EC4	9~12		●	●	●	●	
Relevant Regulations (Environmental law)	4.1 Environmental management policy	G4-EN29	38~39	●		●	●	●	●
Water pollution and waste	4.4 Waste management	G4-EN22 、23	41~43 、45~46	●		●		●	●
Water Resources Management	4.2 Water Resources Management	G4-EN8 G4-EN10 G4-EN22	39~43	●		●	●	●	●

Communication issues with stakeholder

classification	Issues	Method and channel of communication
Investors (shareholders)	Business financial performance, Economic indirectly impact, Stock price,	<ol style="list-style-type: none"> 1. Announcing financial report regularly. 2. Publicity revenue observatory information every month . 3. Updating the investment zone information and the stakeholder suggestions on company website (http://www.jihlin.com.tw/contacts.php) and e-mail (service@jihlin.com.tw) . 4. The shareholders regular meeting (the second quarter of each year) vote on a case-by-case. 5. Publishing soft and hard copy annual reports to shareholders and business management personnel. 6. The spokesperson and buyer hotline maintain a good interaction with investors.

classification	Issues	Method and channel of communication
Employees	Labor relationship Labor relations Occupation, health and safety Education and training Employees Diversity and Equality of Opportunity Equality of Male and Female payment Labor complaint mechanisms practice Child labor Forced and compulsory labor Security Exercise Indigenous rights	<ol style="list-style-type: none"> 1. Employee suggestions mail (e-mail and website). 2. Employees regularly have physical health checks and care for their health. 3. Internal and external education and training for more skillful at work. 4. Internal official documents or interior bulletin board is for internal communication. 5. Conducting two ways of Welfare Committee and Labor Conference is for communication. 6. Holding departmental meeting weekly.
Customer	Product and Service indication Marketing Communication (Customer Service) Customer Privacy (Confidential Data Protection) Compliance (Product Patent)	<ol style="list-style-type: none"> 1. Company website introduces the company's products and application types. 2. Product quality and process are tracked and discussed from time to time. 3. The business team communicates to customers with their orders and delivery. 4. Production and marketing fellowship or customer briefing. 5. Conduct customer interviews and audits from time to time, product quality communicate, new product development and future company development. 6. Technology research and development , obtain various patents for the company's products, with certifications and contracts for patent protection and heightening our market competitiveness. 7. Technical regular support.
Supplier	Supply Chain Management (Purchasing Practice: Quality/Price) Business Risk and Financial Performance Management Hazardous Substance Management Supplier Corporate Social Responsibility (Environmental Assessment) Supplier Labor Exercise Assessment Metal Conflict Management	<ol style="list-style-type: none"> 1. Window of Purchasing Department. 2. Irregular supplier meetings. 3. Supplier Environmental Assessment. 4. Supplier labor, human rights assessment practice. 5. Supplier social impact assessment. 6. Provide SOP of quality control to protect the rights of both parties. 7. Purchase Contract.

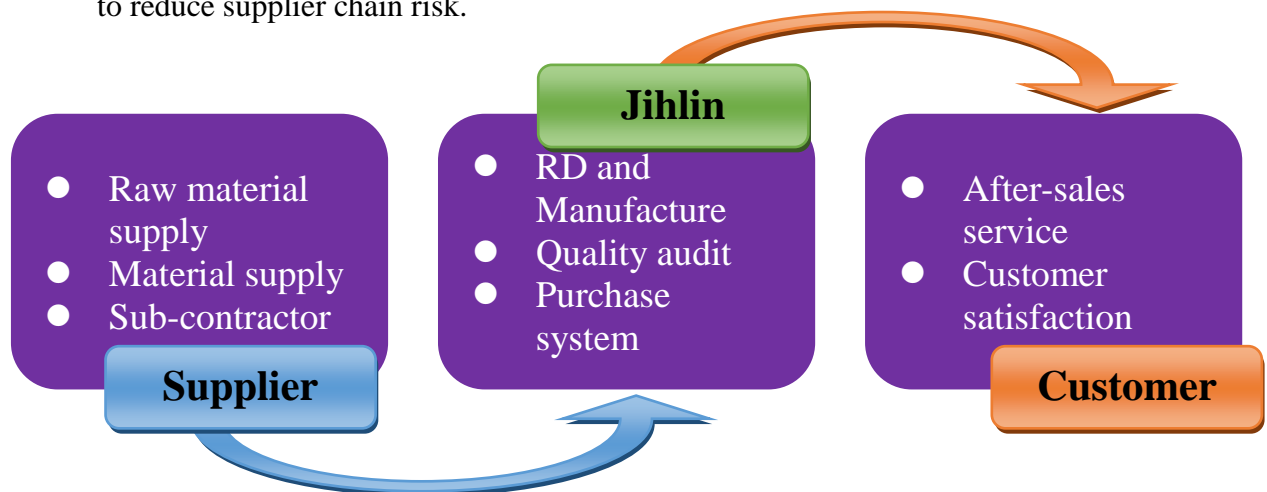
classification	Issues	Method and channel of communication
Government Agencies	Recycling and reuse of Raw materials Water resources Management Water pollution and waste Relevant regulations (Environmental Law) Transportation (room temperature gas emissions) Overall situation (public policy participation) Transparency of information disclosure Corporate governance Anti-bribery regulations (Penalty, total amount of severe penalty)	<ol style="list-style-type: none"> 1. Communicate with the competent authority through relevant associations. 2. Compliance and follow the relevant laws of all levels of government units. 3. External official contact documents. 4. Company financial report. 5. Waste management and resource recycling and reuse continuous to reduce waste. 6. Energy reduction (conserve water and power).
Community	Biodiversity Products and Services (Recycling Materials Reuse) Environmental Issues Grievance Mechanism Community Impact Issues Grievance Mechanism Social Care and Public Welfare Activities Community Education Activities Participation in Technical Skills and Support Personnel Cultivation	<ol style="list-style-type: none"> 1. R&D Substitute Service employment 2. Industry Cooperation Program 3. Employment Course Cooperation 4. Training Industry-Education Cooperation Programs, Student-participants, 5. Conferences, Interviews, Telephone Communication,
Media	Business Financial Performance, Social Care and Charity Activities Company Image	<ol style="list-style-type: none"> 1. Press Releases Statements 2. Occasional sharing in informal discussion. 3. Irregular legal description 4. Regular provide financial report and direction of company development in shareholders' meeting.

Chapter 2. Supply Chain Management and Product Responsibility

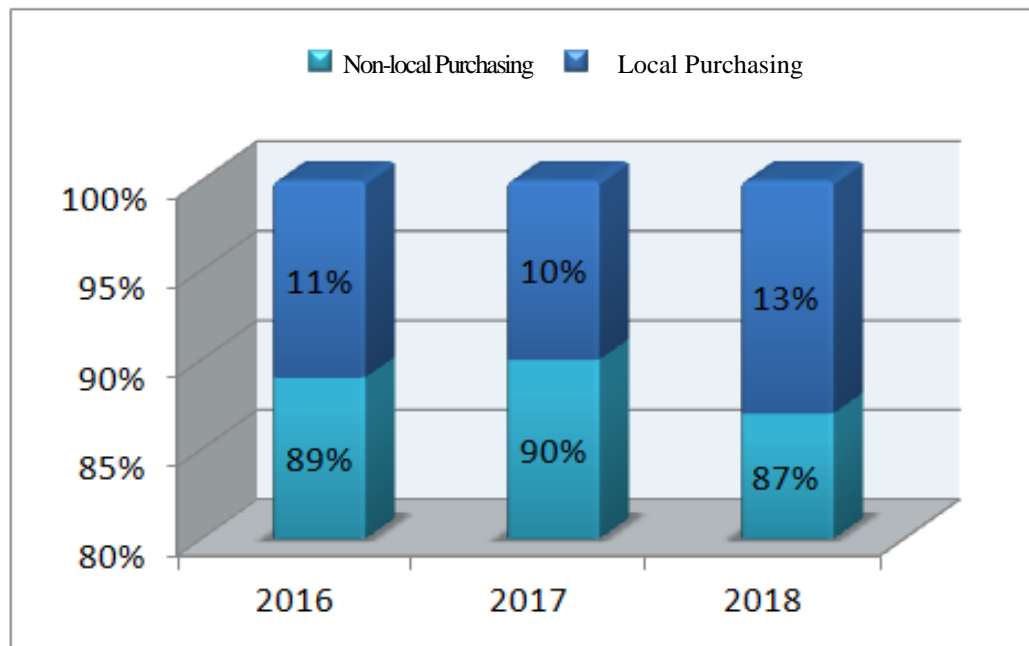
2.1 Product and Service Indication

Jih Lin devotes to be the leader of semiconductor materials manufacturing who realizes the suppliers are the strong backing and partners. Expectation both sides can grow together and sustainable operation. Jih Lin establishes suppliers' evaluation system to screen quality and technology those are able to meet sub-contractors' requirement and guarantee products' quality.

