



From: July 2016 To: June 2017

To our stakeholders:

UMC group core business is circuit board mounting for automotive, industrial, and commercial goods. We are capable of circuit board design, development, production, and globally distributing finished products.

Being a member of United Nations Global Compact will enhance company itself and can be recognized at both national and international level.

UMC have joined United Nations Global Compact (UNGC) on July 2010. To collaborate and engage in advancing the UNGC initiative, we are committed to do business responsibly by aligning our strategies and operations with UNGC Ten Principles on human rights, labour, environment and anti-corruption, and have taken strategic actions to advance broader societal goals, such as the forthcoming UN Sustainable Development Goals.

I am proud to reaffirm to keep supporting the ten principles of the United Nation Global Comact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

Shigeki Uchiyama

President, Representative Director

UMC Electronics Co., Ltd.

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

UMC group is committed to support and to protect the International Bill of Human Rights throughout our business activities.

In the whole UMC group, we focus on;

- Hiring handicapped employee and increase hiring opportunity
- Hiring and promoting based on performance and ability, not based on gender, country or ethnicity, age, etc.
- Hiring local employee by enhancing employee education
- Raising awareness and training of employees on Human Rights

We have human resource policies and procedures supporting Human Rights and make sure all our group companies follow its rules. We also set up a suggestion box and anonymous opinion collection system which any employee can contact the people in charge of protecting Human Rights in the Headquarter.

Labor

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

As for engagement in Labor Standards, UMC China acquired OHSAS 18001 in year 2002. In year 2012, based on ISO26000 CSR (corporate social responsibility) has been volunteer team has been established and continuously operating periodically.

For labor and environmental issue, we are actively contributing and practicing to community development.

In all our group companies, we make sure to;

- Minimize labor over time and focus on employees' health management.
- Conduct medical health check-up at least once a year for all employees.
- Enhance work environment by performing 5S and collect employee comments.
- Improve health and safety by enhancing plans and structure.
- Reduce and enhance harassment issue by assessing harassment rules and regulations.

For the coming year, we will continue to minimize labor hours with efficiently improved productivity and implementation of working environment. And continuous activity of cleaning neighbor vicinity will lead to relation improvement with the community.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

For an engagement in Environmental Protection, UMC Japan and China have acquired ISO 14001 in year 2002 and UMC Vietnam in year 2008. And we have also continuously engaged in minimization of chemical substances, lead solder, and meet global environment conservation standards. In year 2014, UMC Thailand has also acquired ISO 14001 and we are globally focusing on energy saving, and recycling and segregation of disposed material.

In all our production bases and offices, we make work on;

- Reduction of CO2 internal activities.
- Training, acknowledgement, and controlling inventory of hazardous material.
- Continuation of recycle management of disposed material. And increase recycle

items to reach zero emission.

- Decrease disposition of NDA documents.
- Implementation of community cleaning.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

We take this Anti-Corruption principle seriously and we make sure all our employees conduct their business activities following the principle.

All the employees are required to;

- Acknowledge and understand system of antisocial and crime organization.
- Understand our standard and regulation of anti-corruption.
- Eliminate allusive relation with business partner and keep good relationship.

UMC group is committed to keep educating all our employees and make sure we do not violate this principle or our internal regulation on anti-corruption.