



2015

Corporate Sustainability Report

About this Report

This is the first publication of Globe Union Industrial Corp. (hereinafter referred to as the “Globe Union Corp.”, “Globe Union”, “the Company”, and “We”) Corporate Social Responsibility (CSR) Report. Globe Union has been committed to the provision of excellent quality products and services and upholding the spirit of being a responsible member in the society to fulfill its social responsibility as a corporate citizen. This Report is divided into five chapters, including Innovative Technology and Brand Services, Sustainable Management, Embracing the Stakeholders, Creating an Eco-friendly Environment, Creating the Best Workplace and Harmonious Society to disclose our efforts and results in economic and environmental aspects as well as aspects of labor care, human rights, product liability and other sustainable development indicators in relevant and detailed data.

Scope of the Report

This Report mainly covers the implementation and performance of Globe Union’s policies in economic, environmental and social aspects during January 1st and December 31st, 2015 in the Taichung Headquarters and the manufacturing facilities in Shenzhen. All the information is presented in international general index. Any estimation is mentioned in the chapter notes.

Reporting Guideline

This Report is compiled based on the Core Option of the Global Reporting Initiative GRI G4 and the guidelines and framework is followed for the analysis of the topics, relevant strategies, objectives and measures to be disclosed. The content in this Report contains our management of the economic, environmental and social performance indicators and through the systematic analysis model, the stakeholders’ issues of concern are identified and prioritized as the reference for information disclosure in this Report.

The Editing, Review and Authorizing Procedure and Verification of the Report

The CSR Promotion Team was formed for the overall planning, communication integration, data compilation and editorial revisions of “2015 Globe Union Industrial Corp. Corporate Social Responsibility (CSR) Report”. The Secretariat of the Board servers as the unit for the promotion of CSR, with the secretary of the Board being the convener for integrated implementation and the representatives from various departments the team members. The members of the CSR Promotion Team reviewed and revised relevant contents and data in the Report and the content was finalized by the unit supervisors. The finalized content was checked and approved by the chairman before the issuance of this Report. Some of the statistical data is cited from public information from government websites (such as the Environmental Protection Administration and Ministry of Labor), and all numbers are presented in the most common way of description. Globe Union compiled this CSR Report based on the GRI G4 core options, and in consideration of the timing of the preparation of this Report, the independent and credible Ernst & Young was entrusted for limited assurance of our 2015 CSR Report compiled based on the GRI G4 core options in accordance with the requirements in the Communique of Assurance Guideline NO. 01, “Assurance of Non-historical Financial Information Verification and Audits”. After the assurance, relevant results have been fully communicated with the management level. Please refer to the assurance report in the Appendix for details about the scope of assurance and conclusion.

Publication Time

This is Globe Union’s first CSR Report. In the future, the CSR Report is published annually and the content will also be simultaneously revealed on our official website.

Current edition: December, 2015
Next edition: June, 2016

Contact Information

Please contact us for any question or suggestion for this Globe Union Industrial Corp. Corporate Social Responsibility (CSR) Report.

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Message from the Chairperson

This is the first publication of "Globe Union Industrial Corp. Corporate Social Responsibility (CSR) Report", signifying the beginning of Globe Union's examination and reflection on the Company's fulfilment of its social responsibility as a corporate citizen in accordance with all the sustainable development indicators of the globally recognized GRI G4 Guidelines (GRI Sustainability Reporting

Guidelines). The reason for me to name the corporation "Globe Union" when it was first founded was because of my expectation of it to be the world's positive force, which has always been the core value of Globe Union. With the publication of this Report, Globe Union's efforts and results in economic and environmental aspects as well as aspects of labor care, human rights and product liability in 2015 can be disclosed to the public, and it can enable us to be clearer when stepping toward the direction for future efforts, to respond more accurately and properly to our stakeholders' expectations and further to continue moving toward sustainable development. This report mainly covers the implementation and performance of Globe Union's policies in economic, environmental and social aspects during January 1st and December 31st, 2015 in the Taichung Headquarters and the manufacturing facilities in Shenzhen (Shenzhen Globe Union Enterprise Co., Ltd.). In the future, those in our ceramic factory in Shandong (Milim G&G Ceramics Co., Ltd.) and even our relational enterprises in North America and Europe will also be included.

In terms of Innovative Technology and Brand Services, we established different brands to serve different markets. In addition, staff who know the local tastes and needs are in charge of sales and marketing management. It is by providing different brands for the specific niche markets can we increase the market penetration and enhance our significance to customers. Meanwhile, to the manufacturers, distributors and retailers across America, Europe and Asia, Globe Union plays the role of product design and the producer to provide the best customer services based on our clients' brand features. Our R&D capacity has been one of the key drivers for our clients' success. We established a new R&D Center for high-valued kitchen & Bathroom products in 2012, focusing on the development in the fields of nano-process, noise reduction, flow simulation and mechatronics / software / IC integration for the development of the cutting-edge designs and technologies in response to changes in customers' demands for products and the concept of innovation, environmental protection and health.

For Sustainable Management, through the provision of innovative and environmentally friendly products, Globe Union keeps enhancing our customers' life quality, bringing positive forces in the industry and the society. At the same time, we also protect our shareholders' equity and reduce risks, and we are committed to the establishment of an enterprise with a solid foundation that can be passed on the following generations. Globe Union's consolidated revenue in 2015 reached NT\$1 9.949 billion, with the gross profit ratio of 27.64%, a 1.1% increase compared to 2014, and the operating income amounted NT\$ 542 million, a 37% increase compared with the previous year. The consolidated net income attributed to stockholders of the company in 2015 was NT\$ 503 million, with the EPS of NT\$ 1.42. Globe Union creates a fair and pleasant working environment by full and appropriate empowerment, and our employees can learn, grow and elaborate their personal and professional



potentials. We have an effective and sound accounting system and the internal control system, and our internal audit staff check the compliance of various system on a regular basis. The Company operates in an open and transparent manner, and by upholding the principle of integrity management, no violation of integrity was reported in 2015. In terms of the environment, human rights and social aspect, there were no violations of environmental regulations due to major leaks, emissions, waste water, waste and energy nor records of being fined for these reasons. There were no complaints or protests for environmental impacts. No violations of discrimination, sexual harassment, child labor, aboriginal rights or forced labor were reported.

In terms of Embracing the Stakeholders, we attach great importance to the interests and opinions of all our stakeholders, and we provide open and direct communication channels, including our official website, phone number and email box for direct communication. In addition, our corporate information is also available not only on the company's official website but also on the Market Observation Post Systems (MOPS) of the Taiwan Stock Exchange Inc. For any objections or concerns concerning human rights, environmental protection, labor and so on, the stakeholders may appeal directly to the company. From the perspective of the stakeholders' level of concern and the level of operational impact to analyze the material aspects, no significant difference was found in the stakeholders' expectation and the requirements set by the company's management level.

Looking at the Creating an Eco-friendly Environment aspect, due to the rising environmental awareness, as a member of the global citizen, we have been committed to the implantation of pollution reduction, energy conservation and carbon reduction. Compared with 2014, we have made progress in terms of raw material use, energy management, greenhouse gas emissions, energy conservation and carbon reduction, water resources management and water pollution control, waste management and so on in the year of 2015. Moreover, we are also devoted to the development of green products and improvement in the process via designing the functions of products and increasing the use of recyclable materials in the manufacturing and packaging process for faucets and toilets that can save more water resources. We believe that Globe Union plays an important role in environmental protection and the maintenance of natural resources for our efforts and management while providing quality products and services to the customers and the society.

Creating the Best Workplace and Harmonious Society has always been the focus for Globe Union. The total number of high-level executives in Taichung headquarters is 28, and there is only one foreign executive, with the ratio of hiring local high-level executives reaching 96.4%. In Shenzhen factory, the total number of high-level executives is 42, among which 22 are Chinese, accounting for 52.4% among all. By the end of 2015, four disabled employees were hired in Taichung Headquarters, four times more than the required number set by the regulation. In our Shenzhen factory, in response to social calls, 12 disabled employees with local household registration and 2 with household registration from other Provinces were employed, setting a good corporate image locally. Our Shenzhen factory also sets women workers' committee, organizing members, labor dispute mediation committee, propaganda committee, labor protection supervision committee and expenditure examination committee to fully protect the rights and benefits of the employees. We emphasize on the employee health and workplace safety management, and in this Report, our various measures taken show our efforts in creating a good and equitable environment to ensure there is no discrimination or harassment in the workplace. For safety and health aspects, everything is carried out in accordance with the government regulations and is properly controlled. Meanwhile, we also actively participate in public welfare and social care activities, and our employees are also encouraged to gather together to contribute to the communities and the society. We hope that through this continuous efforts, we can bring endless vitality and warmth to our land.

Finally, I would like to emphasize that we will make continuous efforts in the fulfillment of our corporate social responsibility, and we will keep working for better results. Profit is just one of the goals for Globe Union. I believe our shareholders would want us to make profits while keeping on the right track toward sustainable management. With the annual CSR Report, Globe Union not only reveals our results and achievement to the public but also has a chance to examine and adjust the directions in the future so as to continuously stick on our core values of being the positive force in the society. We also look forward to better results to be disclosed in Globe Union's next issue of the CSR Report.

A stylized, handwritten signature in black ink, appearing to read "Sei Ogyu".

A dynamic splash of water in shades of blue and white, creating a sense of movement and freshness. The water droplets and ripples are captured in mid-air, adding texture and depth to the background.

1

Innovative Technology and Brand Services

1.1 Products and Services

1.2 Innovation Culture and Patent R & D

1.3 Quality First

1.4 Customer Satisfaction

1. Innovative Technology and Brand Services

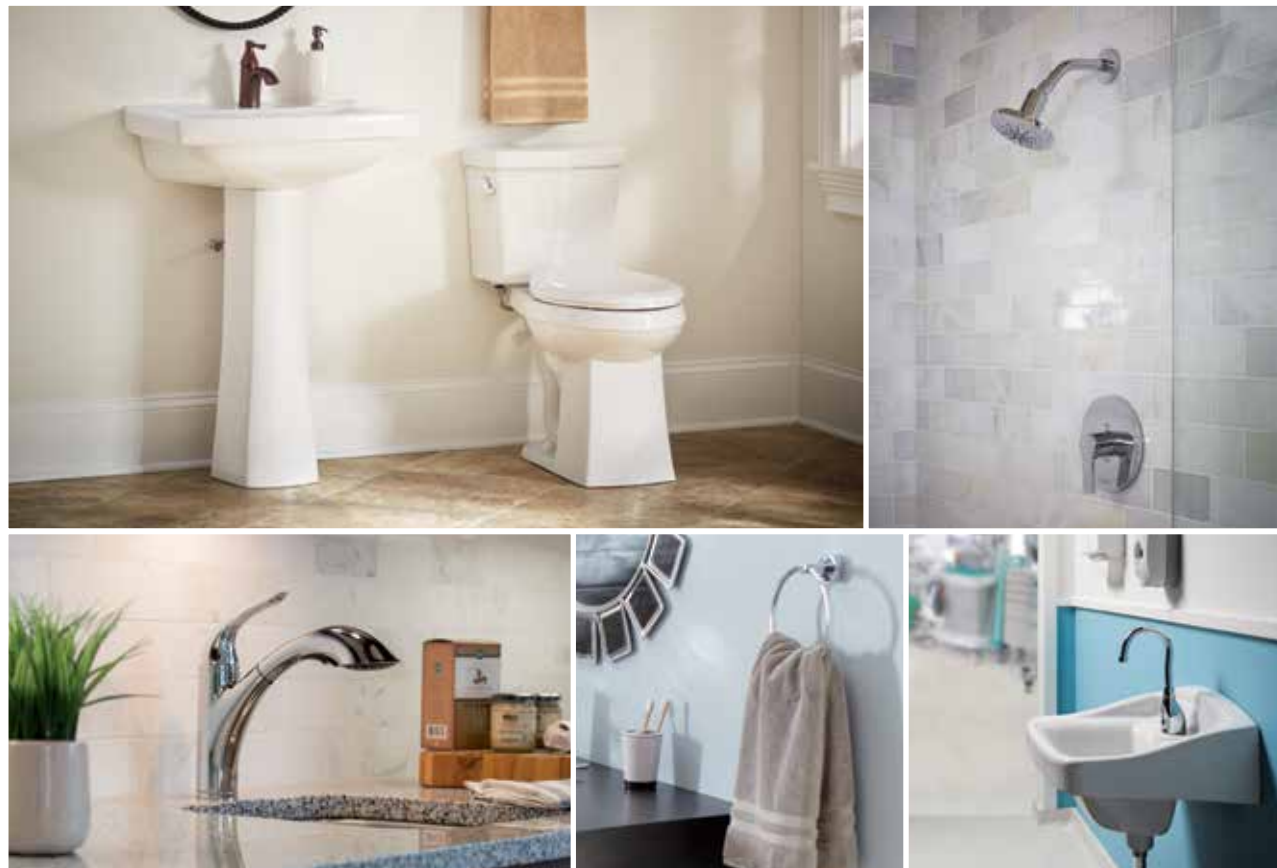
1.1 Products and Services

Globe Union is a provider of Bathroom & Kitchen products, mainly engaged in the research and development, design, manufacturing, marketing, sales channels and after-sales services of bathroom and kitchen products. Globe Union owns and operates manufacturing, assembly and distribution facilities in North America, Europe and mainland China.

Conditions, customs and tastes vary greatly in the global communities we serve. Globe Union markets its products both as an Original Equipment Manufacturer (OEM) to other brands, and also under our own brand names including Danze, Gerber, Gobo, PJH, Moods, K Kitchens, Prima, Lenz, Home Boutique, Milim and Aquanar. Globe Union effectively serves individual markets with brands that are tailored to the unique tastes and requirements of each. It is by providing different brands for the specific niche markets can we increase the market penetration and enhance our significance to the distributors and our customers.

In addition to marketing our own brands, Globe Union is also the OEM of world-renowned high-quality brands. For the manufacturers, distributors and retailers throughout the Americas, Europe and Asia, Globe Union is both the product designer and the producer to them. We provide the best customer services to our customers based on the characteristics of their brands.

Our extensive product lines include faucets, showerheads, bath accessories, vitreous china sanitary ware and hardware. The product descriptions are as follows:



- **Brass Faucets:** Globe Union has been known for the manufacture of world-class brass faucets. To serve the vast number of customers in Europe, Asia, North and South America, the company has developed a wide range of faucets. The spindle is internally designed with durable brass compression, economical and practical mandrels and high-performance ceramic spindles. We offer a wide selection of tub and shower faucets with various design and style options. Our tub and shower faucets with pressure balanced valves can help prevent scald.
- **Bath Accessories:** With an active line of over 1000 bath accessory designs, Globe Union has rapidly become a major supplier of wall mounted metal bath accessories. Many designs complement our distinctive faucet collections, providing the interior designers a convenient, beautiful and stylish finishing touch to bath decoration.

We also supply other bathroom products such as baths and shower enclosures as well as a wide range of kitchens and kitchen appliances through our Group's PJH brand based in the UK.

- **Vitreous China Sanitary Ware:** Globe Union is a global producer and distributor of a wide variety of Vitreous China products which include water closets (toilets), lavatories (counter-top and pedestal), bidets, commercial and institutional fixtures (urinals, flush-valve and flushometer tank water closets). At Globe Union, we are convinced that water conservation does not have to compromise flush performance. We continue developing and making stylish selections of high-efficiency toilets (HET) that save water while offering superior flush performance. Our technology reduces overall water usage in homes and buildings, and our single flush and dual flush toilets even meet the Environment Protection Agency's (EPA) strict WaterSense maximum requirements in the US.
- **Showerheads:** Globe Union designs and manufactures hundreds of shower heads and shower arms crafted in durable brass and corrosion resistant plastic, with each available in a wide variety of finishes. We also produce personal showers and accessory sprayers for Roman tub, kitchen and special use faucets.
- **Electronic Faucets & Accessories:** Serving both the commercial and emerging residential markets, electronic faucets represent an important new growth opportunity for Globe Union. In 2003, we introduced the cutting edge electronic faucets in the industry, combining micro-circuitry with premium quality brass, offering more reliability and flexibility.