Jih Lin will continuous promote corporate social responsibility plan, at the same time, we will assist suppliers to join and follow policy. To assist suppliers achieve the delivery date request, the quality promotion and enhance competitive advantage. Encouragement our partners involve in improvement and strengthen employees care, environmental protection, public security and environmental sanitation. Being the citizen of the world, we declare not to use the minerals from the conflict region and require suppliers have to observe conflict mineral purchase policy. Jih Lin is willing get closer with all of suppliers to cooperate and build more excellent and competitive products, create win-win supplier chain management. To be the one of green partners to reduce supplier chain risk.



The local supplier means that the supplier manufacturing plant is located in the same area as the Jih Lin Technology production base. For example, if the supplier manufacturing plant is located in Taiwan, the production plant of Jih Lin Technology Taiwan is a local supplier. Jih Lin Technology supports the promotion of local economic growth. Local suppliers can provide faster service and shorter lead times to reduce unnecessary costs and it also can reduce environmental impacts such as carbon emissions and energy consumption. Purchasing objects are distinguished by the direct material suppliers and indirect material suppliers (including transportation and labor cost, etc.). All suppliers are including indirectly and directly, there are more than 500 suppliers of Jih Lin Technology. The main suppliers are located in Taiwan, Korea, Japan, China and Europe. Till the end of 2018, it has 13% of purchase amount from local.



2.2 Customer Service

2.2.1 Customer Satisfaction Survey

The mission of Jih Lin Technology is to produce and provide high quality products that meet the expectations of our customers with the professional ability and technology of the team. Our management, engineering and production team challenge to become the leader in the field of semiconductor industry to innovate the lead frame design. Jih Lin continues to improve the production process to keep the competitive price structure. Customers get the most benefit. In addition to product development and innovation, we adhere to high quality standards and principles to meet customer expectations for quality. The goal of Jih Lin is to satisfy customers and create a richer life and a better society by providing high quality products, technologies and services.

Since 2011, the global economic activity has recovered, consumer electronics and personal mobile devices have been introduced and rapidly popularized. Semiconductor components become the components of all electrical and electronic products, therefore, the overall market demand for electronic modules such as discrete components. In addition to the lead frame stamping manufacturing, the development and manufacturing of molds, production equipment and electroplating processing are also developed by the Jih Lin.

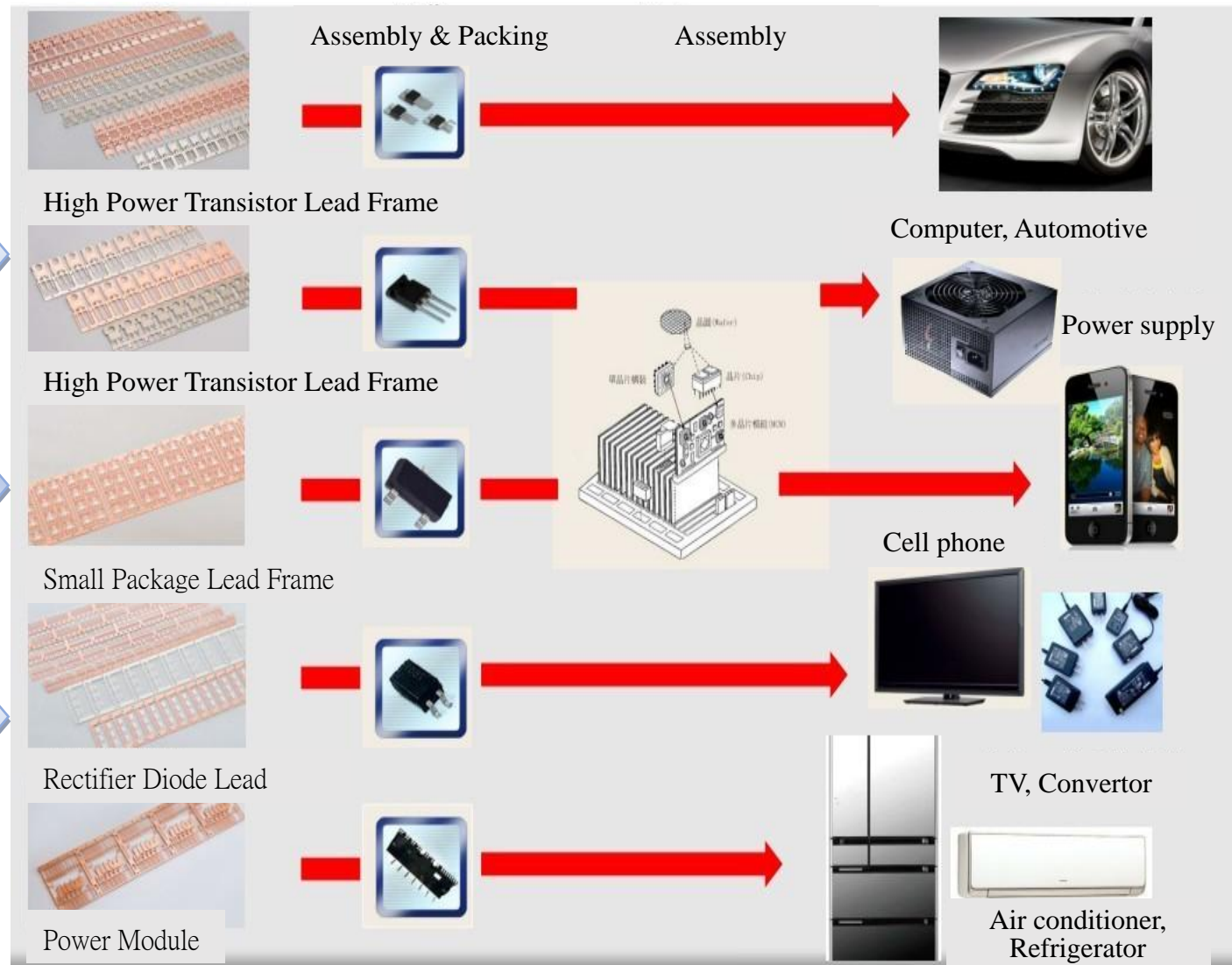
The customer types of Jih Lin include IDM, OEM and other semiconductor manufacturers. The lead frames are rectifiers, diodes, power transistors and optoelectronic components. After assembly, finished goods are applied in computers, mobile phones and automobiles. Electronic products (as shown below). The customer base is distributed all over the world, such as Southeast Asia, China, Taiwan, South Korea, Japan, America, Africa, Europe and other places.

Discrete

Power Transistor

Rectifier/Diode

Optoelectronic
component

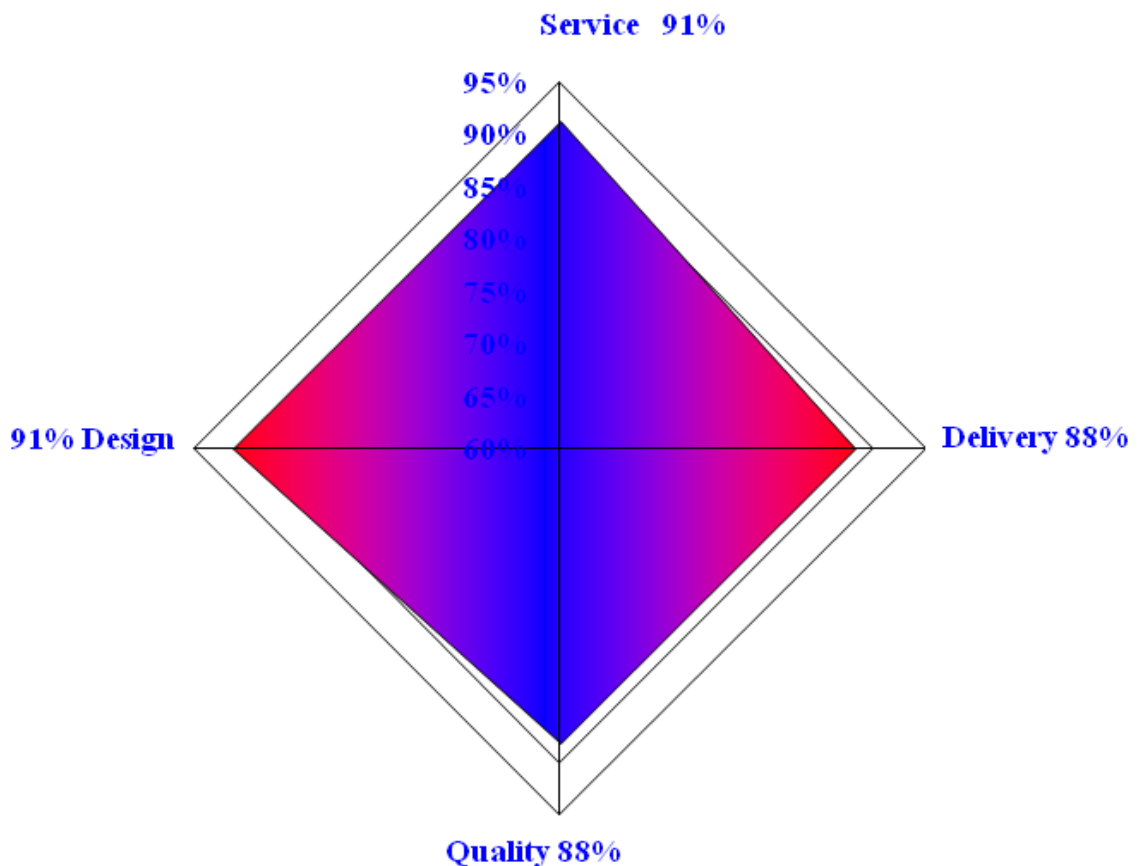


In addition to meet customers' requirements timely and professional services providing to our customers, Jih Lin Technology invites customers to fill out the "Customer Satisfaction Survey" in October each year to feedback to satisfaction and provide expectation for Jih Lin, so that communication can continue to improve. In order to optimize the cooperation benefits, create the best partner relationship and wins with customers.

