

# Mag Layers Scientific-Technics Co., Ltd.

## Corporate Social Responsibility(CSR)

### 1. Mag Layers Corporate Social Responsibility Promise

Corporate Social Responsibility covers self-management on business, coexistence and common prosperity between benefit parties, and concern towards earth environment. As a good business citizen, Mag Layers commit as follows:

- (1) Doing researches on environmental protection goods and carry out environmental protection actions to lessen attacking to the environment.
- (2) Follow Laws & Regulations.
- (3) Actively devoting on education of environmental protection & energy saving, and encourage the employees to participate in social welfare activities.
- (4) Providing the employees safe & healthy working environment to develop skills fully, and get Reasonable welfare and benefits.
- (5) Create the company's values, and promote the shareholders' rights.
- (6) Maintain good company's rules, and keep business moral standards.

### 2. Company Rules and Moral Standards

#### (1) Company Rules

The company sets various of targets which regular follow-up on performance will be done for improvement reference, and related information will be shown immediately to ensure of communication quality within the organization to carry out promises made.

#### (2) Ethics

##### 1) Business Integrity:

The highest standards of integrity are to be expected in all business interactions. Any and all forms of corruption, extortion and embezzlement are strictly prohibited resulting in immediate and legal actions.

##### 2) No Improper Advantage:

Bribes or other means of obtaining undue or improper advantage are not to be offered or accepted.

##### 3) Disclosure of Information:

Information regarding business activities, structure, financial situation and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices.

##### 4) Intellectual Property Protection:

Intellectual property rights are to be respected; transfer of technology and know-how is to be done in a manner that protects intellectual property rights.

##### 5) Fair Trade, Advertisements and Competitions:

Standards of fair business, advertising and competition are to be upheld. Means to safeguard customer information should be available.

##### 6) Protection of Identity:

Programs that ensure the protection of supplier and employee whistleblower confidentiality are to be maintained.

### 3. Mag Layers and Interest Relation Party

#### (1) Employees

##### 1) Employee Policy and Communication Route:

The employee is the most important property in the company, thus the company sets Mag Layers Employee Policy and follow precisely as follows:

##### (1) Freely Chosen Employment

The company does not hire any forced, bonded or indentured labor or involuntary prison labor. All work will be voluntary, and workers should be free to leave upon reasonable notice. Workers shall not be required to hand over government-issued identification, passports or work permits as a condition of employment.

##### (2) Child Labor Avoidance

The company prohibits hiring child labor in any stage of manufacturing. The term “child” refers to any person employed under the age of 15 or under the age of completing compulsory education, or under the minimum age for employment in the country. The use of legitimate workplace apprenticeship programs, which comply with all laws and regulations, is supported. Workers under the age of 18 should not perform hazardous work and may be restricted from night work with consideration given to educational needs.

##### (3) Working Hours

Studies of business practices clearly link worker strain to reduced productivity, increased turnover and increased injury and illness. Workers are not to exceed the maximum set by local law.

##### (4) Wages and Benefits

The company will pay the employee in compliance with all applicable wage laws, including minimum wages, overtime hours and legally mandated benefits. In compliance with local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages are a disciplinary measure shall not be permitted. The basis on which workers are being paid is to be provided in a timely manner via pay stub or similar documentation.

##### (5) Humane Treatment

The company cannot have harsh and inhumane treatment to the employee, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse; nor is there to be the threat of such treatment.

##### (6) Non-Discrimination

The company commits the employee to a workforce free of harassment and unlawful discrimination. The company shall not engage in discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status in hiring and employment practices such as promotions, rewards and access to training. In addition, workers or potential workers should not be subjected to medical tests that could be used in a discriminatory way.

##### (7) Freedom of Association

In the company, open communication and direct engagement between workers and management are the most effective ways to resolve workplace and compensation issues. Participants are to be respect the rights of workers to associate freely, join or not join labor unions, seek representation, join workers' councils in accordance with local laws. Workers shall be able to communicate openly with management regarding working conditions without fear of reprisal, intimidation or harassment.

Besides basic employee policy, we always respect the opinions from workers, we like to give all employee good space on intellects. Any worker in Mag Layers may tell the company opinions of individual rights, welfare, management and workplace, reporting routes include suggestion box to direct manager and HR department ( anonymous telling can be accepted).

## 2) Training

The company emphasizes a lot on training on workers, and safety & hygiene training can be divided into 3 parts. For training for newcomer, 3-hour general safety & hygiene training shall be done at its first day arrival in the factory, and test shall be passed after accepting the training. For employed workers, we arrange yearly training project in accordance with safety & hygiene regulations, and factory needs, and carry out the training accordingly to ensure that all employee in the company accepts correct vocational safety & hygiene concepts.