1.2 Innovation Culture and Patent R & D

In terms of the product type of kitchen and bathroom industry, as bathroom products belong to livelihood necessities, there is no significant change in the product structure. However, with the development of new technology and increasing environmental awareness, the demands for kitchen and bathroom products are no longer limited to the practicality in life. Consumers now have higher level of demands for stylish design for the purpose of home decoration. Moreover, the environmental requirements are stricter. In addition to energy efficiency, specifications for lead-free and non-toxic products in advanced countries are also increasingly stringent. Consumers change the attitude toward their demands for products and their needs for environmentally friendly products accelerate the cycle of product replacement, which has become a new force in the kitchen and bathroom market.

At Globe Union, new product Research and Development is a driving force in the growth and success of our customers. In the beginning of 2012, the new R & D Center for high valued Kitchen & Bathroom products was established. Our team of talented engineers and designers work closely with our customers to develop cutting-edge designs and technology and carry out research and development for nano process, noise reduction, flow simulation and mechatronics / software / IC integration in the following five fields: Applied Mechanics, Materials Processing, MEMS, Innovative Products, and System Integration. Besides, we have introduced product data management system and product life cycle management system to make innovative products that meet the demands in the market. Globe Union's investments in proprietary product development, combined with the continuing development and adoption of new technology enable our customers to maintain their competitiveness in the face of ever fiercer completion in the marketplace.

Globe Union's prototype and modeling facilities double the efficiency in the manufacturing process. Computer-assisted design (CAD) programs, engineers' product and mold design and computer driven production equipment all together help speed up to hit the market. Before we start production, products are tested repeatedly and extensively to ensure they satisfy the customer's needs for beauty and functionality. Our Product Development Department conducts appropriate tests and obtains necessary certifications to ensure that our products meet or exceed all applicable industry standards.

For the strict control of consumers' safety of drinking water, Globe Union pioneered new lead-removal techniques and non-toxic lead-free treatment processes that received NSF certification, the first among Asian bathroom hardware manufacturers.

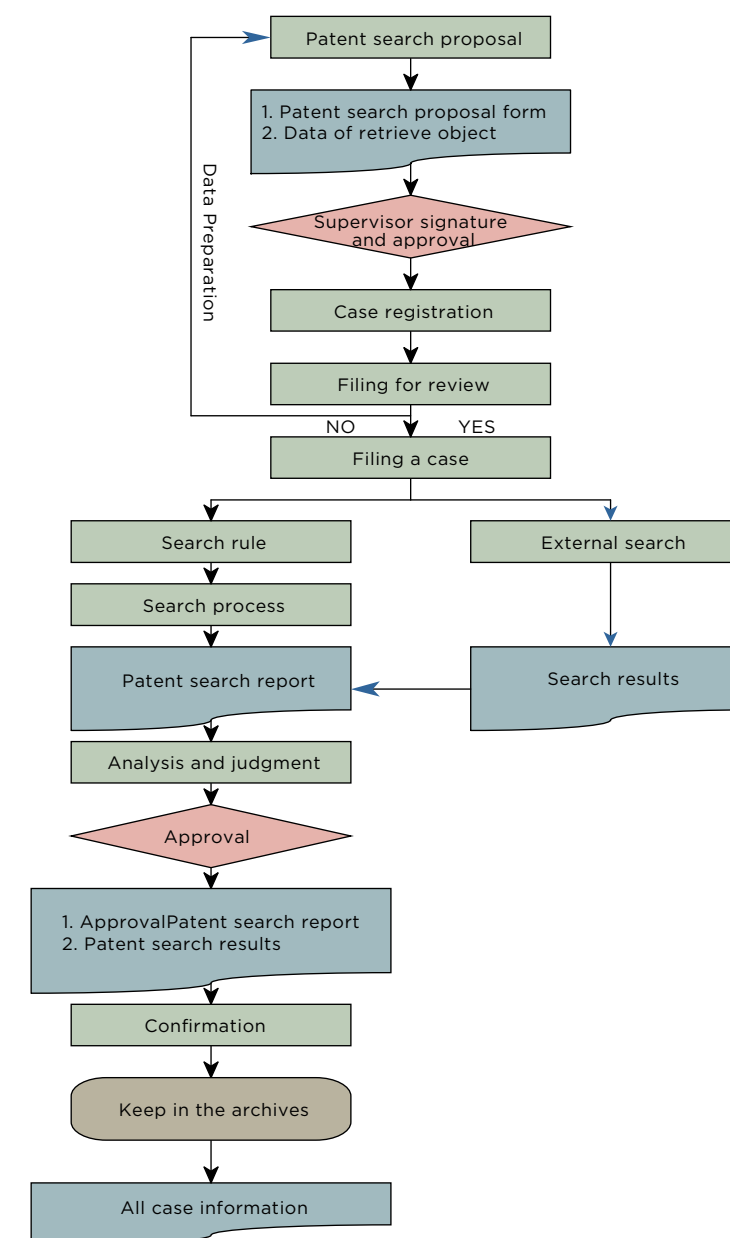
- **A culture of innovation drives every aspect of our products, processes and business model**

- » We possess more than 800 patents worldwide.
- » We submit more than 200 patent applications a year worldwide.
- » We are a new product manufacturing machine, and we averagely introduce 3 new products every day! Our multidisciplinary product development process is tailored in order to cope with the market needs and opportunities.
- » We employ over 500 R&D engineers and technical staff.
- » We use rapid prototype modeling technology and a variety of computer systems, such as 3-D computer design, Pro-E, IntraLink, and Product view to enhance the efficiency of interdepartmental communication and our speed to hit the market.

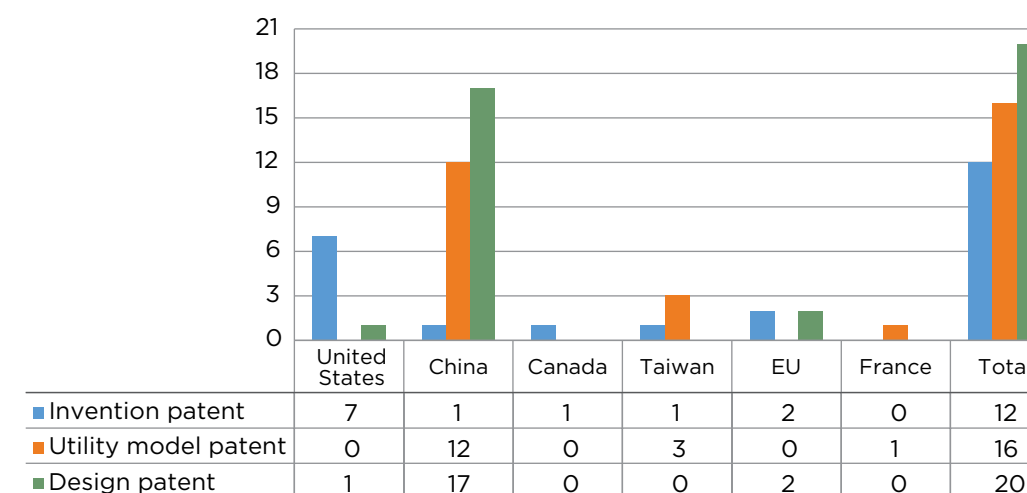
- **Patent R & D and Protection**

Globe Union enhances the competitiveness of products in the market and creates value for the Corporation itself and also for its customers to avoid infringement through patent applications and protection. Related patent search and analysis of invention or design will be specified in order to ensure the quality and efficiency of patent search to improve the reliability of patent search results, and then determine whether to apply for patent or issue patent early warnings not only during the process of the project, research and development, the introduction of technology and cooperation in the development, but also in the process of manufacturing, use of new equipment, new materials and new technology, and before the introduction of products into new markets at home and abroad.

The patent search process is as follows:



A total of 48 patents were obtained in 2015, as shown in the table below.



• External Initiatives

EICC	Electronic Industry Citizenship Coalition (EICC) code of conduct has established a set of specifications for the supply chain in the electronic industry to ensure a safe working environment and respect for employees.
FSC	Forest Stewardship Council, in simple terms, is an independent, non-governmental, not-for-profit organization established to promote sustainable forest management in the world. FSC wood products (including paper) are forest-friendly products.
REACH	Registration, Evaluation, Authorization and Restriction of Chemicals was announced and enforced in June 1, 2007, which encourages the replacement of existing hazardous chemicals with less hazardous chemicals and provides incentives for the development of safe chemicals and integrate ecological, economic and social aspects to achieve the goal of sustainable development.
RoHS	The Restriction of Hazardous Substances in Electrical and Electronic Equipment (ROHS) Directive (2002/95/EC) regulates the maximum amount of hazardous substances in the production process.
WEEE	<p>Waste Electrical and Electronic Equipment (WEEE) Directive (2002/96/EC) regulates the rate and manner in which products must be recycled at the disposal stage.</p> <p>(1) Phase 1 (August 13, 2012 to August 14, 2015): The minimum recovery target for 10 categories of products after the revised WEEE Directive would come into effect in 3 years differs from the old WEEE Directive in two aspects: A) the recycling rate of medical materials was added. The recycling and recovery of waste medical materials would reach 50% and 70% respectively after the revised WEEE Directive came into effect; (B) the original reuse and recycling targets were changed to recycling targets.</p> <p>(2) Phase II (August 15, 2015 to August 14, 2018): after three to six years when the revised WEEE Directive comes into effect, the minimum recovery rate target for 10 categories of products is increased by 5% compared to that for all types of products in phase 1 except for the gas discharge lamp, and re-use rate is included in the specification.</p> <p>(3) Phase III: (August 15, 2018 onwards): all the recovery rate targets will be set as the new product categories of revised WEEE Directive formally enter into force.</p>

1.4 Customer Satisfaction

After nearly 30 years of efforts, Globe Union has become the retail market leader in the United States, Canada and the mainland China. This achievement comes from our commitments: product quality, functional design, customer service and reasonable prices.

Because we listen to our customers and respond to their needs, Globe Union is a valued partner in the development of a wide array of innovative, distinctive and workable products. Our commitment to the highest levels of customer satisfaction is backed by the most comprehensive product warranty programs offered and a toll-free hotline for consumer services.



2

Sustainable Management

2.1 Corporate Overview

2.2 Operation Overview

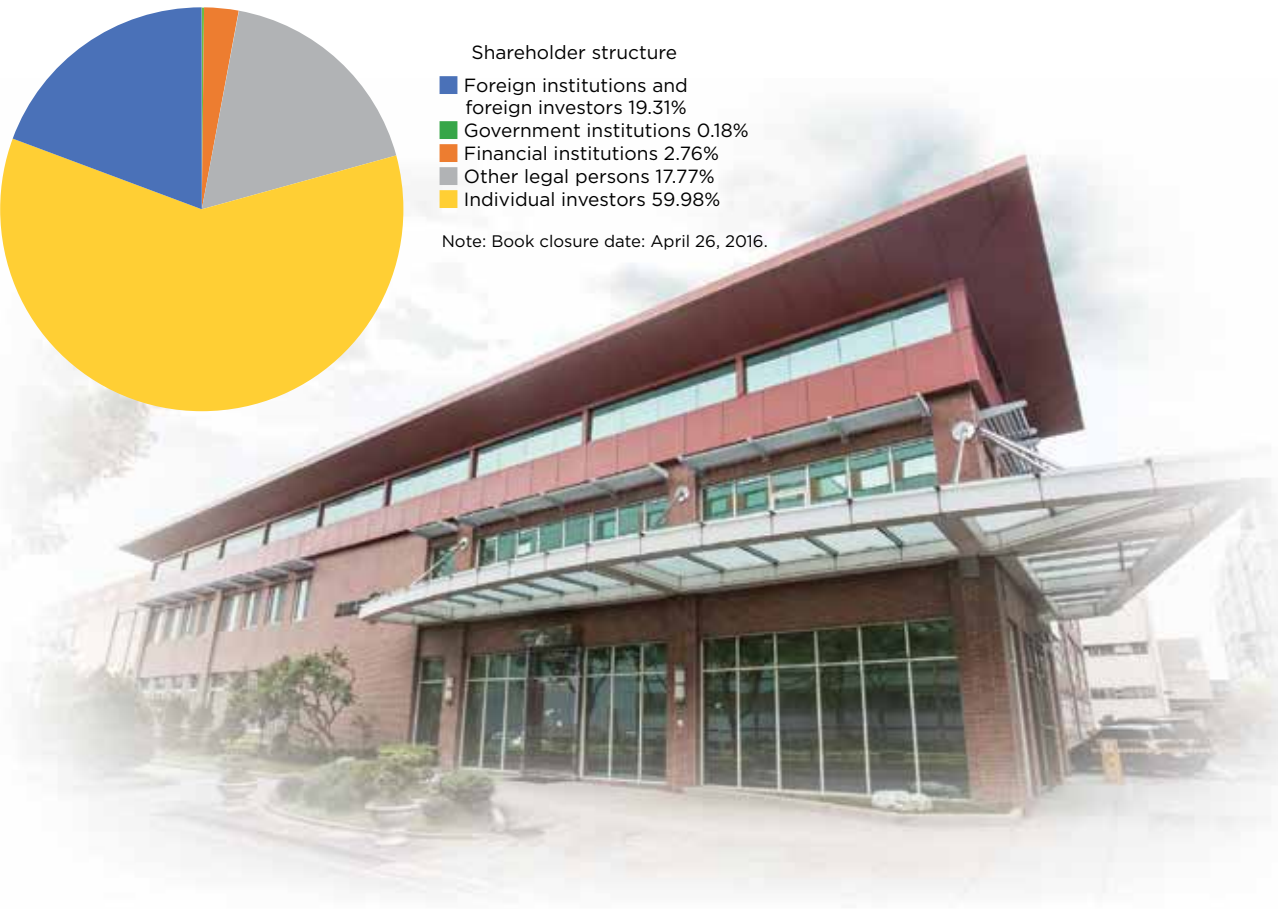
2.3 Integrity Management

2.4 Regulatory Compliance

2. Sustainable Management

2.1 Corporate Overview

Globe Union is a well-known global manufacturer of sanitary ware, whose main market areas include North America and Europe. In addition to having more than 12 brands, we manufacture OEM products under their own brands for many distributors. By providing comprehensive services and excellent quality, we have gained a solid market share in the market of sanitary ware and kitchen products in the world and sold products to customers in over 30 countries. The Company was publicly listed in 2000 with the following shareholder structure:



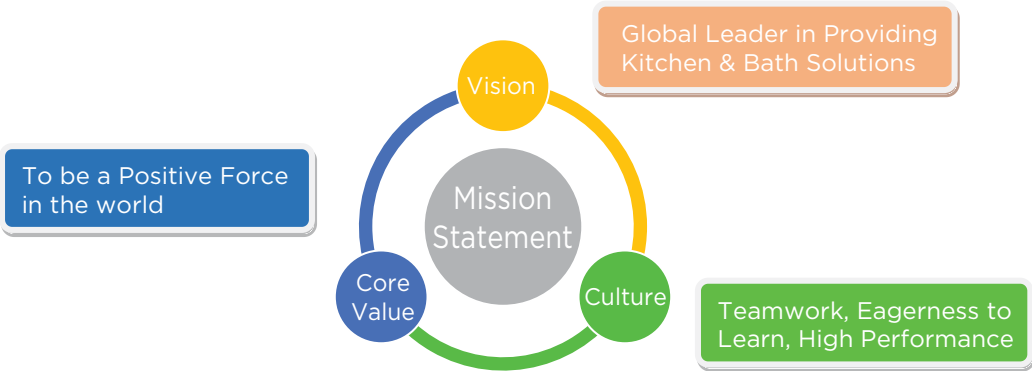
Basic Information of Globe Union

STOCK SYMBOL	9934
MARKET	Other related manufacturing, and sanitary equipment brand manufacturer
MAIN APPLICATIONS	Brass faucets, bathroom accessories, vitreous china sanitary ware
FOUNDED ON	october 29, 1979
YEAR OF LISTING	2000
NET SALES	Consolidated revenue of NT 19,400,000,000 dollars in 2015
CHAIRPERSON	Scott Ouyoung
GENERAL MANAGER	Andrew Yates
HEADQUARTERS	No. 22, Jianguo Rd., Tanzi Dist., Taichung Export Processing Zone, Taiwan (R.O.C.)
NO. OF EMPLOYEES	6024 employees

Mission Statement

Globe Union enhances customers' quality of life through the provision of innovative and environmentally friendly products and services, forming a positive influence in the industry and society. At the same time, we also protect the interests of shareholders and reduce risks. We aim at building an enterprise with a solid foundation so it can be passed down to following generations. We empower our people while creating a fair and pleasant working environment which enables them to learn, to grow, and to develop their potentials both personally and professionally.