The customer satisfaction survey includes product quality, service attitude, problem handling and feedback, delivery and technology providing. After the results of the customer satisfaction survey are summarized, according to the content of the improvement suggestions from customers, it will be proposed the report and improvement plan by relative department. It becomes continuously improve customer satisfaction direction. In 2018, Jih Lin Technology's customer satisfaction target achievement rate averaged over 85%, exceeding the target value of 80% and the results is close to the customer's needs.



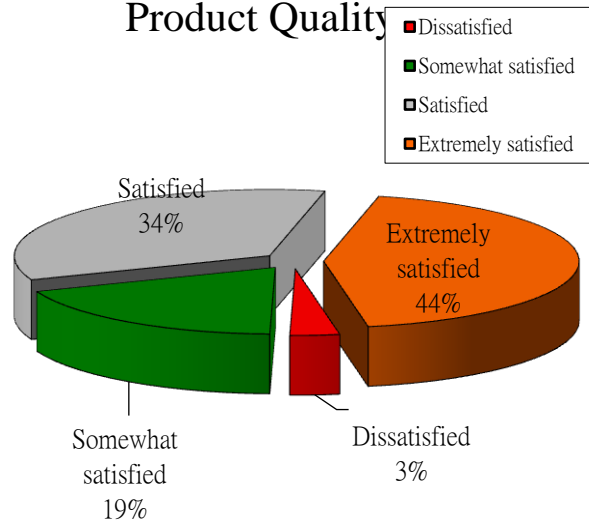
Jih Lin Technology's customer satisfaction survey of 2018



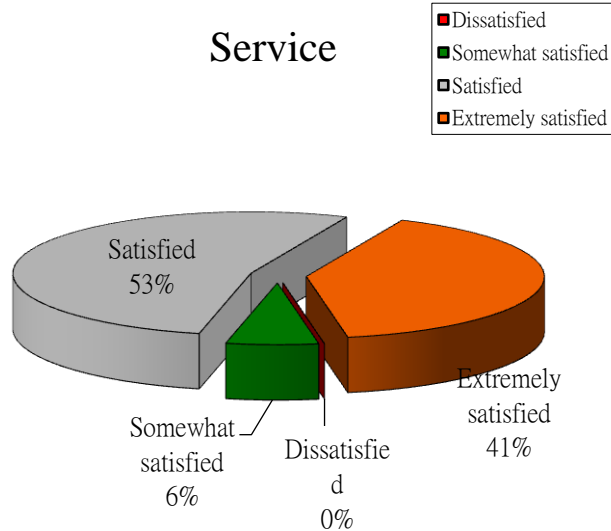


Questionnaire Analysis of 2018

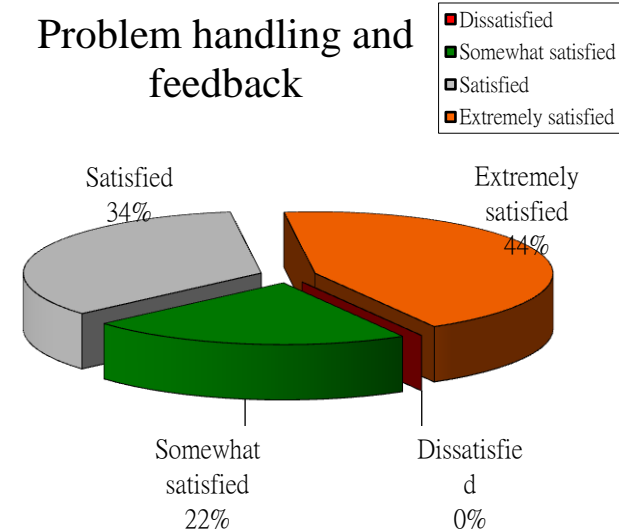
Product Quality



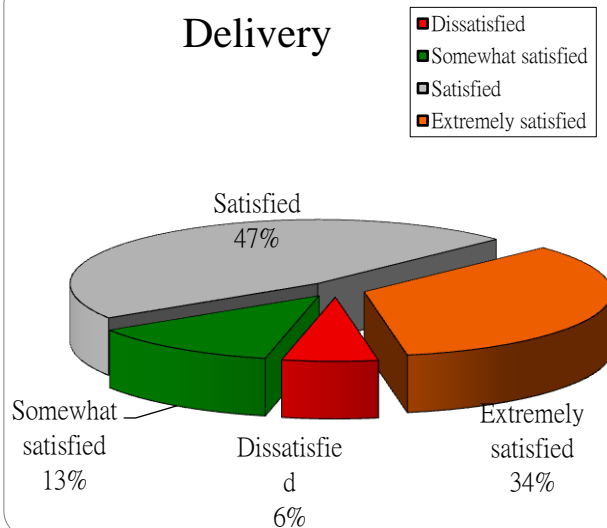
Service



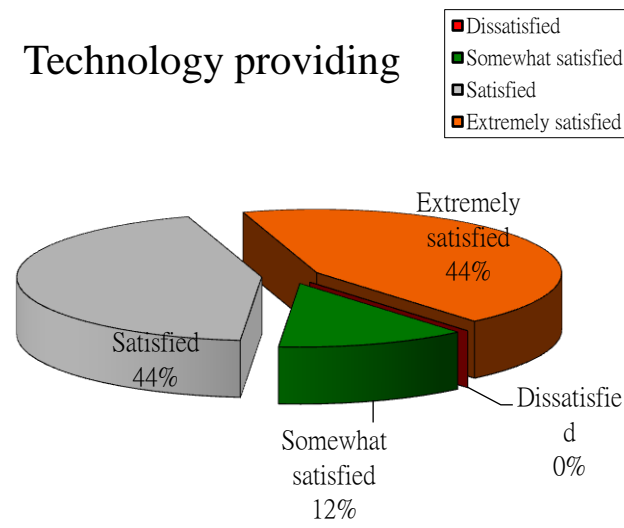
Problem handling and feedback



Delivery



Technology providing



2.2.2 Customer Privacy Protection

Customer trust has always been one of the core values of Jih Lin. The trust with customers is one of the main reasons that's why many customers deliver product development and manufacturing to Jih Lin. Therefore, customers' confidential information, Jih Lin insists to protect by the highest specifications. In 2018, Jih Lin did not infringe customer privacy or customer information with complaints.

2.3 Regulatory Compliance

Jih Lin commits to operate the business with integrity and follows all of regulatory compliances. Employee, supervisor or director in Jih Lin won't do illegal or immoral behavior or direct others to do so for any reason. In 2018, Jih Lin was not subject to any fines or non-monetary penalties related to corporate governance regulations and there was no corruption or suppression of monopolistic or unfair competition in the free market. There is also no violation of the laws and regulations regarding the provision of products/services.

Chapter3. Employee care

Employees are an important asset of the Jih Lin Technology, and in the human resources management policy, the company increases overall productivity and improves colleagues' work efficiency. In policies and systems of recruitment appointment, salary design, performance management and training development, the company commits to provide appropriateness and good work place to all of employees, including good treatment, meaningful work and safety environment. Meanwhile, the company commits to create a work environment that can keep learning and full of fun to attract and retain like-minded and great people.