## 3) Emergency Response

Emergency response is very important on accidents-preventing, Mag Layers also value much on this part, in order to make every employee obtain basic fire-fighting and emergency response concepts, we arrange emergency response training for in-site employees every quarter to establish the employee's concepts on against natural calamities, and being familiar with use of fire-fighting and life rescue devices. In addition, emergency response group is set including reporting class, fire-fighting class, emergency guiding class, safeguarding class, aiding class, each emergency response group shall deal with control of accidents, and fire-fighting tasks upon accidents occurred in workplace, if the emergency response group cannot handle to resolve the task, whole-site emergency response group shall take place until the accident is resolved.

## 4) Health & Health Care

The employee's health is greatest resource in Mag Layers. All workers have the responsibility to establish and follow safety & health rules and policy, the company also holds general medical check-up, specific medical check-up and managers' medical check-up to ensure of health condition of all workers.

## 5) Occupational Safety

The first goal in Mag Layers on productivity is the guarantee on working safety and free of injury caused by machine equipments. There is no exception to all workers to be guaranteed to have safe operating on machines. All workers are asked to follow labor safety laws & standards and follow related safety & efficiency working practice instructions.

Besides, in aiming of natural hazards or emergency accidents, such as fire, explosion, electricity-off, flood, typhoon, poison chemicals, we not only establish emergency treatment prevention division, emergency treatment division and emergency aide response plan, also we carry out fire-fight practices and emergency response practices to maintain the company in safe condition, to prevent any possible danger or accidents, to guarantee the workers in healthy working condition, and minimize any influence which might be caused on the company's property.

## (2) Society

### 1) Environmental Policy Rules

In order to emphasize continuously, maintain with efforts and devoting to improve the environments for the earth, we will do the followings to achieve the goals mentioned above:

- \* We run our business with methods of caring to the environment of the earth.
- \* We make good use of resources in clever & effective ways on production activities.

- \* We obey all related environmental protection laws & regulations, company policy and good business profession standards.
- \* We take technology and production procedure which may decrease damage to health and safety risk to human.
- \* We encourage the workers to report any condition which might be affecting health, individual safety through confidential routes.

## 2) Business Citizen Responsibility

Mag Layers devotes on uplifting good fortune in the community located by providing good-qualified products, services. We volunteer to offer services and devoting efforts to sponsor local welfare groups and non-beneficial organizations through being a good citizen.

## (3) Shareholder

Our shareholders are the owners of our business, We must guarantee obtaining respects and trust from shareholders continuously. What we do are:

- \*We run our business in moral and within reasonable-benefit ways.
- \*We protect the company' s important property and information.
- \*We make regular & effective communication through existed routes.

## (4) Customer

Mag Layers insists quality policy on providing to the customer:

Continuously growing is to meet the customer' s needs in perfection.

What we do are:

- \*We provide good-qualified products and services.
- \*We satisfy or get beyond the customer' s expectations.
- \*We have sincere and fair relation and communication.

### 1) Bribe and Sales Commission

Bribe and sales commission mean direct or indirect acceptance or exchanged deal through money, rewards, commission or any form of valuable things. We strictly prohibit giving, sending, active asking or obtaining any form of bribe or sales commission.

### 2) Business Customer: Contract-Signing

We develop by reasonable price and provide products and services beyond the customer' s expectations, we sincerely negotiate with the customers, fulfill the contents of contracts, resolve the issues between immediately.

### 3) Business Customer: Gift-Giving

We compete only with advantages of our own products. We never persuade the customers to

purchase our products and services through gifts-giving, treat, entertainment activities ways.

#### 4) Business Customer: Treat

We can provide food, entertainment to the customers when we make treats. When making treats to the customers:

\*Mag Layers staff must make attendance and be the host. This is the best way to achieve and maintain everlasting business relation.

\*Reasonable expanses shall be paid for that activity and it shall be non-regular item.

\*Be sure to pay attention to appropriateness of the expanses and if the image of that activity is proper. Basic principle is: when making treats to the customers, no unreasonable expanses shall be paid.

#### (5) Suppliers

Mag Layers will ask all the suppliers within the supplying chain: workplace safety, respect to the workers, and being responsible to the environment during manufacturing process.

##### 1) Choosing the Suppliers

Mag Layers chooses the suppliers by the following 5 objective & suitable standards

- \* Leadership of technology on products
- \* Excellence of supporting on services
- \* Quality
- \* Performance of due date and preparatory period
- \* Performance of whole-aspect cost control

##### 2) Bargaining on Contract Content

During the process of bargaining on contract content with the suppliers and potential suppliers, our attitudes shall be fair and trustful, we obey all related laws& regulations and support good business customs.

##### 3) Suppliers' Information

We will never co-use the information provided from the customers to anyone of non Mag Layers staff unless we get the instructions of agreement made by the suppliers.

#### 4 Environmental Protection

##### (1) Air Pollution

In the aspect of air pollution emission, testing result of air pollutant is qualified with the standards set by Environmental Protection Administration, besides the stationary pollution source permit is applied with laws accordingly, regular on-line claiming through internet is also done.