- To continue the core value of the "positive force in the world" of the Company.
- To be equipped with efficient global operational capabilities to achieve the vision of being the global leader in providing kitchen & bath solutions".
- To maintain the spirit of "caring for customers, members, and community" and "quality first, innovative development, and down-to-earth attitude".



Company History

1979	Globe Union Industrial Corp. was founded in Taichung as a trading company of building materials, with the capitals of NT \$ 2 million.
1985	Reorganized into a trading company of bathroom hardware products.
1986	Received IAPMO Certification from the United Sates
1993	The self-owned GOBO brand was established
1995	<ul style="list-style-type: none">In order to unify the production and sales and reduce the operating costs, the Company merged with "Shenglin Industrial Co., Ltd.". After the merger and capital increase, the share capital amounted to NT \$ 139 million dollars.Obtained the CSA Category Certification (the only certified lab in Asia)
1997	<ul style="list-style-type: none">To expand overseas production base, Globe Union Shen Zhen industrial Corp. was established, specialized in producing faucets and bathroom accessoriesWas approved as a public companyReceived ISO 9001 Certification from BSI
1998	Obtained NSF Category Certification (the first and only certified lab in Asia then)
1999	<ul style="list-style-type: none">The self-owned brand of DANZE was establishedGlobe Union Industrial Corp. was officially listed on Taiwan O.T.C ExchangeAcquired Globe Union Canada Inc. (Canada), specializing in distribution /sales & marketing faucets, showerheads and bath accessories
2000	<ul style="list-style-type: none">Globe Union Industrial Corp. was officially listed on Taiwan Stock ExchangeAcquired Globe Union America Corp., specializing in distribution /sales & marketing faucets, showerheads and bath accessoriesAcquired Aquanar Inc. (Canada), specializing in manufacturing and marketing electronic faucets

2002	<ul style="list-style-type: none"> Globe Union Enterprise Co., Ltd. in Shenzhen was established, specializing in the production of bath accessories Established joint venture with Fusion Hardware Group Inc., specializing in marketing and distribution of décor hardware
2003	<ul style="list-style-type: none"> Acquired Gerber Plumbing Fixtures, LLC in United States, specializing in the manufacturing & distribution and marketing of vitreous chain sanitary ware Acquired MILIM G&G Ceramics Co., Ltd. in China, specializing in the manufacturing and marketing of vitreous chain sanitary ware Joint venture with Arte En Bornece, S.A.DE C.V in Mexica, specializing in producing and marketing faucets
2004	<ul style="list-style-type: none"> Acquired Lenz Badkultur GmbH&Co. KG in Germany, specializing in marketing distribution of bath accessories
2005	<ul style="list-style-type: none"> Globe Union Shen Zhen Industrial Corp. was officially listed in Shenzhen Stock Exchange
2006	<ul style="list-style-type: none"> Acquired Home Boutique International Co., Ltd., specializing in the wholesale and retail of kitchen and bath products Acquired Anderson R.O. Technology co., Ltd, specializing in the manufacture and sales of water purifiers
2007	<ul style="list-style-type: none"> Global Technologies (Qingdao) Corp. Ltd. was established, specializing in the manufacturing of faucets, showerheads and hardware Union Precision Industrial (Qingdao) Corp. Ltd. was established, specializing in the manufacturing of faucets, showerheads and hardware Acquired PJH Group Holding Company Ltd. in UK, specializing in the distribution of kitchen and bath products
2009	<ul style="list-style-type: none"> GERBEER won First Place Home Builder Executive (HBE) 2009 Innovation Award in toilets, First Place Home Builder Executive (HBE) 2009 Innovation Award in Bath suites and 2009 National Turnaround of The Year Award; Danze won First Place Innovation Award in faucets. Globe Union Shen Zhen Industrial Corp. obtained High and New Technology Enterprise Certificate
2012	<ul style="list-style-type: none"> A New R&D center was established in our headquarters
2013	<ul style="list-style-type: none"> ShenZhen Globe Union Industrial Corp. completed the significant material asset reorganization. After reorganization, the company held 100% equity interest in Globe Union Enterprise Co., Ltd., Global Technologies (Qingdao) Corp. Ltd., Union Precision Industrial (Qingdao) Corp. Ltd. and Qingdao Chenglin Imp. & Exp.Trading Co., Ltd
2015	<ul style="list-style-type: none"> Milim's fifth ceramic kiln line and fourth high-pressure sub-grouting line construction were completed, and were formally put into production

• **External Organization Participation and Membership**

The following are the organizations that Globe Union is currently participating in:

Item	Name of organization	Title
1	Chinese Professional Management Association of Taichung	-
2	Straits Economic & Cultural Interchange Association	Director
3	The Cross-strait CEO Summit	-

2.2 Operation Overview

• **Business Plan**

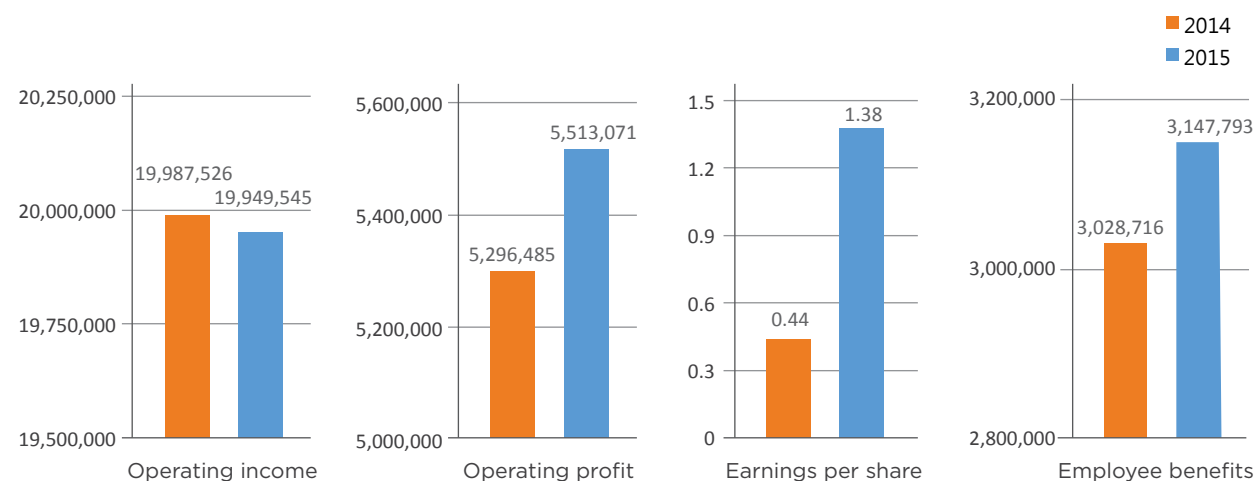
Business objectives	<ul style="list-style-type: none"> To improve product portfolio and increase the supply of high-priced products; to integrate product information platform, establish effective product lifecycle management, reduce waste and improve gross margin To diversify customers' risks, develop other distribution channels, including construction, retail and other customers
Production and marketing policy	<ul style="list-style-type: none"> Management controls each process of the production of ceramic products, finished products and all the activities in the supply chain through the bar code system, and masters the production schedule and inventory levels Linking your own brand's internal development processes to key customers for our OEM customers will help improve the success rate of the OEM products to hit the market and reduce the customer's financial risks Introduce product data management system and product cycle management system so that out innovative products can also meet the needs of the market trend
Future development strategies	<ul style="list-style-type: none"> Combine with the concept of environmental protection, life aesthetics and technological intelligence, develop products, strengthen the brand image to meet the modern demands for green fashion life and create our own brand segmentation Establish and expand the distribution channels to enhance the sales management level

• **Financial Performance**

The US housing market and the labor market were steadily improved in 2015. After the European debt crisis and the deflation in the euro, it started to show a stabilizing trend. In 2015, our annual consolidated revenue reached NT \$ 19.949 billion, with a gross margin rate of 27.64%, a 1.1% increase compared to the previous year. The operating profit reached NT\$ 542 million, a 37% increase compared to 2014. The consolidated net income attributed to stockholders of the company reached NT\$ 503 million, with the earnings per share of NT\$ 1.42. All the profits generated in 2014 and 2015 have already paid out as dividends to shareholders, except for legal reserves.

Financial Information (Condensed Consolidated Income Statement - Consolidated)
Unit: NT 1,000 dollars

Item/Year	2014	2015
Operating income	19,987,526	19,949,545
Operating profit	5,296,485	5,513,071
Operating profit and loss	395,900	542,259
Non - operating income and expenses	-93,300	204,996
Net profit before tax	302,600	747,255
Current net profit of business unit	157,137	506,788
Current net profit (loss)	157,137	506,788
Other consolidated gains and losses for the period (net after tax)	176,277	75,675
Total consolidated profit and loss for the period	333,414	582,463
Earnings per share	0.44(dollar)	1.42(dollar)
Employee benefits	3,028,716	3,147,793
Dividends paid to shareholders	82,396	177,152
axes paid to the government	91,718	774,615

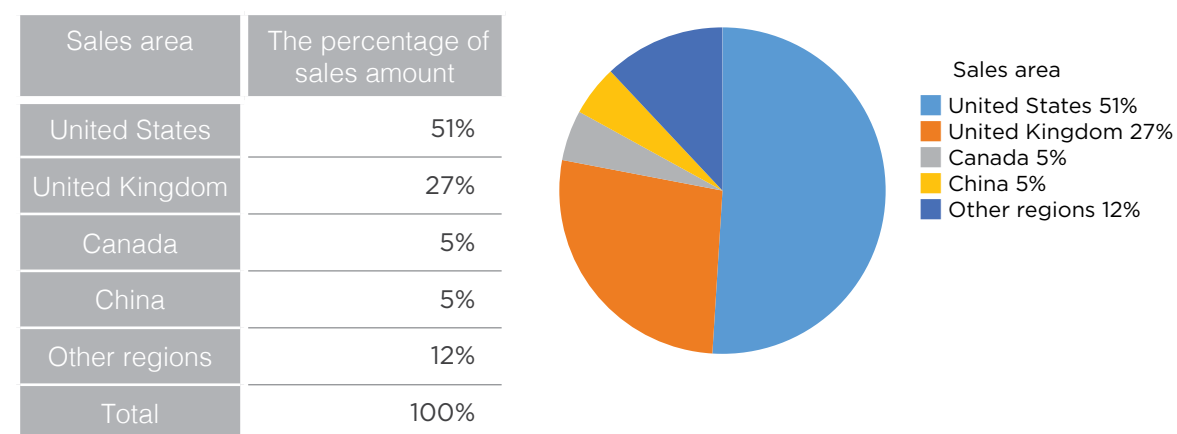


Business Model

Globe Union creates a "Product Life Cycle Curve Model" to promote the co-prosperity model of the brands and OEM. We link internal development processes of our own brands to key OEM customers, that is, the products are proven high-design products of good acceptance through the actual sale. When they exit the market, they will be orderly transferred to the OEM customers with a little modification and low costs to enter the mature mainstream market, which helps to improve the success rate of the OEM products to hit the market and reduce customers' financial risks. Globe Union's manufacturing is vertically integrated, from raw material processing to finished product packaging. We have continued investments in research and development and the introduction of world-class technology and processes to ensure product quality and price competitiveness and provide customers with continuous innovation and high-quality products.

Global Network

Our production bases are mainly located in China. Due to rising local labor wages, coupled with large fluctuations in financial markets, the production advantages of the early Chinese market gradually disappeared. In the face of the increase in labor costs, Globe Union introduced automated production in the part of the process in order to reduce manpower demands in the production line. Our global sales regions includes the United States, United Kingdom, Canada and Mainland China, among which Europe and the United States regions are the main sales markets. We also have brand management and OEM production technology. Globe Union has continued impressing its consumers with the brand image in this severe and competitive business environment through the research and development of production and the deepened distribution channels which penetrate the world.



Distribution of Our Service Locations

Globe Union operates four major manufacturing facilities in China, providing innovative sanitary vitreous china products, faucets, bathroom accessories and showerheads. Globe Union's Head Office is located in Chicago for North American sales, marketing and distribution of Danze and Gerber branded products. A strong local management team is in charge of our operations in Europe and the United Kingdom. European distribution of Lenz brand and private brands of plumbing products is headquartered in Germany. In the United Kingdom, the PJH Group supplies bathroom and kitchen products and appliances to a wide spectrum of businesses in the retail, plumbing wholesale and construction markets. We have centralized the operation of special processes in the Headquarters in Taichung City, Taiwan and continued to sell around the world with the business model of "pursuing innovation".



Government Subsidies

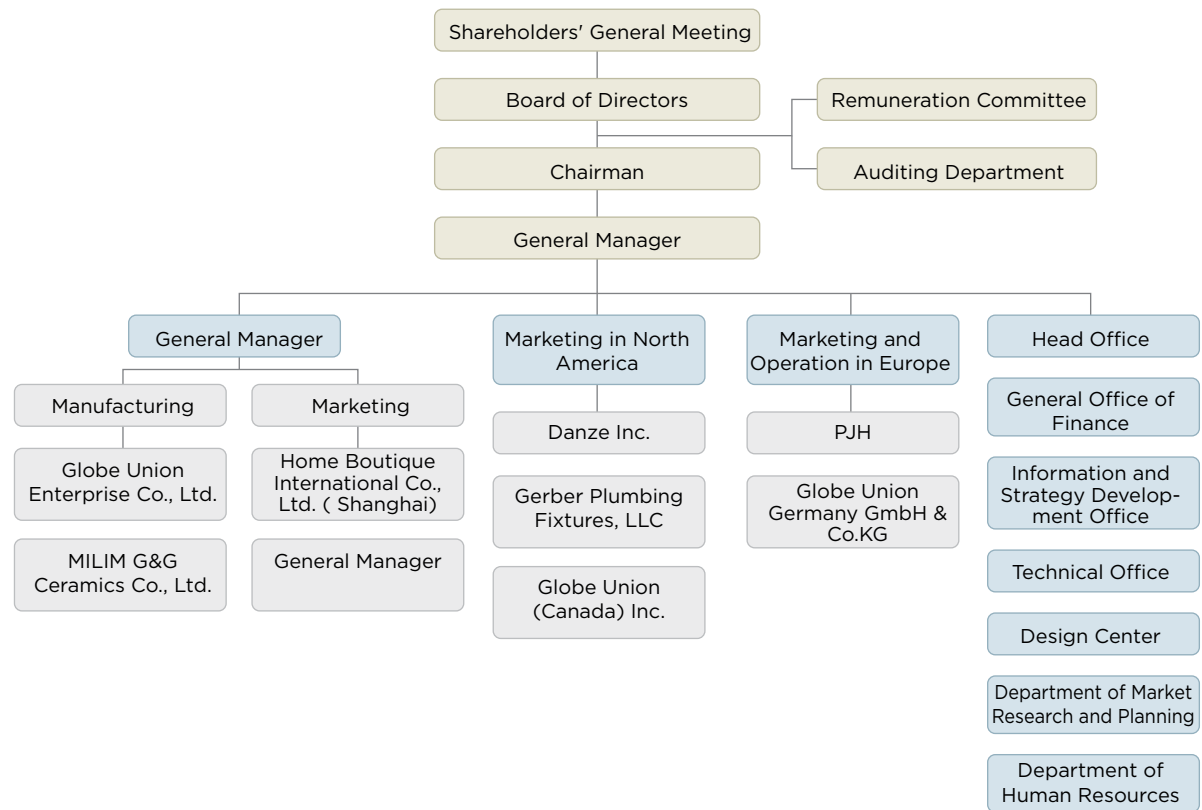
In 2015, Globe Union Headquarters and Shenzhen Factory received financial subsidies from the following three government entities as follows:

Item	Subsidy unit	Execution period	Name of subsidies project	Subsidy amount (dollars)
1	Labor Affairs Bureau of Taichung City	2015	Labor Affairs Bureau of Taichung City rewards to child care providers	NT\$ 30,000
2	Institute for Information Industry	2012-2014	Research and development projects of high value added kitchen and bathroom products	NT\$ 4,500,000
3	Shenzhen Municipal People's Government	High and new technology Subsidy in 2015		RMB\$ 100,000
Total				NT\$ 4,530,000 RMB \$ 100,000

2.3 Integrity Management

In order to guide the behavior of the internal staff to comply with the ethical standards, Globe Union has established an effective accounting system and internal control system, which is applicable to all members of Globe Union, including directors, general manager, deputy general manager, heads of all units and employees. Personnel from internal audit unit should regularly check the compliance with the preceding systems and report it to the Board of Directors. Our operation is open and transparent, and we operate with integrity. In 2015, there was no serious breach of integrity causing any fine.