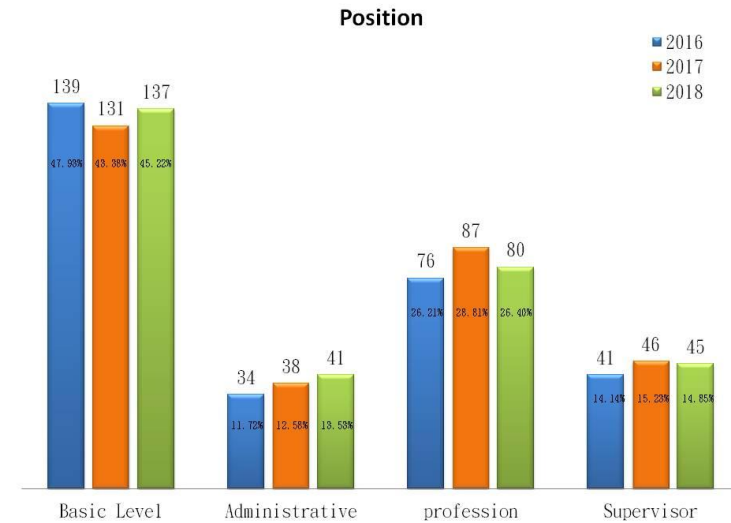
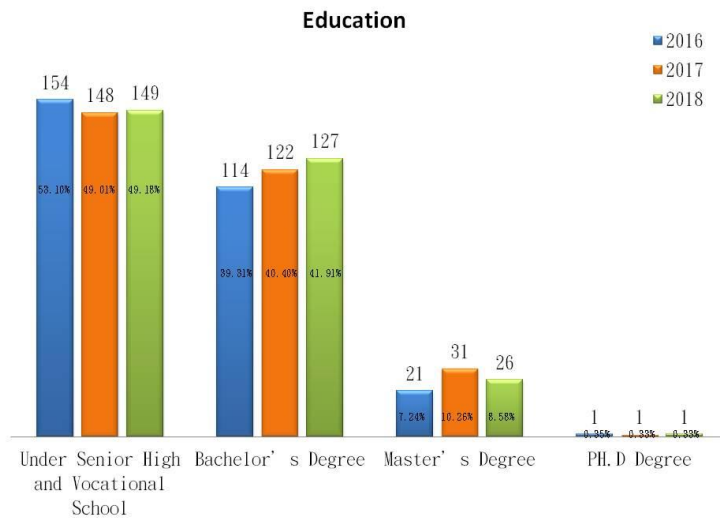
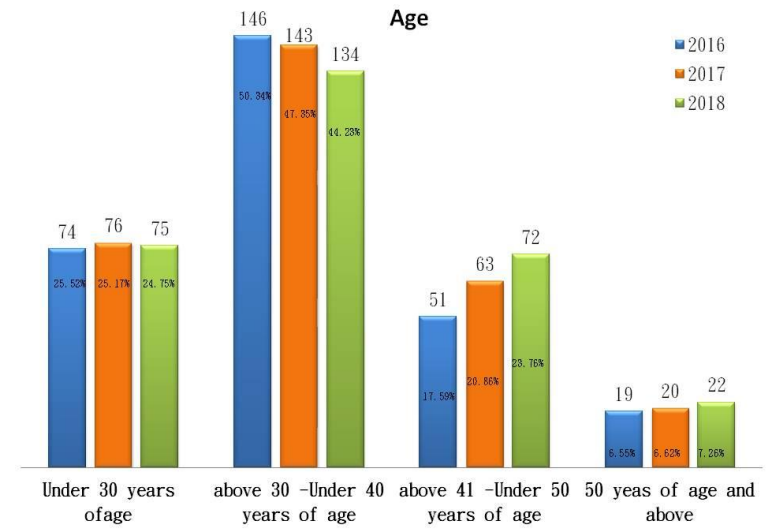
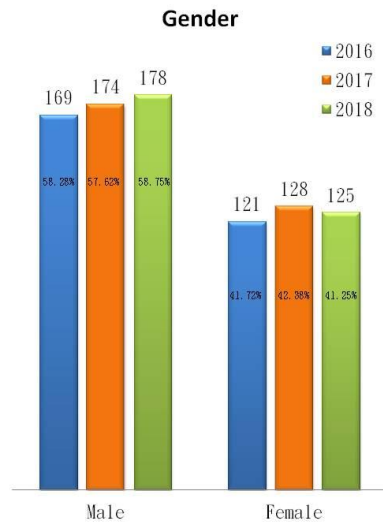
3.1 Human Resources Status

From the initial development of Jih Lin Technology in October 2000 to December 2018, the total number of employees is 303 including 178 male employees; 58.75% of total number of employees and 125 female employees; 41.25% of total number of employees. There are 244 employees are full-time employees, it shows the company is approaching gender balance (as shown in the table below).

Jih Lin Technology provides employees with a safe and comfortable working environment, so that employees can be well taken care of, therefore, the company can continue to operate.

Breakdown of employees information from 2016 to 2018

Year		2016						2017						2018					
Type	Classify	Male (P/Per)		Female (P/Per)		Total		Male (P/Per)		Female (P/Per)		Total		Male (P/Per)		Female (P/Per)		Total	
Age	Under 30 years of age	42	14.48%	32	11.03%	74	25.52%	46	15.23%	30	9.94%	76	25.17%	47	15.51%	28	9.24%	75	24.75%
	above 30 -Under 40 years of age	87	30.00%	59	20.35%	146	50.34%	81	26.82%	62	20.53%	143	47.35%	75	24.75%	59	19.48%	134	44.23%
	above 41 -Under 50 years of age	28	9.66%	23	7.93%	51	17.59%	36	11.92%	27	8.94%	63	20.86%	41	13.53%	31	10.23%	72	23.76%
	50 years of age and above	12	4.14%	7	2.41%	19	6.55%	11	3.64%	9	2.98%	20	6.62%	15	4.95%	7	2.31%	22	7.26%
Degree	Under Senior High and Vocational School	92	31.72%	62	21.38%	154	53.10%	88	29.14%	60	19.87%	148	49.01%	90	29.70%	59	19.48%	149	49.18%
	Bachelor's Degree	61	21.03%	53	18.28%	114	39.31%	63	20.86%	59	19.54%	122	40.40%	67	22.11%	60	19.80%	127	41.91%
	Master's Degree	15	5.17%	6	2.07%	21	7.24%	22	7.28%	9	2.98%	31	10.26%	20	6.60%	6	1.98%	26	8.58%
	PH.D Degree	1	0.35%	0	0.00%	1	0.35%	1	0.33%	0	0.00%	1	0.33%	1	0.33%	0	0.00%	1	0.33%
sort	Full-Time	169	58.28%	121	41.72%	290	100%	174	57.62%	128	42.38%	302	100%	178	58.75%	125	41.25%	303	100%
Management Position	Basic Level	81	27.93%	58	20.00%	139	47.93%	75	24.84%	56	18.54%	131	43.38%	82	27.06%	55	18.16%	137	45.22%
	Administrative	11	3.80%	23	7.93%	34	11.72%	12	3.97%	26	8.61%	38	12.58%	16	5.28%	25	8.25%	41	13.53%
	Profession	44	15.17%	32	11.03%	76	26.21%	53	17.55%	34	11.26%	87	28.81%	45	14.85%	35	11.55%	80	26.40%
	Supervisor	33	11.38%	8	2.76%	41	14.14%	34	11.26%	12	3.97%	46	15.23%	35	11.55%	10	3.30%	45	14.85%
Total number of workers		169	58.28%	121	41.72%	290		174	57.62%	128	42.38%	302		178	58.75%	125	41.25%	303	



Gender, age, education, position distribution of employees(2016~2018)