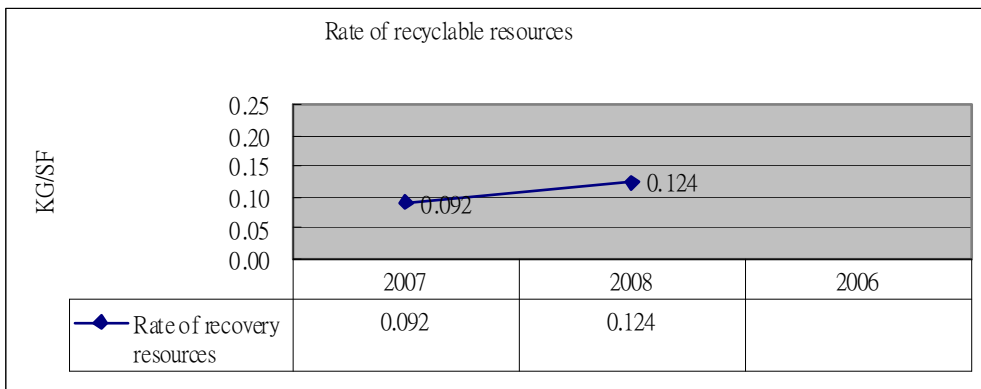
##### (2) Wastewater Emission

In the aspect of wastewater emission, testing result of water quality is qualified with the standards set by Environmental Protection Administration, and testing of water quality from wastewater emission is under legal limit as 55% and regular on-line claiming through internet is

also done.

### (3) Waste Recycle

Waste treatment has become the biggest environmental issue in Taiwan, our company not only devotes to carrying out industrial waste minimization to minimize the waste. Meanwhile, we do our very best on resources recycling and waste-to-resources work, and we do regular on-line claiming through internet with Environment Protection Administration Rules accordingly. We strengthen a lot on the supervision and management on waste treatment company empowered and we sign " Business Waste Treatment Agreement" with legal waste treatment company for effective management on waste recycle and cleaning.



### (4) Others

Popularization: Use recycled papers, Hibernation mode set for computers, the employee takes public transportation system , bicycles, walking, shared transportation when attending work and go home.

## 5. Carry-Out Environmental Protection Activities

Our company has the mission and faiths for the society, and environmental protection. In order to maintain whole-part of nature environment, we carry out the management activities to the environment actively & carefully, and we keep the following commits as the highest guiding target on environmental management policy in the company.

- (1) Follow environmental protection laws to meet environmental protection needs.
- (2) Make green products to insist green commits.
- (3) Carry out hole-staff training to comply environmental protection & energy saving.
- (4) Continuous improve the environment for everlasting business.

In order to carry out environmental protection concepts, we take the following measures:

- (1) 5S activity will be held regularly & yearly to strengthen environmental protection consciousness.
- (2) The employees are encouraged to use tableware for environmental protection.
- (3) China cups are to be used in the conference room, but not paper cups.
- (4) Popularization of e-form and e-mail shall be done to decrease waste of papers.
- (5) 27<sup>0</sup>C fixed temperature shall be set in the office areas.

- (6) Carry out garbage division policy which the concepts of in-site garbage recycle shall be announced, resources recycle box shall be set in some designated points, recycle the garbage by its kind, also recycle of leftover shall be done.
- (7) No offering paper towels but hand dryer is set in the toilet to decrease use of papers.
- (8) Make correct concepts of use of papers in saving ways.
- (9) Under the condition not affecting the employees' rights, some toilet are closed for decrease on use of water, electricity and energy.

## 6. Green Purchasing Standards

In order to ensure that the quality of products meets green environmental protection rules on RoHS, so green purchasing procedure shall be done, which means during manufacturing procedure, it's prohibited using any controlled substance (Pb, Cd, Hg, Cr6+ and PBB,PBDE), and also asking the suppliers not to use or not allowed to use any prohibited substance on the production and products.

## 7. Green Products Policy

In order to ensure that the materials and products purchased are under the control of related environmental protection regulations, we sign "No Use of Restricted Substance Promise Guarantee Paper" when purchasing is done, and also ask the suppliers to provide testing paper certified by "SGS" or other organization of similar effect.

## 8. Future Scope

### (1) Green Business Aspect

Our goal is "Customer's Satisfaction" and working together with suppliers continuously, deliver HSPM/GPMS ideas and methods and ask the customers to fulfill to ensure that all the conditions, materials, goods, tools, skills to be used for production to meet strict standards regulated in ISO14001, QC080000, and demanding made from customers.

### (2) Vocational Safety & Hygiene Aspect

In the future, Mag Layers will strengthen the present safety & hygiene organization, we continuously carry out in-site safety advocating/ trainings and Zero-damage/ Zero-injure goal seeking, and the workers may devote and work in more safe and better condition.

### (3) Social Welfare Aspect

In 2011, Mag Layers will actively expand participation level & beneficial level in social welfare activities, and encourage the workers to participate in volunteer services work to maximum effect of activities by affecting family members and relatives.

### (4) Employee Participation Aspect

The employees' active and positive participation is main key on corporate social responsibility, in the future, we will encourage the employees to design and participate in the activities in the ways more systemically and effectively for leading "Human-Oriented" Mag Layers Culture.