The management structure of Globe Union includes Shareholders' General Meeting, Board of Directors, Remuneration Committee, Auditing Department, Chairman and General Manager, Operation in China, Marketing in North America, Marketing and Operation in Europe and the Headquarters.



The Main Business of Each Department

Department	The main business
Head Office	Responsible for group operation and management and development and management of the supply chain
General Office of Finance	Responsible for the finance and accounting control, business analysis and new business investment evaluation and analysis
Information and Strategy Development Office	Responsible for the E-Commerce technology, management technology of the supply chain and applications and management of information technology
Technical Office	Responsible for research and development of new technologies and key components of products
Design Center	Responsible for the product design and innovation concept development of the Group's brand business and OEM business
Department of Market Research and Planning	Responsible for data collection and research and analysis of the market
Department of Human Resources	Responsible for the planning and execution of human resource policies
Operation in China	Responsible for the Group's production and manufacturing, as well as the expansion, operations and services of the market in China
Marketing in North America	Responsible for the expansion, operations and services of the markets in United States and Canada
Marketing and Operation in Europe	Responsible for the expansion, operations and services of the markets in Europe
Remuneration Committee	Formulate and regularly review the policies, systems, standards and structures of the performance evaluation and remuneration of directors, supervisors and managers.

Internal Control System

In order to strengthen internal governance and promote the sound management of the Company, we have established the internal control system and regulations. The management of the Company should attach importance to the internal auditing units and personnel so as to grant them sufficient authority to ensure the continuous and effective implementation of the system and to assist the Board of Directors and the management team in fulfilling their responsibilities, so that the corporate governance system will be further implemented. In order to implement the internal control system, we enhance the professional capabilities of the internal auditors' deputies so that the audit quality and performance will be enhanced and maintained.

- Internal control system, internal audit operations, and the handling of frauds:
It assists the organization in checking the activities of enterprises through the systematic and disciplined approaches and provides appropriate advice on implementing policies, business activities, operating procedures to managers, while researching and assessing financial and accounting records to avoid all kinds of losses and protect our security of property. Internal audit is to find the deficiencies of the system or the implementation and give advice on amending the system or correcting its implementation to the units audited in order to improve its deficiencies and ensure that the organization can maintain the established operation and sustainable development. The processes of fraud prevention and auditing are as follows:

Part 1	Prevent fraud through the implementation of internal control, corporate governance, enterprise risk management
Part 2	Investigate to see and confirm the occurrence of fraud
Part 3	Give discipline based on the appropriate constraints and norms through the internal regulations and the law

Anti-corruption

In accordance with Article 17 of the Code of Corporate Governance Practices, the Company and its affiliated companies are required to set up the regulations regarding the relevant financial operations in writing in a fair and reasonable manner. For the contract, price conditions and payment methods should be clearly defined and non-conventional transactions be eliminated. Transactions and contracts between the Company, its stakeholders and its shareholders shall be dealt in accordance with the preceding manner. The transfer of interests shall be strictly prohibited. In 2015, there was no occurrence of corruption, bribery, blackmail and other acts to internal staff in Globe Union. The donation or sponsorship of the Company shall be handled in accordance with relevant laws and regulations and the Company's internal regulations in order to prevent giving and taking bribes and illegal political contributions.

Supply Chain Management

There were no major changes regarding the status of suppliers in 2015. The procurement in 2014-2015 is illustrated as follows:

Year		2014				2015			
Factory		Headquarters in Taiwan		Shenzhen factory		Headquarters in Taiwan		Shenzhen factory	
Contract type	Procurement region	No.	Percentage of the procurement amount to total procurement amount (%)	No.	Percentage of the procurement amount to total procurement amount (%)	No.	Percentage of the procurement amount to total procurement amount (%)	No.	Percentage of the procurement amount to total procurement amount (%)
Labor (contract and service)	Domestic	41	0.46%	1	100%	39	0.37%	1	100%
	Overseas	21	0.08%	0	0	20	0.15%	0	0
Finance (raw materials)	Domestic	4	0.12%	195	93%	4	0.09%	195	92%
	Overseas	29	99.34%	40	7%	32	99.32%	30	8%
Engineering (construction & equipment)	Domestic	0	0%	70	100%	2	0.07%	51	95%
	Overseas	0	0%	0	0	0	0%	1	5%
Total		95	100%	305	100%	97	100%	277	100%

• Risk Management

In order to manage the market risk, credit risk, liquidity risk and financial instruments due to market price changes, environmental protection regulations and the development of market distribution channels related to our business activities, Globe Union develops and implements comprehensive risk management in accordance with the objectives of each department, execution of business strategies and routine business operations, which is illustrated as follows:

Risk category	Risk identification	Strategies / actions taken
Currency risk	Our sources of revenue mainly come from Europe and the Americas, while the procurement and production are based in mainland China, and therefore, the company is mainly affected by fluctuations in Euro, US dollar and RMB due to changes in exchange rate.	Foreign exchange hedging will be conducted financially through the appropriate derivative financial instruments; in terms of marketing, customers will be consulted to share the exchange rate risk.
Laws and regulations of environmental protection	The global markets, especially in Europe and the United States, develop the increasingly stringent environmental requirements, which will be more challenging for further research and development of available materials and processes.	We will overcome the possible metal pollution through the research and development of new materials, and even non-metallic materials process in order to meet the national environmental protection regulations.
Development of distribution channels	As our customers are based in Europe and the United States, the growth of physical distribution channels is relatively slow.	Regarding distribution channels, the expansion of retail and wholesale channels in North America has been effective; we will continue penetrating the network system, expand contact with the consumer market through the network and provide consumers with faster product information.

2.4 Regulatory Compliance

To establish a corporate culture of integrity management and sound development, Globe Union has followed the Code of Practice for Integrity Management of Listed Companies and related regulations. Therefore, we have set up the reference framework of a good business operation for compliance. In terms of the environment, human rights and social aspect, there were no violations of environmental regulations due to major leaks, emissions, waste water, waste and energy nor records of being fined for these reasons. There were no complaints or protests for environmental impact. There were no violations of discrimination, sexual harassment, child labor, aboriginal rights or forced labor.

3

Embracing the Stakeholders

- 3.1 Listening to the Stakeholders
- 3.2 Engagement with Stakeholders
- 3.3 The Management of Material Aspects

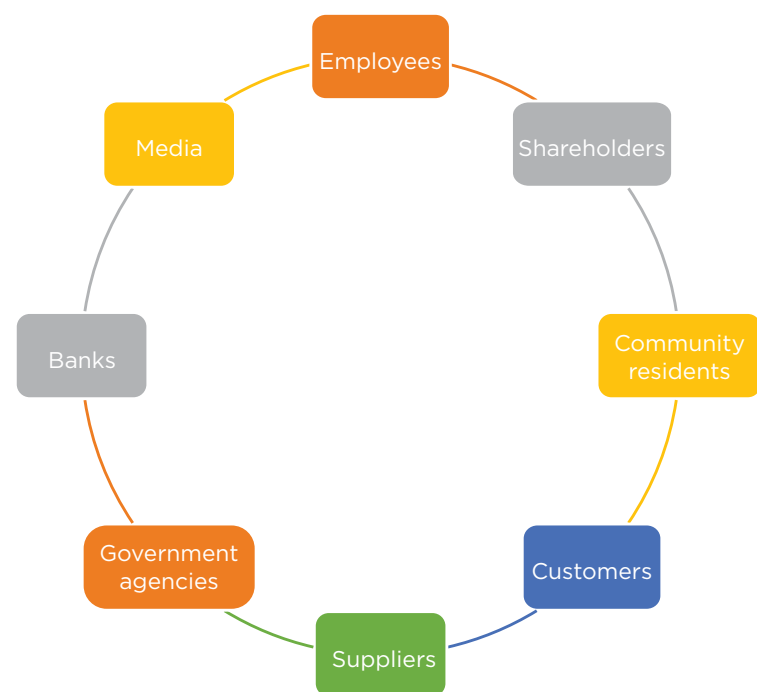


3. Embracing the Stakeholders

3.1 Listening to the Stakeholders

• Identification of Stakeholders

With the internal discussions between the CSR team and the supervisors of each department in accordance with the stakeholder groups that may be contacted or affected by the business to which each unit belongs and by referring to the stakeholder groups identified in the same industry and following the five main principles of AA1000 SES Stakeholder Engagement Standards, including the characteristics of dependence, responsibility, influence, diversity and level of concern, Globe Union identified the following eight major stakeholders groups: employees, shareholders, community residents, customers, suppliers, government agencies, banks and media.



3.2 Engagement with Stakeholders

• Communication with Stakeholders

Globe Union pays attention to the interests and opinions of the stakeholders, and has open and direct communication channels for them, such as the public telephone and mailboxes on our official website. Besides, the information of the Company is published in the public information network, by which stakeholders can get better understanding of the Company. If the stakeholders have any objection or problem about the Company's human rights, environmental protection and labor, they may directly file complaints to the Company. In addition to providing relevant information on CSR management, the Company continuously understands and improves the performance of corporate social responsibility through the understanding of the issues of our stakeholders' concern. Under the leadership of the management, we are responsible for gathering information, communication and response to each issue according to stratification in order to deal with the issues raised by stakeholders.

The Communication Issues and Channels for Globe Union and Stakeholders			
Stakeholders	Communication issues	Communication channels	Frequency
Employees	Labor/Management Relations, Occupational Health and Safety, Training and Education, Employment and Labor Relations	Stakeholders' area on the official website	At all times
		Promotion time of birthday celebration	Monthly
		Internal communication mailbox	At all times
		Occupational Safety and Health Committee	Occasional
Shareholders	Economic Performance, Environmental Compliance, Social Compliance, Product Compliance	Shareholders' meeting	Annual
		Annual report / financial statements	Regular
		Investors' area on the official website	Regular
Community residents	Effluents and Waste, Local Communities, Products and Services, Energy, Emissions	External communication mailbox	At all times
		A visit to the community	Occasional
		On-site communication of personnel in charge	Occasional
		Stakeholders' area on the official website	At all times
Customers	Product and Service Labeling, Customer Health and Safety, Patent	Stakeholders' area on the official website	At all times
		Customer satisfaction survey	Occasional
		Direct communication	At all times
Suppliers	Social Compliance, Economic Performance	External communication mailbox	At all times
		Seminars / training and education	Occasional
		Supplier evaluation questionnaire	Annual
		Stakeholders' area on the official website	At all times
		Dealers' meeting	Monthly
		Face to face communication	Occasional

The Communication Issues and Channels for Globe Union and Stakeholders			
Stakeholders	Communication issues	Communication channels	Frequency
Government agencies	Economic Performance, Product and Service Labeling, Environmental Compliance, Social Compliance, Product Compliance, Employment and Labor Relations, missions	• Stakeholders' area on the official website	• At all times
		• Document exchange	• At all times
		• Discussion meeting	• Occasional
		• External communication mailbox	• At all times
Banks	Economic Performance	• Stakeholders' area on the official website	• Annual
		• External communication mailbox	• At all times
		• Annual report / financial statements	• At all times
Media	Patent, Occupational Health and Safety, Emissions, Products and Services, Economic Performance, Environmental Compliance, Social Compliance, Product Compliance	• Stakeholders' area on the official website	• At all times
		• External communication mailbox	• At all times

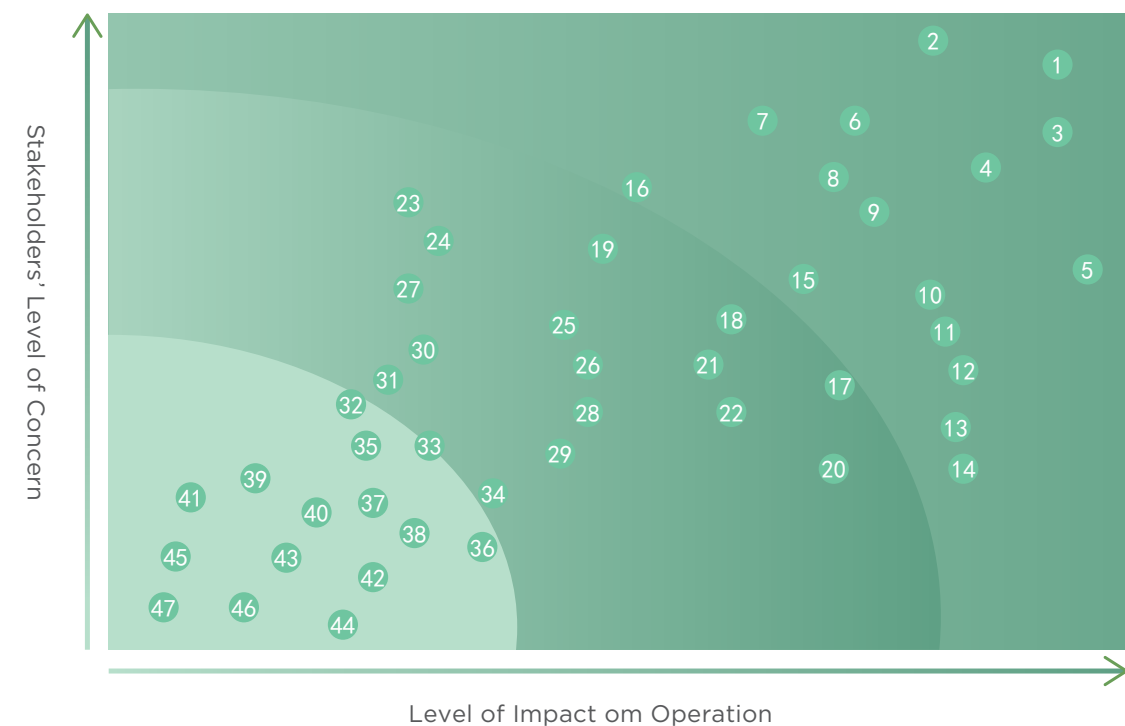
3.3 The Management of Material Aspects

In the process of compiling the CSR Report 2015, Globe Union introduced a materiality analysis to identify the issues of corporate social responsibility that are of great concern to the stakeholders and have great impact on the sustainable development of the Company through the systematic analysis model as the reference for disclosure of information in the Report. The five major steps of CSR materiality analysis include "Stakeholder Identification", "The Summary of CSR Issues", "The Analysis of Material Aspects", "Material Aspects Identification " and "Review and Discussion" to determine the prioritization of material aspects and materiality.