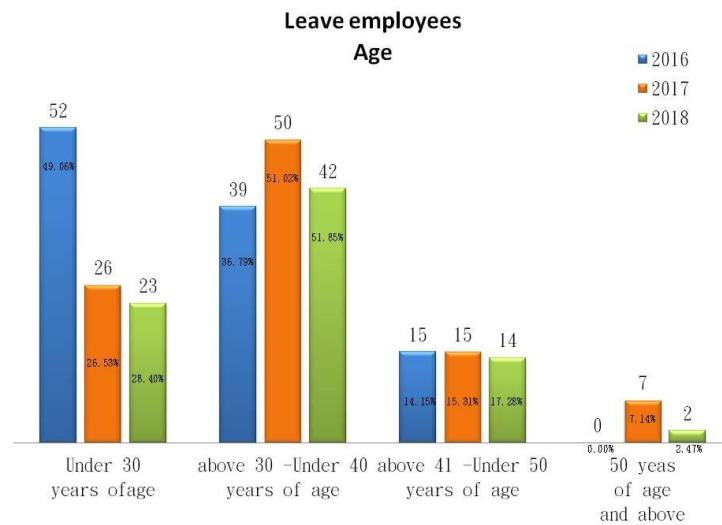
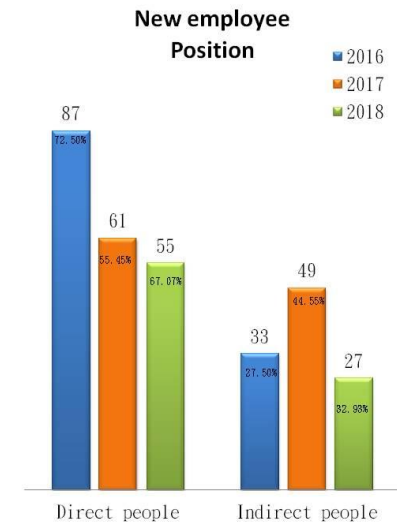
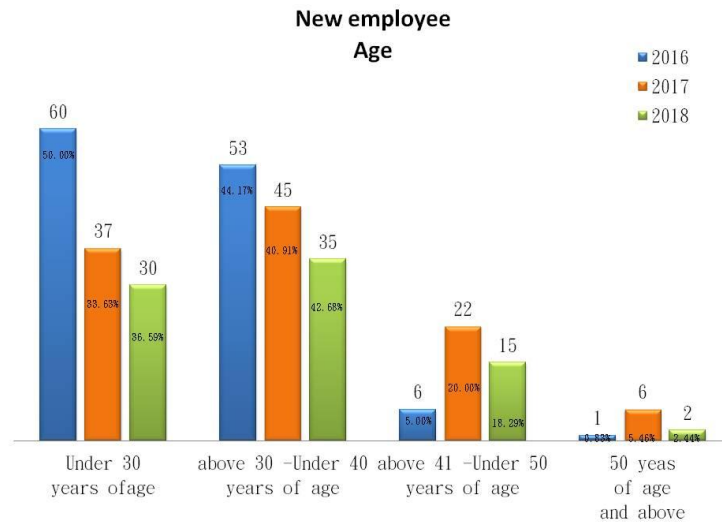
In order to ensure that enterprises continue to have new blood to join and consider external environmental factors such as the rise and fall of the economy, the employees' turnover rate has been kept stable at 2 to 4%, and has decreased year by year. (As shown in the table below).

Breakdown of new employees information from 2016 to 2018

Year		2016						2017						2018					
Type	Classify	Male (P/Per)		Female (P/Per)		Total		Male (P/Per)		Female (P/Per)		Total		Male (P/Per)		Female (P/Per)		Total	
Age	Under 30 years of age	46	38.33%	14	11.67%	60	50.00%	25	22.72%	12	10.91%	37	33.63%	24	29.26%	6	7.32%	30	36.59%
	above 30 -Under 40 years of age	30	25.00%	23	19.17%	53	44.17%	30	27.27%	15	13.64%	45	40.91%	25	30.49%	10	12.20%	35	42.68%
	above 41 -Under 50 years of age	6	5.00%	0	0.00%	6	5.00%	13	11.82%	9	8.18%	22	20.00%	14	17.07%	1	1.22%	15	18.29%
	50 yeas of age and above	1	0.83%	0	0.00%	1	0.83%	3	2.73%	3	2.73%	6	5.46%	2	2.44%	0	0.00%	2	2.44%
Positi on	Direction	67	55.83%	20	16.67%	87	72.50%	46	41.82%	15	13.63%	61	55.45%	42	51.22%	13	15.85%	55	67.07%
	Indirection	16	13.33%	17	14.17%	33	27.50%	25	22.73%	24	21.82%	49	44.55%	23	28.05%	4	4.88%	27	32.93%
Headcount of new employee lump sum		83	69.17%	37	30.83%	120		71	64.54%	39	35.46%	110		65	79.27%	17	20.73%	82	
New employee rate		3.53%						3.14%						2.28%					

Breakdown of leave employees information from 2016 to 2018

Year		2016						2017						2018					
Type	Classify	Male (P/Per)		Female (P/Per)		Total		Male (P/Per)		Female (P/Per)		Total		Male (P/Per)		Female (P/Per)		Total	
Age	Under 30 years of age	38	35.85%	14	13.21%	52	49.06%	18	18.37%	8	8.16%	26	26.53%	19	23.46%	4	4.94%	23	28.40%
	above 30 -Under 40 years of age	21	19.81%	18	16.98%	39	36.79%	34	34.69%	16	16.33%	50	51.02%	31	38.27%	11	13.58%	42	51.85%
	above 41 -Under 50 years of age	11	10.38%	4	3.77%	15	14.15%	10	10.21%	5	5.10%	15	15.31%	11	13.58%	3	3.70%	14	17.28%
	50 yeas of age and above	0	0.00%	0	0.00%	0	0.00%	4	4.08%	3	3.06%	7	7.14%	0	0.00%	2	2.47%	2	2.47%
Posit ion	Direction	56	52.83%	20	18.87%	76	71.70%	42	42.86%	15	15.30%	57	58.16%	44	54.32%	11	13.58%	55	67.90%
	Indirection	14	13.21%	16	15.09%	30	28.30%	24	24.49%	17	17.35%	41	41.84%	17	20.99%	9	11.11%	26	32.10%
Numbers of leave employees		70	66.04%	36	33.96%	106		66	67.35%	32	32.65%	98		61	75.31%	20	24.69%	81	
Turnover rate		3.11%						2.81%						2.25%					



Age and position of new employee/resignation distribute diagram

3.1.1 Recruiting

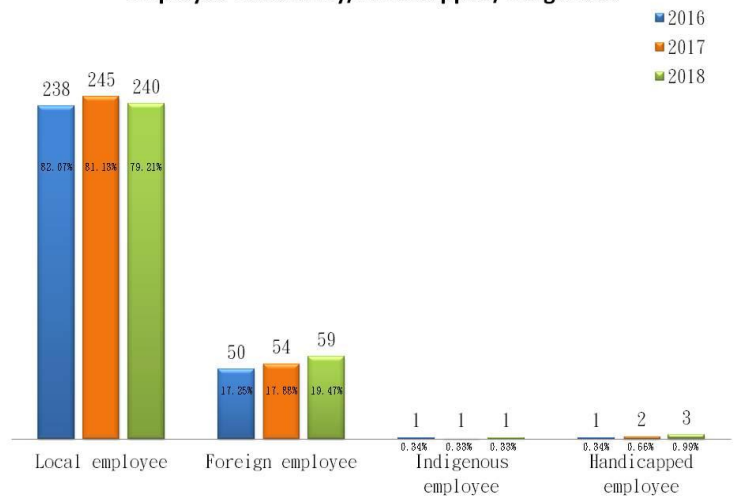
The long-term stable development of the company because employees continuous contribution. In order to strengthen the growth momentum, Jih Lin Technology pays great attention to human recruitment, actively hiring professionals at all levels, through open and transparent recruitment procedures, regardless of the race, religion, party, gender, marriage, physical and mental disabilities, etc., are treated fairly. Therefore, it attracts and obtains many outstanding people to join. Jih Lin Technology follows the national laws and regulations, uses number of physical and mental disabilities persons and aboriginal people, and properly arranges the competent work according to their abilities and characteristics. In order to attract more outstanding persons to join the company, the "Research and Development Alternative Service" recruitment application channels will be increased from 2015 to strengthen the company's R&D technical capabilities. Both the International Labor Organization and the Labor Law of the United Nations stipulate that employers are not allowed to employ child labors under the age of 15, and we complies with government law and regulations and implements the internal management, and continues to adhere to this principle in the future.

Employee nationality and physical and mental disabilities and Aboriginal employment profile

Summary table from 2016 to 2018.

Team	Classify	2016	2017	2018
	Local employee	238	245	240
	Foreign employee	50	54	59
	Aboriginal employee	1	1	1
	Handicapped employee	1	2	3
Total		290	302	303

Employee nationality/handicapped/indigenous



Distribute diagram of Employee nationality/ aboriginal / handicapped(2016~2018)

3.1.2 Labor Relations and Communication

In order to establish harmonious labor relations and eliminate confrontation, Jih Lin technology regularly holds labor meetings and provides confidential, transparent communication channels, such as employee mail boxes, sexual harassment appeal lines, providing employees to express advice and complaints to the company. To enhance communication between the company and employees creates a harmonious working environment.

3.2 Employees training and development

The company's growth is inseparable from staff development and learning. Jih Lin Technology emphasizes importance to human capital and actively implements personnel training to enhance the company's research and development capabilities and competitiveness. In order to improve employees' professional technical ability, enhance the efficiency of work and pay attention to product quality. Every year according to the staff's functional differences to put forward training needs, integrate into an annual training plan, and the education training is carried out according to the annual education and training plan. The internal training and external training of the company are carried out at the same time. In addition to strengthening the professional competence of the employees of each function, the internal training also absorbs the new knowledge and technology of the current industry through external training, so as to strengthen the professional competence of the company's employees. The company's training is listed as follows:

1. New employee training: to provide the company's evolution, business projects, work rules, employee benefits, rewards and punishments, 5S and other courses, so that new employees have a basic understanding to the company.
2. General education: according to the rules of occupational safety and health education and training, carry out labor safety and health education and training; organize the company's product process related courses to make colleagues more familiar with the company's production line process; to strengthen the communication with foreign subsidiaries, open foreign language advanced courses.
3. Skill training: to train colleagues' professional skills and knowledge at work and according to professional needs to assign to external related institutions for training, so that employees can obtain professional verification and certification.
4. Management training: participate in relevant laws and regulations, or other management skills and other related seminars to enhance colleagues the management ability in the work, in order to comply with government laws or corporate management practices as the most basic principles.