The Steps of Materiality Analysis of CSR Material Aspects		
1 Stakeholder Identification	"With the internal discussions between the CSR team and the supervisors of each department and by referring to the stakeholder groups in the same industry and following the five main principles of AA1000 SES Stakeholder Engagement Standards, including the characteristics of dependence, responsibility, influence, diversity and level of concern, Globe Union identified the following eight stakeholders groups: employees, shareholders, community residents, customers, suppliers, government agencies, banks and media.	8 major categories of stakeholders
2 The Summary of CSR Issues	The collection of issues is based on the material aspects as well as performance indicators of Sustainability Reporting Guidelines - G4 published by Global Reporting Initiative, and 47 corporate social responsibility material aspects are summarized as a questionnaire design policy.	47 corporate social responsibility material aspects

3 Issues of Concern Investigation	Globe Union carried out the investigation of issues which each stakeholder is concerned about and has a significant impact on the company's sustainable business by distributing questionnaires as a reference of the prioritization of material aspects. A total of 87 questionnaires were collected, among which 84 were questionnaires of issues of concern and 3 were impact questionnaires.	87 questionnaires were collected
4 Material Aspects Identification	Through the analysis of the questionnaires, we conducted matrix analysis for the scores of the level of concern and the impact of the management level on the sustainable management. After discussion with CSR team, the prioritization was thus set. A total of 16 material aspects were identified and the effective management policies were developed for each material aspect.	16 material aspects
5 Review and Discussion	After analyzing prioritization of material aspects, responding chapters and boundary analysis, Globe Union will continue to strengthen the management and to disclose information in its CSR Report.	1st CSR Report

• The Analysis of Material Aspects



1. Product and Service Labeling	13. Products and Services	25. Overall Situation	37. Investment
2. Product Compliance	14. Employment and Labor Relations	26. Non-discrimination	38. Raw Materials
3. Environmental Compliance	15. Energy	27. Freedom of Association and Collective Bargaining	39. Employee Diversity and Equal Opportunity
4. Social Compliance	16. Emissions	28. Security Practices	40. Supplier Assessment for Labor Practices
5. Effluents and Waste	17. Customer Privacy	29. Procurement Practices	41. Supplier Human Rights Assessment
6. Customer Health and Safety	18. Anti-competitive Behavior	30. Supplier Environmental Assessment	42. Grievance Mechanisms for Impacts on Community
7. Labor/Management Relations	19. Forced and Compulsory Labor	31. Human Rights Grievance Mechanisms	43. Indirect Economic Impacts
8. Occupational Health and Safety	20. Biodiversity	32. Labor Practices Grievance Mechanisms	44. Public Policy
9. Local Communities	21. Supplier Assessment for Impacts on Society	33. Water	45. Equal Remuneration for Women and Men
10. Training and Education	22. Child labor	34. Assessment	46. Market Presence
11. Patent	23. Marketing Communication	35. Indigenous Rights	47. Environmental Grievance Mechanisms
12. Economic Performance	24. Transport	36. Anti-corruption	

• The Prioritization of Material Sustainable Issues and Border Identification

indicates it is material, and relevant information and management guidelines are disclosed in this report.

Prioritization/ Material aspects	Corresponding chapters	Within the organization		Outside the organization						
		Taiwan Headquarters	Shenzhen factory	Shareholders	Community residents	Customers	Suppliers	Gov. agencies	Banks	Media
1 Product and Service Labeling	1.4 Customer Satisfaction	•	•			•				
2 Product Compliance	1.3 Quality First	•	•				•			
3 Environmental Compliance	2.4 Regulatory Compliance		•							
4 Social Compliance	2.4 Regulatory Compliance	•	•							
5 Effluents and Waste	4.3 Pollution Prevention and Control		•							
6 Customer Health and Safety	1.3 Quality First	•	•			•				
7 Labor/Management Relations	5.2 Employee Benefits	•	•							
8 Occupational Health and Safety	5.3 Employee Health and Workplace Safety Management	•	•							
9 Local Communities	5.4 Social Co-prosperity	•	•		•					
10 Training and Education	5.3 Employee Health and Workplace Safety Management	•	•							
11 Patent	1.3 Quality First	•	•							•
12 Economic Performance	2.2 Operation Overview	•	•	•			•	•		
13 Products and Services	4.4 Green Products	•	•							
14 Employment and Labor Relations	5.1 Employee Relations	•	•							
15 Energy	4.2 Energy use and GHG Management		•							
16 Emissions	4.3 Pollution Prevention and Control		•							



4

Creating an Eco-friendly Environment

- 4.1 Environmental Management
- 4.2 Energy Use and GHG Management
- 4.3 Pollution Prevention and Control
- 4.4 Green Products

4. Creating an Eco-friendly Environment

4.1 Environmental Management

- Environmental protection expenditure

Category \ Year	2014	2015
Environmental Protection Expenses of Globe Union in Taiwan Headquarters		
Unit: NTD		
Waste disposal (general waste)	9,855	8,278
Shenzhen Factory Environmental Expenses Unit: RMB		
Air pollution control	350,000	400,000
Water pollution control	3,678,319	3,535,803
Waste disposal (general waste)	597,190	1,151,640
Personnel costs related to environmental protection	270,000	280,000
Hardware expenditure related to environmental protection	190,000	210,000
Total environmental expenditure	2,095,364	5,585,721

4.2 Energy Use and GHG Management

- The Use of Raw Materials

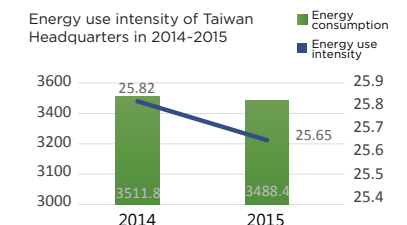
The main raw materials used in the Shenzhen factory are copper rod, copper bullion, zinc bullion and plastic granule. The main raw materials used in each factory in 2015 are as follows. The amount of raw materials in the table below was the annual amount of internal self-made products, excluding the raw materials directly purchased from the suppliers. The capacity of self-made products in the factory accounted for 47% and purchased products 53%.

Type of raw materials	Amount (unit)	2014	2015
Copper rod	KG	179745.80	115603.38
Copper bullion	KG	861775.70	947058.82
Zinc bullion	KG	1042872.89	1271827.74
Plastic granule	KG	533436.57	472019.12

- Energy Management

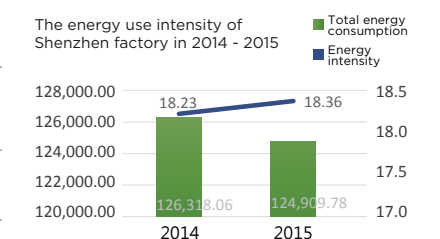
The electricity consumption of Globe Union Headquarters in 2015 reached 969,000 kWh. Compared to 2014, the energy use intensity reduced by 0.65%.

Energy use intensity of Taiwan Headquarters in 2014-2015		
Item \ year	2014	2015
Electricity consumption (kWh)	975,500	969,000
Total number (person)	136	136
Energy consumption (GJ)	3,511.80	3,488.40
Energy use intensity (GJ / person)	25.82	25.65



The energy Shenzhen factory mainly uses includes electricity, gasoline, diesel and natural gas. In 2015, the energy use intensity of Shenzhen factory increased by 0.71% compared to 2014. The energy consumption statistics in Shenzhen factory in 2014-2015 are as follows:

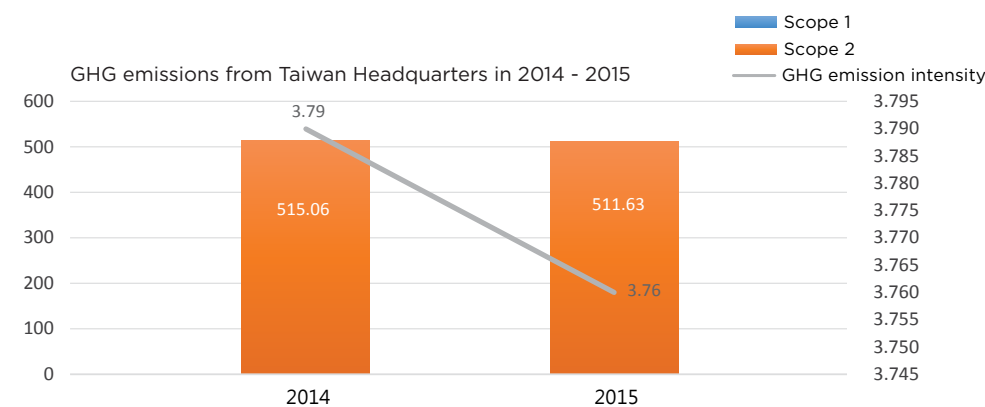
The energy use intensity of Shenzhen factory in 2014 - 2015			
Item	Unit	2014	2015
Electricity consumption	(kWh) / year	26,000,000	2,4910,000
Gasoline consumption	L / year	54,662	50,273
Diesel fuel consumption	L / year	84,350	70,452
Natural gas (LNG) consumption	m ³ / year	718,028	798,879
Total energy consumption	GJ	126,318.06	124,909.78
Annual revenue	million dollars	6,929	6,802
Energy intensity	GJ / million dollars	18.23	18.36



Greenhouse Gas Inventory

In order to solve the problem of global warming and effectively mitigate the impact of climate change, Globe Union has actively promoted energy conservation and carbon reduction. We have not yet implemented the ISO 14064 Greenhouse Gas Inventory System. This report uses the main energy sources (including electricity, gasoline, diesel and natural gas) Taiwan Headquarters and Shenzhen factory use for the calculation of GHG emissions. In 2015, the total GHG emissions at the Headquarters reached about 511.63 tons of CO2e, 0.66% lower than that in 2014, and the GHG emission intensity is reduced by 0.79%.

GHG emissions from Taiwan Headquarters in 2014 -2015		
Emissions\ year	2014	2015
Scope 1 (oil, gas) (metric tonnes CO2e / year)	-	-
Scope 2 (electricity) (metric tonnes CO2e / year)	515.06	511.63
Total emissions (metric tonnes CO2e / year)	515.06	511.63
GHG emission intensity (metric tons CO2e / person)	3.79	3.76

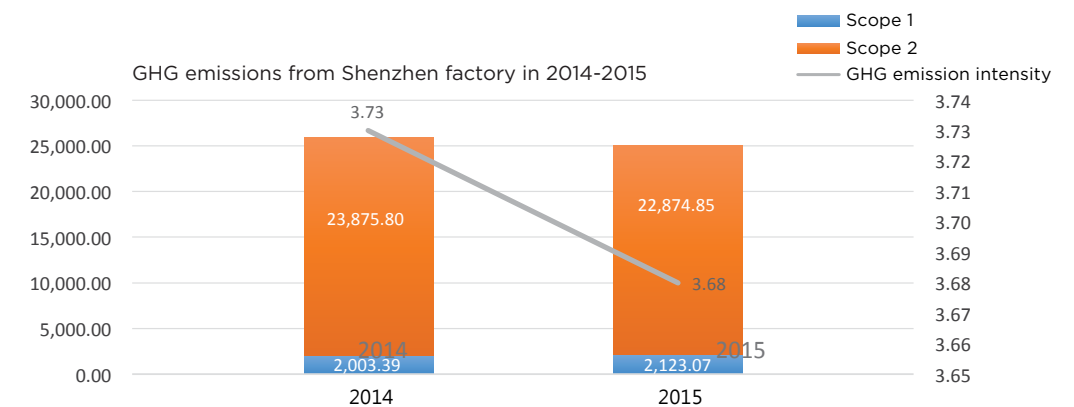


* Note: The carbon dioxide equivalent when power coefficient is at 0.528

- This emissions have not been verified by a third party.
- The target user of this report is EPD. Therefore, the relevant emission factors refer to the Greenhouse Gas Emission Factor Management Tables 6.0.1 and 6.0.2 versions (Jan. 2016) of the EPD. The relevant emission factors shall be calculated in the unit of weight, volume or electricity as metric tons, kiloliter or 1,000 KWH according to the data sources of each emission source.
- Greenhouse gases are calculated on the basis of the Greenhouse Gas Emission Factor Management Tables 6.0.2 of the EPD.
- Taiwan's greenhouse gas statistics are mainly based on electricity use of Scope 2. Scope 1 is not included in the calculation due to smaller proportion.

In 2015, the total greenhouse gas emissions of Shenzhen factory reached about 24,997.92 tons of CO2e, which was 3.41% lower than that of 2014 and the greenhouse gas emission intensity is reduced by 1.34%.

GHG emissions from Taiwan Headquarters in 2014 - 2015		
Emissions\ year	2014	2015
Scope 1 (metric tonnes CO2e / year)	2,003.39	2,123.07
Scope 2 (metric tonnes CO2e / year)	23,875.80	22,874.85
Total emissions (metric tonnes CO2e / year)	25,879.19	24,997.92
GHG emission intensity (metric tons CO2e / million dollars)	3.73	3.68



* Note: The emission factors of electricity (Scope 2) in China are based on the official distribution factors of each region in China in 2014. The emission factors of diesel, gasoline and natural gas (Scope 1) are calculated based on heat values (published by the PRC national standard of GB / T2589-2008 General Principles for Calculation of the Comprehensive Energy Consumption) of fuel greenhouse gases including CO2, N2O and CH2 for factor conversion.

Energy Conservation and Carbon Reduction

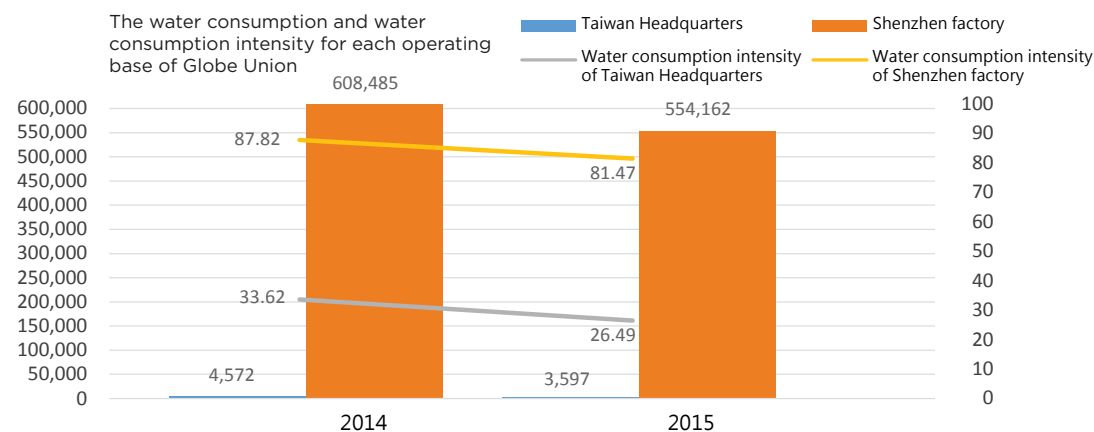
In response to the issues of global climate change and the increasing awareness and demands for environmental protection, energy saving and carbon reduction, Globe Union has committed to energy saving and carbon reduction in order to fulfill its corporate social responsibility as a global citizen. We have constantly promoted energy-saving conditions and matters to colleagues in the assembly, such as reducing the frequency of opening the doors and windows when turning on the air-conditioner, turning the lights and the faucets off when leaving, doing waste classification, complying with relevant laws and regulations for pollution prevention and control, and continuously improving energy efficiency performance. The energy-saving measures and carbon reduction amount in Taiwan Headquarters and Shenzhen factory in 2015 are illustrated as follows:

Energy saving measures and estimated carbon saving for each operational location of Globe Union in 2015			
Factory	Energy saving measures	Measures	Estimate carbon saving
Taiwan Headquarters	Replacement of the lighting equipment + time controller	Downlight lighting is changed from the BB lamps to LED lamps (the energy consumption of each lamp is reduced from 27W to 10W), which can automatically light up at the required time without fear of human waste.	50 * 17W * 12 hours / 1000 = 11 kWh/ day
	The electricity costs of air-conditioning equipment accounted for about 1/3 to 1/2 of the company's total electricity costs	During the seasons other than summer, as long as the temperature does not exceed 26 degrees, the company does not turn on the chiller unit, which can significantly reduce electricity costs. On weekdays, automatic switch system is used (which can significantly reduce the negligence when employees forget to switch off). In cold weather, the chiller unit is manually switched on. There is almost a 1 to 3 months of period for winter. Regular maintenance of chiller unit can reduce the generation of high pressure of the ice machine, equal to the electricity savings. Before the start of summer electricity rate and during summer, it is continuously advocated that the setting temperature of the A/C should be at 27 degrees.	According to the actual electricity cost, the chiller unit is in operation at 74 kWh per hour. The circulating water of the motor of the air conditioner is in operation at 20 kWh per hour. When the air conditioner is not turned on, the electricity cost can reduce by 94 kWh * 3.7 dollars * 12 hours = 4174 dollars.
Shenzhen factory	Energy -saving management	Audit	220 thousand kWh
	Replacement of energy-saving equipment	Replacement of energy-saving lamps	280 thousand kWh

Water Resources Management

Globe Union is not a high water consumption industry according to its industrial process characteristics. The operating bases have no significant impact on its water sources. In 2015, our total water consumption of all operating bases reached 557,759 tons, a decrease of 9.02% compared to 2014. In 2015, the water consumption intensity of Taiwan Headquarters reached 26.49 tons/ person, which is 21.21% less than that of 2014. The water consumption intensity of Shenzhen factory reached 81.47 tons / million dollars, which is 7.23% less than that of 2014.

The water consumption and water consumption intensity for each operating base of Globe Union in 2014- 2015				
Water consumption of the factories	2014	2015	The proportion of change in 2015 compared with 2014	Water source
The water consumption of Taiwan Headquarters (tons)	4,572	3,597	-0.2133	Tap water
Water consumption intensity (ton / person)	33.62	26.49	-0.2121	
The water consumption of Shenzhen factory r (tons)	608,485	554,162	-0.0893	Fuyong Lixin Reservoir
Water consumption intensity (ton/ million dollars)	87.82	81.47	-0.0723	



Water Saving Measures

In 2015, the total water saving through measures of water saving and water recovery and reuse of Taiwan Headquarters and Shenzhen factory totaled 18,010 tons.

Water saving measures and estimated savings for each operation location of Globe Union in 2015			
Factory	Energy saving measures	Measures	Estimate savings
Taiwan Headquarters	Water conservation is promoted in the assembly.	Water conservation announcement will be posted and the staff will check and stop excessive use of water after finding it immediately. In winter, the water consumption is up to 170 m3 per month when cold circulating water is not turned on compared with the summer.	<ul style="list-style-type: none"> The total water consumption in 2013 is 4571 m3. The total water consumption in 2014 is 4258 m3. The total water consumption in 2015 is 3597 m3. The average water savings of 22% between 2013 and 2015.
Shenzhen factory	The implementation of 7S	Conservation	10 tons
	The use of plating reclaimed water	The use of reclaimed water for toilets	18,000 tons

Pollution Prevention and Control

Air Pollution Prevention and Control

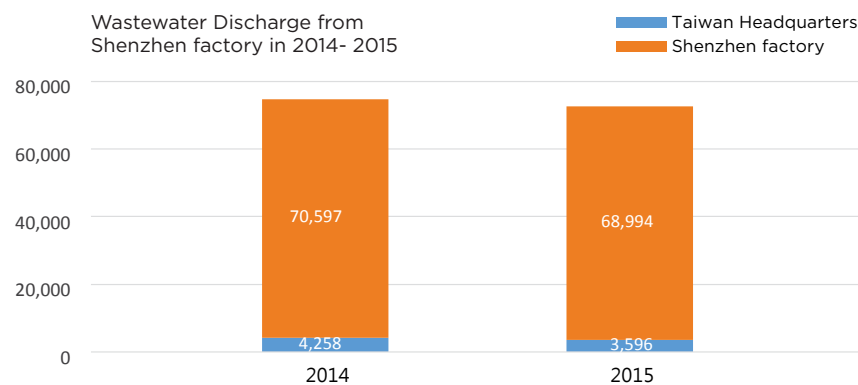
According to the air pollution emission concentration control of local governments, there was no penalty caused by excessive air pollution emissions in 2015 as there were no relevant test values related to air pollution emissions of Taiwan Headquarters. In Shenzhen, the Environmental Protection Agency in China did not require Shenzhen factory to conduct the test for VOCs, TSP, and Sox values, and therefore, there was only NOx values. Compared to 2014, in terms of air pollution emissions of Shenzhen factory, NOx emissions increased by 4.19%. This was because that changes in production volume led to a certain changes in the emissions.

Air pollution detection item	2014			2015		
	Emissions (kg)	Emission standard (ppm)	Annual average reference value (ppm)	Emissions (kg)	Emission standard (ppm)	Annual average reference value (ppm)
NOx	419	200	43	437	200	46

Water Pollution Control

According to the wastewater discharge concentration control of local governments, there was no penalty caused by the major leakage, the impact of biological diversity of the water discharge runoff by the organizations and excessive waste water discharge in 2015. In 2015, the total waste water discharge Globe Union's Shenzhen factory reached 68,994 tons, which is 2.27% lower than that in 2014 and in line with the sewage detection values and local emission standards.

Wastewater Discharge from Shenzhen factory in 2014- 2015				Unit: m ³
Factory	2014	2015	The proportion of change in 2015 compared with 2014	
Shenzhen factory	70,597	68,994	-2.27%	



* Note: The total amount of waste water is estimated as 80% of the total amount of tap water (this is the current situation of Taiwan Headquarters because there is no business wastewater but only domestic sewage. It is calculated as 80% of tap water)

Water pollution discharge detection from Shenzhen factory				
Water pollution detection item	2014		2015	
	Emission standard (ppm)	Annual average reference value (ppm)	Discharge standard (ppm)	Annual average reference value (ppm)
COD (mg/L)	200	21.75	200	40.16
BOD (mg/L)	The local Environmental Protection Bureau did not require Shenzhen factory to conduct the test for BOD.			
SS (mg/L)	200	4.44	200	5.41

• Waste Management

The waste management at each factory continues to reduce the amount of waste produced and all types of waste are disposed of by qualified local waste disposal companies.

The waste output at each operating base of Globe Union					
Factory	Type of waste	Item	Waste treatment	Quantity in 2014 (tons)	Quantity in 2015 (tons)
Taiwan Headquarters	General industrial waste	D-1801 Domestic waste	<ul style="list-style-type: none"> Disposed by a competent authority, Houli Incinerator Plant The disposal fee is \$ 2,250 / ton. (The waste classification was promoted between 2013 and 2015, so waste disposal fee decreased by 18%). Our staff could do a more detailed classification of waste, so the waste which could be recycled could be collected by the charity groups, while the remaining waste which need to be incinerated accounts for small portion eventually. 	4.38	3.77
Shenzhen factory	General industrial waste	Cutting fluid	Disposed by the Shenzhen Municipal Waste Treatment Station	6	6
		Waste lacquer thinner	Disposed by the Shenzhen Municipal Waste Treatment Station	4	4
		Waste oil	Disposed by the Shenzhen Municipal Waste Treatment Station	0.8	0.8
	Hazardous industrial waste	Electroplating sludge	Landfill	597.1	822.6
		Oil removal agent	Incineration	4.5	34.3

• The Corrective Measures for Pollution Control of Globe Union

Item	Target	Program	Description of current situations	Implementation
1	Three waste (water, gas, noise) control	Set three waste standards in accordance with national standards, and invest in oil to electricity conversion, the optimization of the wastewater treatment systems and noise insulation equipment.	We continued to promote the improvement of wastewater, waste gas and noise	Exhaust gas treatment system can reduce the CO2 content around the factories and communities, while wastewater equipment optimization is in operation after the inspection and acceptance
2	Resource recycling	Improve product yield, reduce the generation of waste and strengthen the contests of 7S in order to reduce the waste of resources	We conduct monthly reviews of product yield and commend excellent units implementing 7S well.	We make harmless, reduce and recycle the waste produced in accordance with environmental requirements in order to effectively ensure that it does not affect the surrounding environment.
3	Energy saving	In order to find out the problems in the energy use, the special environmental technology company was commissioned to conduct the audit of energy use, while the company proposed and implemented 28 programs of cleaner production review	In the energy management system, we establish a sound management mechanism, set up a series of energy saving systems and make an assessment	We reinstall the lighting, water and electricity equipment by using energy-saving lamps, water valves and the repair of buildings such as dormitories and plants for saving energy and reducing pollutant emission concentration and the total emissions

4.4 Green Products

Globe Union is committed to the protection of the natural environment in product design, manufacturing and packaging materials design process. We use copper alloy, zinc alloy, stainless steel, plastic, rubber, silicone and other recyclable materials in our design, and the company's European electronic products are required to meet the WEEE collection target, so our product and packaging materials are 100% recyclable and can be processed by the clients. We believe that we play a very important role in the efforts and management of providing our products and services to customers and the society, and we also play an important role in environmental protection and maintenance of natural resources.

Therefore, in our processes, wastewater generated during operations is cleaned, treated and reused. We recycle all plastics, cardboard and scrap brass, and aggressively focus on reducing air pollution caused by plating, gravity casting and polishing by PVD (physical vapor deposition).

As a member in the United States Environmental Protection Agency's WaterSense™ program, we have used a pressure-compensated mechanism in our design and altered the specification of our faucets to maintain stable flow under various pressures, which can reduce water use and save water. Besides, we also developed a series of certified high-performance toilets that reduce at least 20% of water consumption while providing world class performance. In addition, the valve can be used up to 500,000 times. So far, the valve has been required to be used 20% more than the service life and the valve is replaceable in order to reduce waste.





5 Create the Best workplace and Harmonious Society

5.1 Employee Relations

5.2 Employee Benefits

5.3 Management of Employee Health and Workplace Safety

5.4 Social Co-prosperity

5. Create the Best workplace and Harmonious Society

Globe Union believes that the society is made up of people who play different roles. Under the philosophy of becoming the most trusted company in the world and sustainable management, we aim at building an enterprise with strong foundation so it may prosper for generations. We empower our people while creating a fair and pleasant working environment which enables them to learn, to grow, and to develop their potential both personally and professionally.

Globe Union attaches great importance to human rights. There is no difference in employment opportunities for all employees of the company regardless of gender, religions and political parties. We strive to create a good and equal environment, ensuring non-discrimination and no harassment. The relevant aspects of safety and health are implemented and controlled in accordance with government ordinances.

5.1 Employee Relations

By the end of 2015, the total number of employees at Taiwan Headquarters and Shenzhen factory was 2,804, creating a large number of opportunities for local people. Among them, the total number of high-level executives in Taiwan Headquarters was 28, of whom only one was of foreign nationality, and the rest were local ones. The rate of hiring local high-level supervisors was 96.4%. In Shenzhen factory, the total number of high-level executives was 42, among which 22 were local ones. The number of local high-level executives accounted for 52.4%. The detailed staff structure is as follows:

• Staff Employment Category of Globe Union

The employment categories for each operating base of Globe Union in 2014-2015 Unit: Number								
Year			2014			2015		
Factory			Taiwan Headquarters	Shenzhen factory	Total	Taiwan Headquarters	Shenzhen factory	Total
Item/Gender		Age						
Formal employees	Male	Under 30 years old	4	463	467	5	542	547
		30-50 years old	53	1,034	1,087	56	1,097	1,153
		51 years old and above	9	31	40	8	38	46
	Female	Under 30 years old	6	259	265	7	276	283
		30-50 years old	61	453	514	57	490	547
		51 years old and above	3	0	3	3	2	5
Contract employees	Male	Under 30 years old	-	294	294	-	94	94
		30-50 years old	-	79	79	-	52	52
		51 years old and above	-	0	0	-	0	0
	Female	Under 30 years old	-	110	110	-	39	39
		30-50 years old	-	45	45	-	38	38
		51 years old and above	-	0	0	-	0	0
Total			136	2,768	2,904	136	2,668	2,804

• Distribution of Staff Positions at Taiwan Headquarters

Distribution of staff positions at Taiwan Headquarters in 2014-2015				Unit: Number	
Year			2014	2015	
Item/Gender		Age			
Managers and above	Male	Under 30 years old	0	0	
		30-50 years old	14	14	
		51 years old and above	9	8	
	Female	Under 30 years old	0	0	
		30-50 years old	5	6	
		51 years old and above	0	0	
Total			28	28	
Non- managerial staff	Male	Under 30 years old	4	5	
		30-50 years old	39	42	
		51 years old and above	0	0	
	Female	Under 30 years old	6	7	
		30-50 years old	56	51	
		51 years old and above	3	3	
Total			108	108	

• Distribution of Staff Positions at Shenzhen Factory

Managers and above at Shenzhen Factory					
The total number of managers and above		2014		2015	
2014	2015	No. of cadres in China	The proportion of the total number	No. of cadres in China	The proportion of the total number
44	42	23	52.3%	22	52.4%

• Statistics of Employment Rate

The number of new employees at Taiwan Headquarters in 2014-2015								
Year	2014				2015			
Age \ gender	No. of males	Male employment rate (%)	No. of females	Female employment rate (%)	No. of males	Male employment rate (%)	No. of females	Female employment rate (%)
Under 30 years old	2	50.00%	2	33.33%	2	40.00%	4	57.14%
30-50 years old	7	13.21%	5	8.20%	9	16.07%	0	0
51 years old and above	3	33.33%	2	66.67%	1	12.50%	0	0
Total number of new employees	21				16			
Total number of employees	136				136			
Total employment rate (%)	15.44%				11.76%			

The number of new employees at Shenzhen factory in 2014-2015								
Year	2014				2015			
Age \ gender	No. of males	Male employment rate (%)	No. of females	Female employment rate (%)	No. of males	Male employment rate (%)	No. of females	Female employment rate (%)
Under 30 years old	1,107	165.72%	499	153.54%	1,312	218.71%	273	178.73%
30-50 years old	464	38.63%	200	36.9%	703	61.36%	562	57.77%
51 years old and above	1	3.23%	0	0	2	5.26%	2	100%
Total number of new employees	2,271				2,875			
Total number of employees	2,767				2,645			
Total employment rate (%)	82.07%				108.7%			

* Note: 1. The number of new employees does not include the retired/resigned employees.
2. Employment rate (%) = the number of new employees in the category in the current year / total number of employees in the category at the end of the year

• Statistics of Employee Turnover Rate

The number of retired/resigned employees at Taiwan Headquarters in 2014-2015								
Year	2014				2015			
Age \ gender	No. of males	Male turnover rate (%)	No. of females	Female turnover rate (%)	No. of males	Male turnover rate (%)	No. of females	Female turnover rate (%)
Under 30 years old	0	0	1	16.67%	1	20.00%	3	42.86%
30-50 years old	9	16.98%	3	4.92%	6	10.71%	4	7.02%
51 years old and above	2	22.22%	1	33.33%	2	25.00%	0	0
Total number of retired/resigned employees	16				16			
Total number of employees	136				136			
Total turnover rate (%)	11.76%				11.76%			

The number of retired/resigned employees at Shenzhen factory in 2014-2015								
Year	2014				2015			
Age \ gender	No. of males	Male turnover rate (%)	No. of females	Female turnover rate (%)	No. of males	Male turnover rate (%)	No. of females	Female turnover rate (%)
Under 30 years old	1,285	192.37%	604	185.85%	1,349	218.71%	572	178.73%
30-50 years old	737	61.37%	294	54.24%	757	61.36%	313	57.77%
51 years old and above	7	22.58%	2	0	4	5.26%	2	100%
Total number of retired/resigned employees	2,929				2,997			
Total number of employees	2,767				2,645			
Total turnover rate (%)	105.81%				112.33%			

* Note: 1. The number of retired/resigned employees includes employees who have voluntarily resigned or have been dismissed or retired or died on duty.
2. Turnover rate (%) = the number of retired/resigned employees in the category in the current year / total number of employees in the category at the end of the year.

• Creating a Diverse and Friendly Employment Environment

Globe Union has followed the Government's regulations for the quota employment of persons with disabilities. Although we are a traditional manufacturing industry, we still actively create a stable, rewarding and friendly employment environment for the disabled. By the end of 2015, four disabled employees were employed. In the future, the Company will be more proactive in creating diversified and good work opportunities and environment for the physically and mentally challenged.

In order to respond to social calls and to enable disabled people to exert their abilities at work, Shenzhen factory employed 12 disabled employees with local household registration and 2 with non-local household registration, creating a good corporate image for us locally.

5.2 Employee Benefits

• Fair Performance Management System

All male and female employees at Shenzhen Factory were assessed in an objective manner through the annual "Personnel Review Conference" in 2015, which provides a fair promotion and development opportunity for employees.

• Trade Union and Welfare Committee

• Trade Union

The related labor management measures of Globe Union have been complied with the relevant government laws and regulations, such as Labor Standards Act, Act of Gender Equality in Employment, Occupational Safety and Health Act and Labor Insurance Act. In addition, in order to maintain the smooth communication channel between labor and management, the Shenzhen factory has set up the trade union to work as an independent labor organization, which speaks and expresses the ideas for employees and fully demonstrates their rights for association and negotiation.