Training information by Jih Lin Technology Co, Ltd in 2018:

Average employee training hour in 2018

Category	Male	Female	supervisor	Others
Internal training	4,160	1,571	870	4,861
External training	608	232	331	509
Average hour	5.4	2.2	2.7	4.2

Number of people trained and training hour in 2018

Training item	Num. of people	Total training hour
New employee training	106	625
General training	324	792
Technical training	1,035	4,586
Management training	245	568
Sum	1,710	6,571



New employee training



General training



Skill training



Management training

3.3 Salary and benefits

3.3.1 Salary and bonus

Jih Lin Technology believes employees are the most important assets of the company and must provide competitive remuneration to retain the best persons. Therefore, it is necessary to establish a fair, impartial and reasonable salary management. Employees' salaries are paid according to their job title, grade, content, and the professional ability, and related work years, etc. In order to maintain the overall salary competitiveness of the company, the company will measure the salary level of the market and the overall economic indicators, and make appropriate adjustment the salary to the colleagues.

The fixed pay ratios are shown as below (2016~2018):

- 2016 : Average fixed pay ratio for direct employees (Male/Female=1.12)
Average fixed pay ratio for indirect employees (Male/Female=1.38)
- 2017 : Average fixed pay ratio for direct employees (Male/Female=1.11)
Average fixed pay ratio for indirect employees (Male/Female=1.35)
- 2018 : Average fixed pay ratio for direct employees (Male/Female=1.09)
Average fixed pay ratio for indirect employees (Male/Female=1.35)

3.3.2 Performance evaluation and promotion criteria

To motivate staff morale and implement organizational and personal goals, the company evaluates performance by annual it can ensure the work is achieved. During the performance appraisal, all levels of the company's supervisors are responsible to evaluate and assist to improve their subordinates' performance for their daily works and projects. The company's staff assessment is divided into the following two types:

1. New employee assessment: appraisal for new employees after three months.
2. Year-end assessment : Every year from January to February.

In addition to the treatment basis for salary adjustment, bonus distribution, rank promotion, job transfer, improvement work or termination of appointment, the employee's various assessment results are the focus of future work development and development planning, and are used to help employees establish effective career development plan. For example, when the appropriate position is vacant, the employee is consulted and given the opportunity to experience, or transfer to other departments or related group enterprise services in order to enrich the staff's' work experiences and job promotion opportunities.

3.3.3 Employee Benefits

The employee welfare committee was set up by the company to handle the whole year's staff welfare planning and manage welfare income and expenditure. The Committee assigns one director and one deputy director. Each one to do with the committee affairs and there is a secretary to assist in the handling of the director's affairs, the committee members are appointed for two years and are not employed.

Staff welfare measures and implementation status are as follows:

- 1、 Special leave and pension in accordance with the law.
- 2、 All employees are provided with free work clothes, coats and uniforms.
- 3、 All staff in accordance with the law to participate in labor insurance, health insurance, regularly conducts staff health checks.
- 4、 Employee travel is held irregularly.
- 5、 When employees are married, funeral, joy, and celebration, they are granted leave according to the provisions of the Labor Law, and they can receive subsidies for welfare.
- 6、 Bonuses: Employees can receive cash gift at Dragon Boat Festival, Mid-Autumn Festival, Labor Day and birthday, and the cash gift is also given annual model labor representatives presented to each department.

3.3.4 Pension system

To take care of the lives of employees and make employees work without worries and no worries about life. In accordance with the Labor Standards Act on the basis of the Labor Foundation has a "labor retirement scheme", for the old retirement system employees to set aside monthly labor retirement reserves to the special account storage, and has set up a labor retirement reserve supervision committee, responsible for the withdrawal and use of retirement reserves supervision, And since July 1, 2005, the new system of labor withdrawal officially implemented, in accordance with the labor pension regulations to select or apply the eligibility of the Labor Pension Regulations, according to the law to withdraw the new system of pension, the period to enable the company employees to be the best care.

3.3.5 Unpaid Parental Leave

Employees who have served for six months can apply for leave to remain the position without pay in accordance with the Gender Equality Law. During the period of 2018, a total of 7 people apply for leave to remain without pay. When employees return back to work, the company will arrange for the original position, reducing the sense of instability after the reinstatement of employees, so that employees can take care of work and family.

Statistics on applications for unpaid parental leave in the past two years

Item	Female	Male
Number of employees applied for Parental Leave without pay in2017	4	1
Number of employees returned to work from Parental Leave without pay in2017	2	1
Total number of employees remained in service after the termination of parental leave in 2017 and 12 months after reinstatement	2	1
Number of employees applied for Parental Leave without pay in2018	7	0
Reinstatement rate	60.00%	

3.4 Workplace Safety Environment

Jih Lin Technology adheres to the spirit of sustainable development of the company and promises to provide employees with a safe, comfortable and healthy working environment. It should conduct at least two operational environmental tests every year, and conduct a risk assessment of the work environment to identify the source of the risk and take appropriate Measures. In addition to providing a safe, comfortable and healthy working environment for employees, and providing education and training in accordance with relevant production environmental operating standards and safe operating practices to avoid occupational disasters. It also provides high-quality protective equipment and conducts regular special environmental health checks for staff with high working risk, and proposes improvement plans for employees by analyzing the results of employee health checks in detail.



Safety working environment



Yearly fire drill



Safety protective equipment



Yearly employee health check

3.4.1 Occupational safety and health management measures

The Company implements risk management, regular reviews of improvement and promotion of full participation in the implementation of labor safety and health management plans in accordance with the Labor Safety and Health Code and in accordance with the provisions of the Occupational Safety and Health Act.

3.4.2 Professional injury

Company statistics in 2018 occupational disasters occurred mostly for traffic accidents on the way to work, such work injury caused by the number of absenteeism statistics of 120 hours, accounting for 98 percent of the total number of absence slots, followed by work-related injuries caused by 2 %

2018 occupational disaster investigation (A)					
Number of disabled injuries	1	Disability injury rate frequency	1.70		
Total number of days of disability injury	0	Disability injury severity	0		
Total working hours per person per year	1,992	Male injury rate	0.34		
number of workers	295	Lost days ratio	0.00		
Total absence hours	2	Absence rate	0.68		
Number of occupational diseases	0	Occupation rate ratio	0		
2018 occupational disaster investigation (B)					
2018	Occupational disaster		Lost working days	Total number of injuries	Total number of days of absence
	Number of injured	death toll			
Female	0	0	0	0	0
male	1	0	0	1	0
Total	1	0	0	1	0

In addition to posting traffic safety advocacy data on the company's bulletin board, and to strengthen the promotion of driving safety at company gatherings.

Besides, on-site personnel operational part ,the company strengthening the standard operating procedures (SOP) to be formulated, but also regularly arranged for the relevant education and training courses.

3.5 Community care

Industry technology staff through the Ministry of Economy processing export zone concentric meeting, we feel how others' feel, from point to line and then expand to the face of the promotion, and we gather the public's love, and jointly assist in processing the export zone need steam ingested employees who need help in the export zone, so that the processing export zone becomes a warm family.

Chapter 4. Environmental Protection

4.1 Environmental Management Policy

Jih Lin Technology commits to environmental protection and sustainable development. It not only produces high-quality products, but also pays more attention to the principle of natural environmental protection. The production process completely follows compliance with environmental regulations. There is no violation of environmental regulations in 2018. There is also no penalty record for violations. The company's production procedures are fully in accordance with the following rules:

- (1) Follows all environmental protection laws and regulations.
- (2) The production process of the enterprise reduces the use of harmful environmental substances and properly handles them at the backend processing.
- (3) Avoid using of raw materials that damage the environment and using recyclable materials.
- (4) Improvement production efficiency and reducing waste generation.
- (5) Continuous improvement of wastewater treatment procedures, waste disposal methods and energy conservation.
- (6) To improve the environmental awareness of all employees of the company and regularly promote internal and external environmental knowledge exchange.

Jih Lin Technology has established an ISO14001 management system to implement effective management strategies through the raw material side, production process and service surface of the product, reducing environmental hazards and impacts at various stages of the product life cycle.