» Shenzhen Factory - The Description of Trade Union

The trade union at Shenzhen factory was established in December 2006, and now has 475 members. The trade union is registered in the Federation of Trade Unions of Fuyong Street and has an independent office and organization. Shenzhen factory currently employs a total of 2054 people. The number of employees who participate in the trade union accounted for 18.9% of the total number. At present, the trade union has actually played a major role. All rules and regulations have been under democratic discussion by the trade union before they can enter into force. Besides, the contract terms related to the actual interests of employees have to go through collective bargaining by the trade union, which are effective for all employees. The structure of the trade union at Shenzhen factory is as follows:

Chairperson and vice-chairperson are the leaders of the trade union, and under which there are women workers' committee, organizing members, labor dispute mediation committee, propaganda committee, labor protection supervision committee and expenditure examination committee are established. The division of responsibilities is clear.

• Welfare Committee

» Taiwan Headquarters - The Description of Welfare Committee

Globe Union has further implemented the spirit of corporate culture to embody the warmth and love of the family, meet the welfare needs of most employees, realize human and diverse welfares with the company's resources to promote the welfares, improve staff satisfaction and enhance the company's cohesiveness and attractiveness. In addition to providing basic protection according to laws and promoting the relevant welfare programs, the current welfare measures are as follows:

Employee care and welfare measures	
Various welfare measures	Including annual bonuses, staff remuneration (according to the articles of the Corporate Charter), cash gift for birthday, maternity, funerals and festivals, staff and children education award scholarships, group travel grants, cash gift on Dragon Boat Festival and Mid-Autumn Festival and the year-end party.

Improved insurance system	Globe Union provides employees with the best care and protection. Employees are insured and all matters are handled according to Labor Standard Act and National Health Insurance Act. Besides, we provide group accident insurance for employees to increase their overall protection.
Employee health management	Annual health check
Retirement system	Old and new employee retirement system
Education and training	In order to strengthen the knowledge, skills and work attitude of the staff, Globe Union has established the practices for staff training and management for the employees to achieve their responsibilities and goals of tasks.

» Shenzhen Factory - The Description of Welfare Committee

Shenzhen factory has set up the "Administrative Measures on Employee Welfare Committee" to further implement the spirit of enterprise culture, reflect the warmth and love of the family of the Company, meet the welfare needs of most employees, realize human and diverse welfares with the company's resources to promote the welfares, improve staff satisfaction and enhance the company's cohesiveness and attractiveness.

• The Benefits of Parental Leave without Pay

• Taiwan Headquarters - the Implementation of parental leave without pay

The Implementation of parental leave without pay at Taiwan Headquarters in 2014-2015						
Year	2014			2015		
Gender / total	Male	Female	Total	Male	Female	Total
Number of employees applied for parental leave without pay of the year A	1	1	2	0	1	1
Estimated number of reinstated of the year B	0	0	0	1	2	3
Number of reinstated of the year C	0	0	0	1	1	2
Number of reinstated of the previous year D	0	1	1	0	0	0
Number of staff who continued to work one year after reinstatement E	0	1	1	0	1	1
Reinstatement rate of the year (C/B) (%)	0	0	0	100%	50%	67%
Retention rate of the year (E/D) (%)	0	100%	100%	0	0	0

• Shenzhen Factory - the Implementation of parental leave without pay

» The description of parental leave system at Shenzhen factory: There is no system of parental leave without pay, only maternal leave system according to the laws in China.

1. A lying-in woman has 1 hour of breast-feeding leave daily (1 year after childbirth).
2. There are 128 days of maternity leave generally.
3. Pregnant and breast-feeding women cannot be dismissed, and the labor contract shall extend automatically even if it expires.

• Retirement System

The Employee Retirement Scheme for Globe Union and its domestic subsidiaries is applicable to all employees who are formally appointed. The employee retirement scheme established by the Company defines the contribution under the Labor Pension Act. 6% of the employee's salary is paid to the individual retirement account of Bureau of Labor Insurance according to The Employee Retirement Scheme. The Employee Retirement Fund has been funded into Labor Pension Fund Supervisory Committee and deposited into pension fund account in the name of Labor Pension Fund Supervisory Committee, which is completely separated from the Company and its domestic subsidiaries. The retirement arrangements for employees of other overseas subsidiaries of the Group and the contribution of pension to the relevant pension management business shall be governed by the local laws and regulations. In 2015, an employee was retired from the old system, and the Company paid the relevant pension in accordance with the standard for the payment of labor pension laid down in Article 55 of Labor Standards Act.

In addition, Globe Union is in line with the retirement system provisions of the new Labor Standards Act: the payment of employee pension is based on the base of the service years and the average

salary at the time of retirement. Two bases will be given for a year within 15 years of service, while a base will be given every year for more than 15 years of service, but the maximum of the cumulative bases shall not exceed 45. 2% of the total salary shall be contributed to the pension funds every month and be deposited in the special account of the Bank of Taiwan in the name of Labor Pension Fund Supervisory Committee. Globe Union and its domestic subsidiaries shall, prior to the end of each year, estimate the aforesaid pension funds in the special account. If the balance is less than the estimated amount of the pension calculated in accordance with the aforesaid provisions of employees eligible for retirement, the difference will be made at one time by the end of March in the following year. The staff pension fund balance in 2015 reached NT14,527,028 dollars and will be contributed in full by the end of 2016.

At Shenzhen factory, in accordance with the Regulations on Management of Housing Fund, 5% of salaries will be paid to the employees for housing provident fund per month. Besides, according to Social Insurance Law, employees will be paid 14% of the salary for social insurance charges per month, which includes the pension insurance, unemployment insurance, medical insurance, industrial injury insurance and maternity insurance. In addition to the various insurance subsidies, Shenzhen factory will provide employees with subsidies for them to learn a foreign languages to strengthen their abilities to be employed.

• The Minimum Period of Advance Notice for Operational Changes

If the labor contract is terminated in accordance with the provisions of Article 11 or Article 13 of Labor Standards Act as well as the working rules of Taiwan Headquarters, the notice shall be given in accordance with the following provisions:

1. Termination of the labor contract by notice: The Company shall not notify the employees to terminate the labor contract unless one of the following circumstances occurs:

- The business ceases to operate or has been transferred;
- The business suffers an operating loss or contraction;
- Business suspension for more than one month is necessitated by force majeure;
- A change in business nature requires a reduction of workers and the particular workers cannot be assigned to another suitable position;
- A particular worker is clearly not suitable to perform satisfactorily the duties required of the position held.

2. Advance Notice of Dismissal

- Where an employee has worked continuously for more than 3 months but less than 1 year, a 10-day notice shall be given.
- Where an employee has worked continuously for more than 1 year but less than 3 years, a 20-day notice shall be given.
- Where an employee has worked continuously for more than 3 years, a 30-day notice shall be given.

According to Shenzhen Labor Code, the minimum period of advance notice for business changes is 30 days at Shenzhen factory.

• Club Activities for Mental and Physical Harmony

In order to make employees maintain physical and mental balance at work, there are 12 clubs established by employees at Shenzhen factory, including bicycle riding club, fitness club, yoga club, volunteer club, photography club, mountaineering club, swimming club, table tennis club, calligraphy and painting club, badminton club, basketball club and dance club.



5.3 Management of Employee Health and Workplace Safety

• Employee Development

Talent development is the basis of sustainable development for an enterprise. We are convinced that "the driving force of enterprise growth is to innovate and to develop the value of talents". Under the core business concept, we will promote the recognition of corporate culture by the training of new employees. We will also create personal growth for our employees and strengthen the overall competitiveness of the enterprise through general courses and professional training.

Taiwan Headquarters manages the functions of the office (Attitude, Skill, Knowledge, Others) by the establishment of the job description (JD) for the recruitment, training and performance management and development. The introduction of new personnel training shapes and integrates employees into the corporate culture (Mission, Vision, Value). The training needs are defined through strategy and policy development and performance management while professional gaps are complemented by OJT and Off-JT to create personal growth and strengthen the overall competitiveness of the enterprise.

We recognize that "being like-minded" is the root cause to bring the talent synergy to full play, so we attach particular importance to the "new staff orientation training". New staff will accept the orientation training planned by the HR personnel on the first day when the new staff for duty. The HR personnel will not only clearly explain the timeline of the Group, the organization and business model, product description, rules and regulations, work rules, public affairs and employee benefits, but also clarify corporate culture and vision, the spirit of enterprise and business philosophy. The purpose is to seek like-minded employees. The supervisors will continue to plan and carry out a professional training program for new staff for at least three weeks. The supervisors and / or seniors will help the new entrants to get on the right track quickly, so as to maintain the stable development of the talents in the Company.

In order to ensure the quality of the developers and designers, new member must pass a rigorous interview process at the recruitment. Employees will continue to accept on-the-job training to enhance their capacities. Through internal training and improved assessment, a high-quality development and design team will be established. The company also provides employees with job rotation and cross-border job opportunities. For employees' personal preference and the company's business development needs, the purpose of personnel training is achieved through the job rotation.

• The Training Achievements at Globe Union in the Past Two Years

Year	2014			2015		
Course category	Number of courses	Total number of training hours	Number of trainees	Number of courses	Total number of training hours	Number of trainees
Human Resources Management	86	2,606	739	54	1,941	718
Industrial Safety Training	105	102,361	8,058	17	23,551	4,067
Internal Audit	6	45	6	13	203	77
Quality Management	42	6128	648	14	763	266
R & D Technology	167	13,173	453	124	1,659	504
Accounting Management	50	1,619	165	46	1,449	1,499
Information Management	499	773	77	493	352	590
Sales Management	309	3,764	422	269	400	1,731
Orientation Training	228	349,393	6,848	88	3,853	1,532
Total	1,492	479,862	17,416	1,118	34,171	10,984

• Shenzhen Factory Training Results

» Female: 10000/808 = 12.38 (special training 5000H, daily training 5000H)

» Male: 22000/1271 = 17.31 (special training 11000H, daily training 11000H)

» Training hours per person: 32000/2079 = 15.39

» As for the training hours for employees at Shenzhen factory in 2015, the average number of training hours for female employees was 6.19 (5,000 ÷ 808), and the average number of hours for male employees was 8.65 (11,000 ÷ 1,271). In 2015, the trade union participated in the training program of "Cohesion Plan" organized by Fuyong Trade Union, which was about the authority of the trade union and human rights. There were 20 trainees participating in the training, accounting for about 5% of the number of people who participated in the trade union. The Cohesion Plan was held 4 times, with 6 hours each time. As every time there was some change in the participants, the average number of training hours for each participant was 12 hours.

• Employee Health Promotion

• Employee Health Management

» The annual staff health checks is held once at Taiwan Headquarters every two years. The health check items are as follows:

Year	2014-2015
General health check items	Blood routine examination / urinary examination / liver function test / blood glucose test / renal function test / bone density / blood lipid examination / upper abdominal sonography / X-ray examination.
Number of persons who take general health examinations	Number of persons actually receiving health examinations: 126
General health examination fee (NTD)	500*126= NT\$ 63,000
Special health check items	No special hazards in the workplace



» The health check items at Shenzhen factory are as follows:

Year	2014	2015
General health check items	Blood pressure, physical examination, chest X-ray, serum glutamate pyruvate transaminase	
Number of persons who take general health examinations	2,769	2,646
General health examination fee (RMB)	40 yuan / person	4 40 yuan / person

• Employee Safety Operation

• Workplace Safety Management

In view of the importance of the work environment and personal safety measures, the main objectives and implementation of the workplace safety management measures at Taiwan Headquarters are as follows:

Item No.	Target/Goal	Project	Current situation	Implementation
1	Zero-accident elevator	Cargo elevators are for cargo use. Over-loading is strictly prohibited. The rules also require regular maintenance and repairs by qualified vendors.	Contracts have also been signed with professional vendors for the regular maintenance and repair of elevators. Elevators must pass the annual inspection to remain in service.	The heads of relevant units are informed on the spot about the prohibition against passengers in the cargo elevator and over-loading.
2	Zero electrical hazards	Compliance with Article 9 of the Regulations for Electric Technician and Power Facility Inspection and Maintenance Administration.	Sign contracts with qualified vendors to conduct electrical safety inspections of all factory circuits. Rules also require power to be shut down for inspection and maintenance at least once a year.	Power circuits suspected of being over-loaded are immediately reviewed for improvement.
3	Zero fire hazard	Fire safety equipment undergo inspection and maintenance every year within the specified period.	In accordance with Article 15 of the Enforcement Rules of Fire Services Act, at least one four-hour firefighting, emergency notification and evacuation training drill must be conducted every 6 months. The local firefighting agency must also be notified in advance.	Any fire safety equipment that experiences problems and is found to be faulty must be repaired or replaced at once. The equipment must also be numbered for management
4	Domestic water supply switched over to pure tap water	The pipelines have been modified so that all water requirements can be met directly by tap water.	The Administration Division issued a warning that the on-site water supply is ground water that may have been contaminated by heavy metals or other toxins. It is strictly prohibited to drink without boiling and should be used with care.	The entire plant has now switched over to tap water. Drinking water now has filtration equipment installed, which requires regular maintenance.
5	Electronic access control	Electronic access control has been implemented to prevent unauthorized intrusion.	New employees are all given general access control. Applications for special access control require division-level approval.	Access control records are maintained. Once an employee is no longer within the company, access is immediately revoked and deleted from the system.
6	After-hours security	The last employee to leave the offices every day must set the security alarm for the security of our company.	Employees working overtime over the weekend must first register with the General Administration Section and collect the security token. The security token must be returned on the next working day to ensure effective management.	If the alarm is triggered for any reason, then it will be investigated and reported by the security company.
7	Air-conditioning maintenance and management	The chillers, fans and cooling towers undergo planned maintenance.	Chillers are regularly inspected during operation to check their readings. Once the readings are abnormal, the problems should be resolved as planned.	The cooling towers are regularly cleaned and chlorine tabs added to prevent Legionnaire's Disease.
8	Zero-accident for power centrifuge	Set up automatic checklist. Operators are required to conduct regular inspections in accordance with the rules.	Under Article 74 of the Labor Safety Facilities Regulations, the power centrifuge must come to a complete stop before operators remove any objects from the machine.	Make sure that every item is inspected as required. The head of the execution unit is also required to provide effective supervision.
9	Zero-accident for fire-related operations	If an operating unit must work with an open flame, then the head of the unit should notify the General Administration Section.	Even if approval has been given for the use of open flame, General Administration must conduct a safety inspection and inform the operators of the relevant precautions before fire can be used.	All danger sources should be eliminated from the fire area. Pay attention to the spark footprint and keep fire extinguishers close at hand.
10	Contractor safety and health declaration	Contractors are all required to read carefully through the declaration before signing and they can inquire orally if there is any unclear item.	Contractors should obey all the safety management regulations while working. Personnel must also be provided with the necessary protective equipment and materials.	The contractor may be required to be suspended from work immediately in the event of a serious breach of safety and health regulations. Actions that may be taken for other non-conformities include deadline for improvement and contract termination.
11	Zero-accident with cutting machines	Purchase of new automatic band saw	The machines can start and stop automatically when cutting objects to ensure safe operation by the operator.	The head of the operation unit is required to restrict operation to designated personnel.
12	Labor safety protection	The Company has developed a series of safety knowledge training, set up a safety supervisor system and improved the safety of the workshop.	All employees undergo physical checkups for occupational disease and health. A complete database of all employees' health records has also been compiled.	Apart from training on safety awareness, workplace safety and comfort is ensured through the workshop layout, improved ventilation and better natural/artificial lighting.

In addition, although Taiwan Headquarters is a low-risk workplace, we also attach particular importance to the safety and health education of workers. In addition to safety and health education, we conduct professional fire drills with professional resources of fire brigade on a regular basis to provide a workplace in which employees have nothing to worry about.

• Workplace Safety Indicators

In 2014-2015, no severe occupational safety casualties occurred at Taiwan Headquarters and Shenzhen factory, showing excellent management for employees' safety in the workplace.

The safety indicators of the operating bases at Globe Union in 2014-2015		Taiwan Headquarters		Shenzhen factory	
Year	Calculation rule	2014	2015	2014	2015
Injury Rate (IR)	(Total number of disabling injuries / total working hours) x 200,000	0	0.623	0.277	0.181
Occupational Disease Rate (ODR)	(Total number of occupational disease / total working hours) x 200,000	0	0	0	0
Lost day rate (LDR)	(Total workday loss / total working hours) x 200,000	0	3.1	10.93	7.60
Absenteeism rate	(Total absence days / total number of working days for all employees per year) x 100%	0	0.01%	0.04%	0.03%
	(Female absence days / (total number of working days for female employees per year) x 100%	0	0	0.04%	0
	(Male absence days / (total number of working days for male employees per year) x 100%	0	0.02%	0.05%	0.04%
Annual death toll	--	0	0	0	0

* Note: The number of absence days is the days of work-related injury and sick leave.