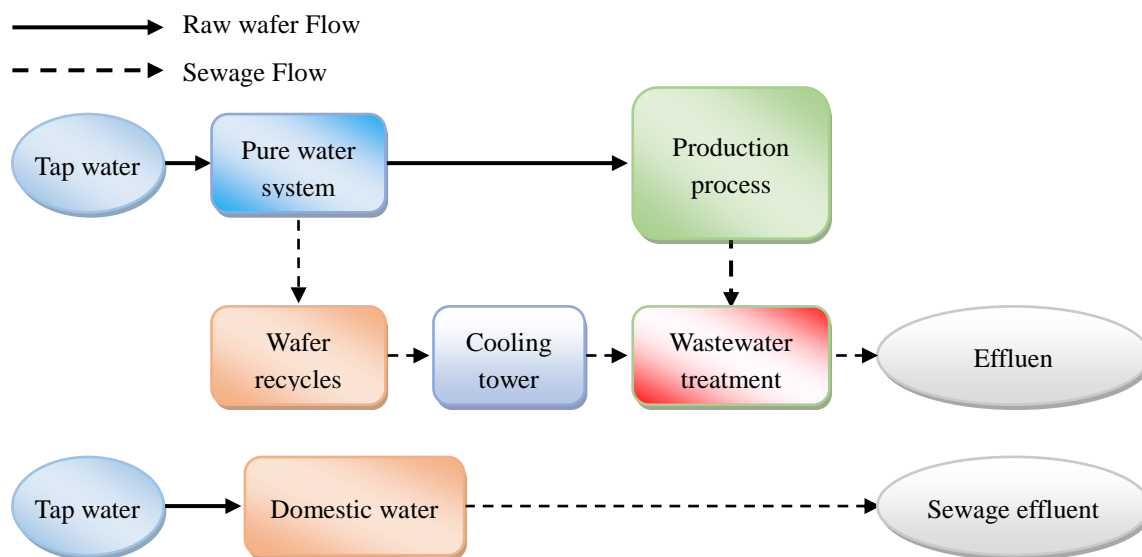
To explain whether the raw materials, production processes and services are operated according to the organization management:

	Yes	No
Whether the supply of product components / ingredients with environmental mark	✓	
Product labeling for substance impacts that may cause environmental impact	✓	
Production processes cause environmentally hazardous substance management	✓	
Safe use of products and follow-up services	✓	
To disposal of products and environmental impact	✓	

4.2 Water Resources Management

For the past few years, due to the impact of climate change, the distribution and use of water resources has become a problem that must be faced. In particular, the Jih Lin Technology Plant is located in the southern part of the rainy and dry seasons, so the emergency response to water management, water conservation and water shortage

become more important. Jih Lin Technology has always attached importance to the flow and usage of water in the plant. The goal is to make every drop of water have its value, properly applied and not wasted, and actively controls the water quality and quantity. The water flow of Jih Lin Technology is shown as below.



Jih Lin Technology Plant Water Flow Chart

The process of using the tap water is used for electroplating, washing and environmental protection. The average tap water usage is about 100,000 tons per year. The concentrated water produced by the pure water system is about 30,000 tons. The total amount of concentrated water used in the plant is 25 % for the use of cooling tower water and supplementary air scrubber tanks, the proportion of water used in the plant is shown in the following table:

Jih Lin Water Resources Total Ratio Table

Jih Lin plant	Year		2016	2017	2018
	Total amount		136,379	136,754	139,554
	Tap water	Usage	109,982	106,838	109,105
		Ratio	81 %	78 %	78 %
	RO concentrated water	Usage	26,397	29,916	30,449
		Ratio	19 %	22 %	22 %

In order to improve the efficiency of water use and achieve maximize benefits, Jih Lin Technology continues to promote water-saving and water-relevant measures, and puts policies into action to improve water efficiency, reduce water consumption, and fulfill social responsibilities.

- (1) Full use of R.O. Concentrated water supply cooling towers as supplementary water, air pollution scrubber tank water to reduce the use of tap water, the detail survey table is as follows:

Jih Lin cooling tower recycling water survey

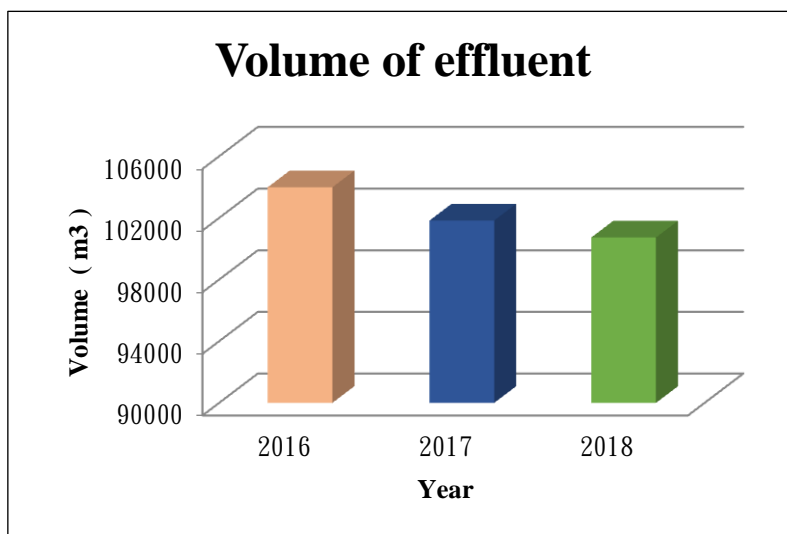
Cooling tower setting location	Factory 5F	Factory 5F	Factory 5F	Factory 5F	Factory 5F
Cooling capacity (Kcal/Hr)	195,000	156,000	117,000	78,000	58,500
Equipment	Air conditioning	Air conditioning	Air conditioning	Air conditioning	Air conditioning
Source of water supply	RO concentrated water	RO concentrated water	RO concentrated water	RO concentrated water	RO concentrated water
Quantity	4	4	2	2	1
Recycling water volume per water tower (LPM,Liter/Min)	650	520	390	260	195
Average operating per water tower per year (Hour/Year)	7,200	7,200	7,200	7,200	7,200
Hot and cold water temperature difference (°C)	5	5	5	5	5
Drainage frequency	2-3 days	2-3 days	2-3 days	2-3 days	2-3 days
Drainage Recycling	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

- (2) Set up a project to improve the water consumption of equipment, install flow meters and water meters for individual production lines, and comprehensively monitor the production line water use per day in order to reduce water use.
- (3) At present, the company's general direction is to set up a water recycling system to recycle and reuse the water in production line used, mainly for the washing and electroplating process with large water consumption, through the recovery of secondary water and then the treatment allows the company's internal water cycle to reach standards, thereby reducing the supply of raw water and achieving the goal of significantly reducing water resources.

Jih Lin Technology treats all the wastewater produced in the plant through appropriate sewage facilities, determines that the effluent meets the processing zones and regulations, and regularly commissions the inspection company to monitor the water quality from the perspective of a third party. The wastewater equipment is gradually strengthened or replaced in the plant. The equipment can effectively improve the efficiency of wastewater treatment, and provide education and training for wastewater treatment and treatment for staff.

Jih Lin Technology's statistics of effluent in the past three years

Year	2016	2017	2018
Emissions (m ³)	103,987	101,830	100,731



Jih Lin's statistics of effluent in the past three years

Each season, Jih Lin Technology conducts data on the sampling and detection of effluent to ensure that the water quality meets the specifications. The analysis data is shown as the following table:

Jih Lin Technology Water Detection Data Sheet

Item	Water Detection Data			Effluent standards
	2016	2017	2018	
pH Value	7.9	8.1	8.2	6 ~ 9
COD (mg/L)	23.9	37.1	28.6	< 100
SS Concentration (mg/L)	12.4	12.7	11.2	< 30
Copper ion concentration (mg/L)	0.27	0.64	0.57	< 2.0
Nickel ion concentration (mg/L)	0.36	0.40	0.28	< 1.0

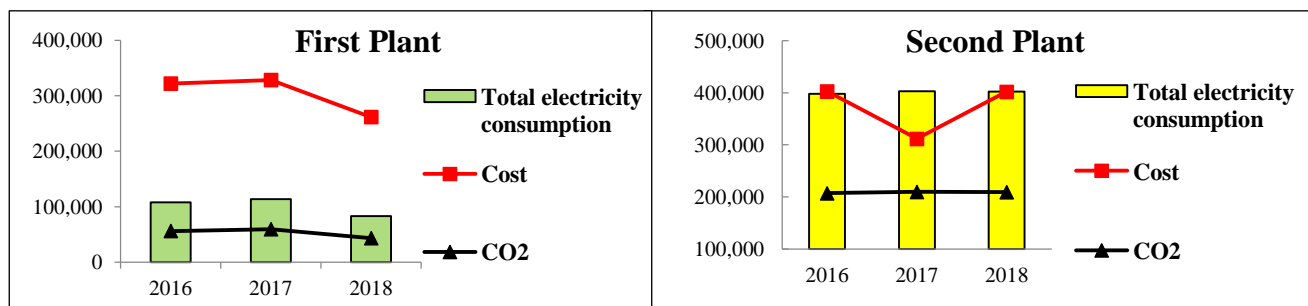
Jih Lin Technology takes the water-saving action as the company's main policy and puts it into action, effectively utilizing the precious water resources in the factory, and all employees cherish every drop of water. In 2014, we won the honor of being the best manufacturer in the processing zone and will be more successful in the future. Actively promote the water recycling measures and check the water footprint, making Jih Lin Technology be a company with excellent water management.