5.4 Social Co-prosperity

With the original intention of giving back to the community, Globe Union always takes an active part in public welfare and social care activities. Over the years, we have actively participated in the welfare and encouraged our employees to work together to make some contributions to the community and society. We strive to instill endless running water into this piece of warm land through the continuous effort. We attach great importance to the issue of continuous learning. We believe that reading and learning can help more children to open the window to see the world, and thus promote reading through sponsoring libraries over a long period of time.

The Cases of Sponsorship by Globe Union Over the Years

Item	Description		
Reading promotion	We give long-term support to Taiwan Reading and Culture Foundation & Philanthropic Library by book donation (this reading promotion has been going on for eight years).		
	In 2013 and 2014, we donated funds for the establishment of Philanthropic Library set up by the Taichung City Government.		
	In October 2015, we donated two batches of books in response to the activity, "Let the Children in Remote Areas See Hope through Reading" held by Commonwealth Magazine.		
Arts support	In January 2014, we supported Art Bank of the Ministry of Culture to stand for Taiwan's artistic creation.		
	In October 2014, we supported Poetry Revival Program of the Ministry of Culture to promote arts.		
			
Social welfare	In September 2015, we sponsored the World Civilizations Association's documentary of Missionary Travel.		
	In November 2015, we responded to the activity "Chishang Music Rice" held by Lovely Taiwan Foundation by donating rice.		
	Date	Communications units	Subject matter
	2015-11-25	Taipei Happy Mount Colony	
	2015-11-26	Huiming Blind Child Care Institutions	Chishang Music Rice
	2015-11-26	St. Theresa Opportunity Center	
	2015-11-27	Harmony Home Association, Taiwan	Chishang Music Rice, 60 kg
	2015-11-30	St-Francis Children's Home	(Spirit and materials)
	2015-11-30	Xinyi Children's Home, Yunlin County	Chishang Music Rice, 60 kg
	2015-11-26	Nantou Senior Citizen's Home	
	2015-12-16	Catholic Church, Hsinchu Diocese, Vietnamese Migrant Workers and Brides Office	Rice and other materials
Other social welfare			
	We give long-term support for Taichung City Industrial Park and make a fixed contributions on a regular basis (our staff have long participated in the activities).		
	We have long launched donations of invoices within the group for activities held by Genesis Social Welfare Foundation in Tanzi.		

Item	Description
Charities in Shenzhen	We donated 10, 000 yuan to the Shi Zan Lin Ka You Miao Primary School in Qinghai.
	We donated 10, 000 yuan to the Shi Zan Lin Ka You Miao Primary School in Qinghai.
	Volunteer workers paid a visit to the elderly homes and donated 1500 yuan per visit.
	Volunteer Association cleaned up the garbage at the beach.



Volunteer workers paid a visit to the elderly homes

Appendix

GRI (Global Reporting Initiative) G4 Index

Category / Aspect	G4/ Notes	GRI Index	External Assurance	Related CSR Report Section	Page(s)
1. STRATEGY AND ANALYSIS					
Core	G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.		Message from the Chairperson	4
Comprehensive	G4-2	Provide a description of key impacts, risks, and opportunities.		Message from the Chairperson 2.3 Integrity Management	4 24
2. ORGANIZATIONAL PROFILE					
Core	G4-3	Report the name of the organization.		2.1 Corporate Overview	18
Core	G4-4	Report the primary brands, products, and services.		1.1 Products and Services	8
Core	G4-5	Report the location of the organization's headquarters.		2.1 Corporate Overview	18
Core	G4-6	Report the number of countries where the organization operates.		2.2 Operation Overview	21
Core	G4-7	Report the nature of ownership and legal form.		2.1 Corporate Overview	18
Core	G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).		2.2 Operation Overview	21
Core	G4-9	Report the scale of the organization		2.1 Corporate Overview	18
Core	G4-10	The total number of employees		5.1 Employee Relations	48
Core	G4-11	Report the percentage of total employees covered by collective bargaining agreements.		5.2 Employee Benefits	51
Core	G4-12	Describe the organization's supply chain.		2.3 Integrity Management	24
Core	G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.		About this Report 2.1 Corporate Overview	1 18
Core	G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.		2.3 Integrity Management	24
Core	G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.		1.3 Quality First	12
Core	G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization		2.1 Corporate Overview	18
3. IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES					
Core	G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report."		About this Report	1
Core	G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.		3.3 The Management of Material Aspects	32
Core	G4-19	List all the material Aspects identified in the process for defining report content.		3.3 The Management of Material Aspects	32
Core	G4-20	For each material Aspect, report the Aspect Boundary within the organization		3.3 The Management of Material Aspects	32
Core	G4-21	For each material Aspect, report the Aspect Boundary outside the organization		3.3 The Management of Material Aspects	32
Core	G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.		About this Report	1
Core	G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.		About this Report	1
4. STAKEHOLDER ENGAGEMENT					
Core	G4-24	Provide a list of stakeholder groups engaged by the organization.		3.2 Engagement with Stakeholders	31
Core	G4-25	Report the basis for identification and selection of stakeholders with whom to engage.		3.1 Listening to the Stakeholders	30
Core	G4-26	Report the organization's approach to stakeholder engagement		3.2 Engagement with Stakeholders	31
Core	G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns		3.2 Engagement with Stakeholders	31
5. REPORT PROFILE					
Core	G4-28	Reporting period (such as fiscal or calendar year) for information provided.		About this Report	1
Core	G4-29	Date of most recent previous report (if any).		About this Report	1
Core	G4-30	Reporting cycle (such as annual, biennial).		About this Report	1
Core	G4-31	Provide the contact point for questions regarding the report or its contents.		About this Report	1

Category / Aspect	G4/ Notes	GRI Index	External Assurance	Related CSR Report Section	Page(s)
Core	G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option./c. Report the reference to the external assurance report."		About this Report	1
Core	G4-33	a. Report the organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report."		About this Report	1
6. GOVERNANCE					
Core	G4-34	Report the governance structure of the organization, including committees of the highest governance body.		2.3 Integrity Management	24
Comprehensive	G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.		About this Report	1
7. ETHICS AND INTEGRITY					
Core	G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.		2.1 Corporate Overview	18
8. CATEGORY: ECONOMIC					
* Economic Performance	G4-EC1	Direct economic value generated and distributed.		2.2 Operation Overview	21
	G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.		Message from the Chairperson 2.3 Integrity Management	4 24
	G4-EC3	Coverage of the organization's defined benefit plan obligations.		5.2 Employee Benefits	51
	G4-EC4	Financial assistance received from government.		2.2 Operation Overview	21
Market Presence	G4-EC6	Proportion of senior management hired from the local community at significant locations of operation.		5.1 Employee Relations	48
Indirect Economic Impacts	G4-EC7	Development and impact of infrastructure investments and services supported.		5.4 Social Co-prosperity	58
* Patents	PT1	Types and numbers of annual patent applications and patent approvals		1.2 Innovation culture and patent R & D	10
9. CATEGORY: ENVIRONMENTAL					
Materials	G4-EN1	Materials used by weight or volume.		4.2 Energy Use and GHG Management	39
* Energy	G4-EN3	Energy consumption within the organization.		4.2 Energy Use and GHG Management	39
	G4-EN5	Energy intensity.		4.2 Energy Use and GHG Management	39
	G4-EN6	Reduction of energy consumption.		4.2 Energy Use and GHG Management	39
Water	G4-EN8	Total water withdrawal by source.		4.2 Energy Use and GHG Management	39
	G4-EN9	Water sources significantly affected by withdrawal of water.		4.2 Energy Use and GHG Management	39
	G4-EN10	Percentage and total volume of water recycled and reused.		4.2 Energy Use and GHG Management	39
*Emissions	G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1).		4.2 Energy Use and GHG Management	39
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2).		4.2 Energy Use and GHG Management	39
	G4-EN18	Greenhouse gas (GHG) emissions intensity.		4.2 Energy Use and GHG Management	39
	G4-EN19	Reduction of greenhouse gas (GHG) emissions.		4.2 Energy Use and GHG Management	39
	G4-EN21	NOX, SOX, and other significant air emissions.		4.3 Pollution Prevention and Control	43
	G4-EN22	Total water discharge by quality and destination.		4.3 Pollution Prevention and Control	43
* Effluents and Waste	G4-EN23	Total weight of waste by type and disposal method.		4.3 Pollution Prevention and Control	43
* Products and Services	G4-EN27	Extent of impact mitigation of environmental impacts of products and services.		4.4 Green Products	45
* Compliance	G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.		2.4 Regulatory Compliance	27
Overall	G4-EN31	Total environmental protection expenditures and investments by type.		4.1 Environmental Management	38
Environmental Grievance Mechanisms	G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.		2.4 Regulatory Compliance	27
10. CATEGORY: SOCIAL LABOR PRACTICES AND DECENT WORK					
* Employment	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region.		5.1 Employee Relations	48
	G4-LA3	Return to work and retention rates after parental leave, by gender.		5.2 Employee Benefits	51
* Labor/ Management Relations	G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.		5.2 Employee Benefits	51

Category / Aspect	G4/ Notes	GRI Index	External Assurance	Related CSR Report Section	Page(s)
* Occupational Health and Safety	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.		5.3 Management of Employee Health and Workplace Safety	54
	G4-LA7	Workers with high incidence or high risk of diseases related to their occupation.		5.3 Management of Employee Health and Workplace Safety	54
* Training and Education	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.		5.3 Management of Employee Health and Workplace Safety	54
	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.		5.2 Employee Benefits	51
Diversity and Equal Opportunity	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.		5.1 Employee Relations	48
Labor Practices Grievance Mechanisms	G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.		5.1 Employee Relations	48

11. HUMAN RIGHTS

Investment	G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.		5.3 Management of Employee Health and Workplace Safety	54
Non-discrimination	G4-HR3	Total number of incidents of discrimination and corrective actions taken.		2.4 Regulatory Compliance	21
Freedom of Association and Collective Bargaining	G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.		2.4 Regulatory Compliance	21
Child Labor	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.		2.4 Regulatory Compliance	21
Forced or Compulsory Labor	G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.		2.4 Regulatory Compliance	21
Assessment	G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.		2.4 Regulatory Compliance	21

12. SOCIETY

* Local Communities	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.		5.4 Social Co-prosperity	58
Anti-corruption	G4-SO5	Confirmed incidents of corruption and actions taken.		2.3 Integrity Management	24
Anti-competitive Behavior	G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.		1.3 Quality First	12
* Compliance	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.		2.3 Integrity Management	24
Grievance Mechanisms for Impacts on Society	G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.		2.4 Regulatory Compliance	27

13. PRODUCT RESPONSIBILITY

* Customer Health and Safety	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.		1.3 Quality First	12
* Product and Service Labeling	G4-PR5	Results of surveys measuring customer satisfaction.		1.4 Customer Satisfaction	15
	G4-PR6	Sale of banned or disputed products.		1.3 Quality First	12
Marketing Communications	G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.		1.3 Quality First	12
* Compliance	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.		1.3 Quality First	12



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GLOBE UNION INDUSTRIAL CORP.
ASSURANCE REPORT OF INDEPENDENT AUDITORSFOR
THE YEARS ENDED DECEMBER 31, 2015

Assurance Report of Independent Auditors

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Appendix A The sustainability performance indicators selected by Globe Union and their applicable criteria	5-6

Assurance Report of Independent Auditors

To: Globe Union Industrial Corp.

1. Scope

We have been engaged by Globe Union Industrial Corp. ("Globe Union") to perform a limited assurance engagement in relation to and report on selected sustainability performance indicators included in Globe Union's 2015 Corporate Responsibility Report ("the Report").

Regarding the sustainability performance indicators selected by Globe Union and their applicable criteria, please refer to appendix A.

Management Responsibility

Globe Union is responsible for the preparation of 2015 corporate responsibility report in accordance with adequate criteria, including referencing to Global Reporting Initiatives ("GRI") G4 Guidelines and Sector Disclosures, and for the design, execution and maintenance of internal controls in regard with report preparation to support the collection and presentation of the Report.

Independent Auditor's Responsibility

Our responsibility is to plan and perform limited assurance engagement in accordance with *ISAE3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information* developed by the International Auditing and Assurance Standards Board (IAASB).

2. Assurance

The procedures performed in limited assurance engagement vary in nature and timing, and are less in extent than for a reasonable assurance engagement so that the level of assurance is substantially lower than reasonable assurance engagement. While we considered the effectiveness of Globe Union's internal controls when determining the nature and extent of procedures, our review was not designed to provide assurance on internal controls.

To conclude for limited assurance, our procedures performed included:

- Interviewing with Globe Union's management and personnel to understand the Globe Union's implementation of overall corporate social responsibility and reporting process;
- Understanding the main stakeholders of Globe Union and their expectations and needs as well as interaction protocols by interview or examination of documentation and how Globe Union responded to those expectations and needs;

- Performing analytical procedures on selected sustainability performance indicators; gathering and checking other supporting documentation and management information obtained; testing on sample basis if necessary.
- Reading Globe Union's corporate responsibility report to ensure the implementation of overall corporate social responsibility and reporting process is consistent with our understanding.

3. Limitations

Non-financial information contained within corporate responsibility reports are subject to measurement uncertainties. The selection of different measurement techniques can result in materially different measurement. Also assurance engagements are based on selective testing of information being examined, and it is not possible to detect all of the existing material misstatements whether resulting from fraud or error.

4. Quality and Independence

We are in conformity with SAS No. 46 "Quality Control for Public Accounting Firms" to establish and maintain a sound system of quality control, including code of professional ethics, professional standards and those written policies and procedures in applicable regulations. We are also in conformity with related independence and other ethics requirements in *The Norm of Professional Ethics*, which basic principles are integrity, objectivity, professional competence and due care and professional behavior.

5. Conclusion

Based on our procedures and obtained evidence, nothing has come our attention that causes us to believe that any material modifications or adjustments should be made to the selected sustainability indicators in accordance with applicable criteria. In addition, nothing has come our attention that causes us to believe that any material modifications or adjustments should be made to the Report in accordance with GRI G4 the core option.

Ernst & Young



31 January, 2017
Taichung, Taiwan

Notice to Readers

The reader is advised that the assurance report has been prepared originally in Chinese. In the event of a conflict between the assurance report and the original Chinese version or difference in interpretation between the two versions, the Chinese language assurance report shall prevail.

Appendix A

No	Page	Table of Contents	The Sustainability Performance Indicators	Applicable Criteria
1	12	Quality First	There was neither violation of product health services and marketing laws and regulations in our products nor the event of prohibition of the product sale in 2015. In addition, no litigation involving anti-competitive conduct, antitrust and monopolistic measures were reported in 2015.	Statistical data prepare by Globe Union
2	27	Regulatory Compliance	In terms of the environment, human rights and social aspect, there were no violations of environmental regulations due to major leaks, emissions, waste water, waste and energy nor records of being fined for these reasons. There were no complaints or protests for environmental impact. There were no violations of discrimination, sexual harassment, child labor, aboriginal rights or forced labor.	Statistical data prepare by Globe Union
3	57	Workplace Safety Indicators	In 2014-2015, no severe occupational safety casualties occurred at Taiwan Headquarters and Shenzhen factory, showing excellent management for employees' safety in the workplace.	Statistical data prepare by Globe Union
4	21	Operation Overview/ Financial Performance	Financial Information (Condensed Consolidated Income Statement - Consolidated)	Financial information related to public

No	Page	Table of Contents	The Sustainability Performance Indicators	Applicable Criteria
5	50	Employee Relations	Statistics of Employment Rate Statistics of Employee Turnover Rate	Statistical data prepare by Globe Union
6	39	Energy Use and GHG Management/Energy Management	Energy use intensity of Taiwan Headquarters in 2015	Statistical data prepare by Globe Union
7	40	Energy Use and GHG Management/ Greenhouse Gas Inventory	GHG emissions from Taiwan Headquarters in 2015	Statistical data prepare by Globe Union