Jih Lin Technology won the honor of the 2014 energy-saving and water-saving manufacturers in the processing zone

4.3 Energy Management

At present Global climate change has become one of the most important environmental issues, Jih Lin Technology identifies with it. In order to effectively implement and fulfill corporate social responsibility, we are committed to implementing various energy conservation and carbon reduction policies, including energy conservation, energy-saving equipment purchase, and computer shutdown after work. The following figure shows the electricity consumption and greenhouse gas (CO₂) emissions in the first and second plants of the company in 2016, 2017 and 2018.



**Total electricity consumption and greenhouse gas emissions of
Jih Lin Technology (First and Second Plants)**

In order to reduce electricity consumption and achieve the goal of reducing greenhouse gas emissions, Jih Lin Technology also has the following methods in policy and equipment purchase:

- (1) Turn off the lights and close the door (slogan): By turning off the light source that is not needed, the purpose of reducing the power consumption can be achieved; and closing the door can avoid the leakage of air in a closed place such as an office.
- (2) The lighting in the factory is replaced by LED power-saving lamps: the traditional lamps in the factory are high power consumption, and the brightness of the replacement LED tubes is not reduced, and the power is saved, the lifetime is increased, and energy is saved.

Future energy saving and carbon reduction plan

1. Taking the company's environmental policy as the direction, every year set up various waste reduction and energy saving. The goal of energy saving and carbon reducing will be the responsibility for all employees.
2. Regularly hold energy management and control meetings, regularly check and analyze the energy-saving effect of the whole plant, and manage and reduce the energy consumption target of energy units.
3. Control the status of various energy uses. Dispatch relative member to handle and review the root cause immediately.
4. Through the ISO 14001 environmental certification, the system specification is integrated into the plant to make the management system more perfect.

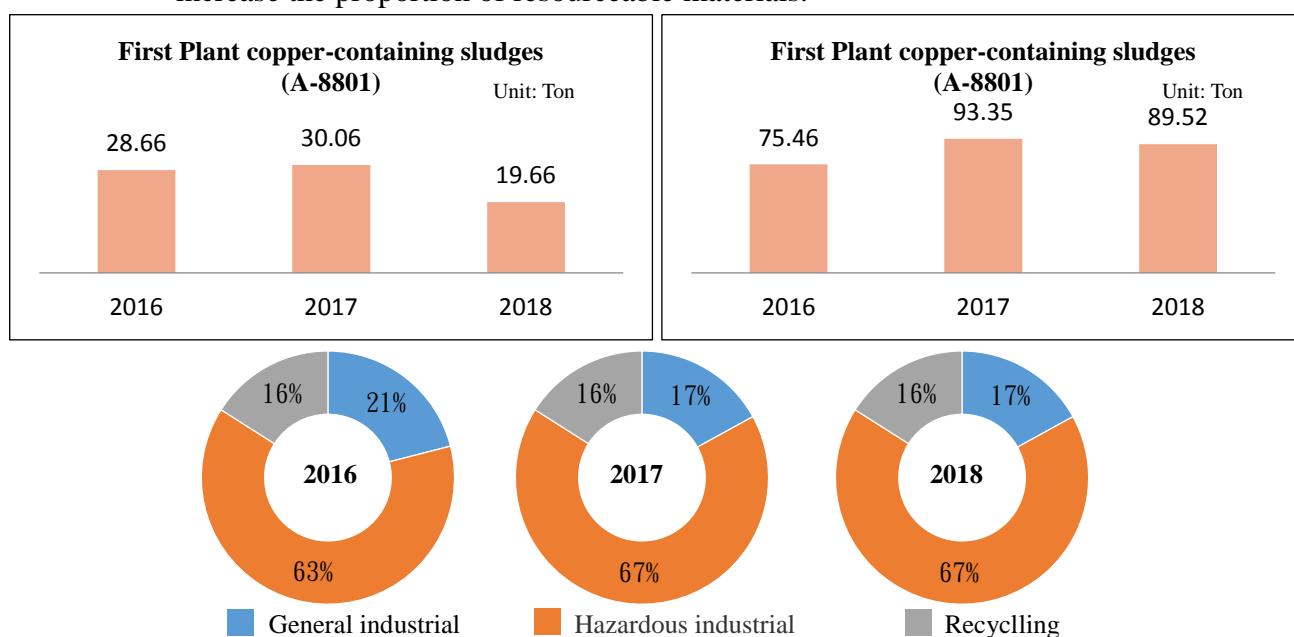
4.4 Waste Management

For the main raw material of the electroplating process is chemical liquid, the principle of using the raw materials in the Jih Lin Technology is to use of low-pollution materials that is the first priority. The pollutants generated in the process are controlled by the equipment to reduce the pollution concentration, and the storage and disposal of the hazardous chemical materials are regulated by the poison management method, and Special operations staff needs to do regular medical examinations to ensure the health of staff.

Jih Lin Technology has exclusive personnel to manage the waste, follow the classification, storage and entrusted legal removal of waste. Because some wastes have the value of recycling and reuse, they are entrusted to legal institutions for recycling and recycling. The production process controls the production line using raw materials through chemical inspection, thereby reducing the consumption of unnecessary chemicals, reducing pollutants and waste, and taking into consideration production costs and environmental protection.

In order to implement the concept of “energy saving and waste reduction”, the terminal wastewater treatment procedure applies engineering control to reduce the amount of harmful waste sludge (A-8801). The following trend shows that the amount of harmful waste sludge is decreasing every year. The trend of sludge production reduction in the first plant is not significant. In the future, it will continue to review and evaluate the possibility of actually reducing harmful sludge in a project.

The wastes are classified into three categories: "general business waste", "hazardous business waste" and "resource recovery". General business wastes are disposed of by commissioned manufacturers, and hazardous industrial wastes are recycled and recycled to make raw materials or products, so that resources can be recycled. The resource-based recyclables are classified and managed in advance to increase the proportion of resourceable materials.



Waste category statistics (Merge of two plants)

Unit : Ton

Series No.	Waste Name	2016	2017	2018	Gross Weight
1	General Industrial Waste	37.99	34.81	54.04	126.84
2	Hazardous Industrial Waste	113.90	133.56	116.94	364.40
3	Recycle	28.54	31.46	32.28	92.28

The management principle of the company is "Process Waste Reduction, Resource Recovery". The primary goal is to manage the source reduction of general industrial waste and hazardous industrial waste. In manufacturing, continuously improve and review unnecessary raw material use, and reduces waste use and make directly from the process. Secondly, we cannot handle we will consider that can be used and recycled by the manufacturer. Finally, the company will conduct a full-scale checking on the resource-recyclable waste, establish a reduction target and strengthen the implementation of management. The final goal is to make resources to continue to circulate.

4.5 Environmental Responsibility

The environmental sustainability policy of the company is "Full training, environmental awareness, effective implementation, and continuous environmental improvement". In order to achieve business sustainable operation and development, and to do our part for the earth, and actively implement pollution prevention, energy conservation, carbon reduction, and environmental sustainability are our responsibilities. As global warming, energy crisis and climate change become more and more serious, reducing greenhouse gas emissions and reducing energy consumption are the primary tasks of climate change management. In addition to complying with relevant government environmental regulations and actively obtaining environmental management certification systems, in response to global climate change, the company reviews the overall operational processes, and conducts environmental sustainability such as greenhouse gas checking and reduction, resource inventory management and waste reduction and recycling. To achieve environmental sustainability goals, we will continue to expand capacity in the future in order to meet the global automotive semiconductor market demand.

In terms of water saving, the company is currently setting up a water recycling system to recycle and reuse the production water to reach the quality in the production line, mainly for washing and electroplating production lines with large water consumption, and recycling secondary water. The treatment allows the company's internal water cycle to reach standards, thereby reducing the supply of raw water and achieving the goal of significantly reducing water resources.

The lighting in the factory was replaced by LED power-saving lamps, and the air

compressor with energy-saving system was used. Regularly check and analyze the energy-saving effect of the whole plants, manage and reduce the energy consumption target of the energy unit. To control the various energy use status, pass the ISO 14001 environmental certification, and integrate the system specifications into the plant operations to make the management system more perfect.

The first target of waste reduction is to manage the source reduction of general industrial waste and hazardous industrial waste, continuously improve the process production and review unnecessary raw materials use, and reduce waste use and make from the process. Secondly, we cannot handle we will consider that can be used and recycled by the manufacturer. Finally, the company will conduct a full-scale checking on the resource-recyclable waste, establish a reduction target and strengthen the implementation of management, so that resources and materials can be continuously circulated.

Appendix1. Index for Global Reporting Initiative

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