



From the CEO

Principles for Report Compilation

Major UMC Outcomes and
Sustainability Performance

About UMC

Sustainable Development Strategy
and Organization

1 Communication with Stakeholders

2 Sustainable Development-
Economic Growth

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2014

Corporate Social Responsibility Report

ECO ECHO · Endless Love to the Earth



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Cover Story



Helping the Frogs Cross the Road
the Sauter's Frog (*Rana sauteri*)
Habitat Conservation Project

Sauter's is a dominant species of frog in Da Shan Bei in Hsinchu, Taiwan. During their annual breeding season, the frogs pass through mountain roads to mate and spawn at the bottom of the streams. However, the journey across the roads results in massive traffic casualties of the Sauter's frogs. In 2014, UMC and the Wilderness Society worked together on the Sauter's Frogs Habitat Conservation Project in the hope that through human conservation intervention, the region's natural resources will continue to prosper.

The UMC Eco-echo Ecological Conservation Hope Project is supported by the Environmental Protection Dedicated Fund, which was established through the donation of domestic carbon credit trading profits earned by UMC. Through this program, it is hoped that sustained care and protection for Taiwan's ecology can be achieved through conservation and education.



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From the CEO

Dear Friends Interested in the Sustainability of UMC:

I am pleased to share with you the results of UMC's corporate social responsibility efforts. Although 2014 was a slow year in terms of the global economy, our company persisted in our efforts, continued to make breakthroughs in technology, productivity and customer development, and saw steady quarterly growth in overall revenue. In addition, UMC has strived to promote a sustainable business, and this report discloses our sustainable management efforts for the previous year according to the latest global sustainability reporting guidelines (GRI G4).

UMC upholds the philosophy of providing our customers with the most competitive foundry solutions. We not only invest in high-end manufacturing process technology research and development in Taiwan to strengthen our competitiveness, but with due consideration to balancing risk and cost, we have respectively announced our investment in and alliance with Fujitsu Semiconductor in Japan. We have also acquired shares in a 300mm fab joint venture in Xiamen, China to meet customer needs and increase shareholder value. We have also continued to optimize customer service, and in 2014, became the first foundry company in Taiwan to obtain ISO 15408 certification. Thus, in addition to providing customers with stringent manufacturing, we have helped customers save product certification time and accelerated product launch into the market, thereby furthering our market development for security IC products.

The 2014, UMC Sustainable Committee is further divided into sub-committees for green manufacturing, green technology and customer service. A Sustainable Office is also instituted to enhance sustainability and core competitiveness, thereby strengthening coordination. In terms of corporate governance, the Remuneration Committee, Audit Committee and Capital Budget Committee remain committed to improving efficiency and sound oversight functions. The positive interaction and balances between the Board of Directors and management teams not only improve operational transparency, but also protect shareholder equities, and our A++ standing with the Securities and Futures Institute for information disclosure is the result of our adherence to integrity and honesty.

In terms of environmental sustainability, we were not only ahead in fulfilling the 369+ Resource Reduction Plan in 2014, but were also the first domestic company to be reviewed and approved for carbon trading rights by the Environmental Protection Agency. Profits from the trading were invested into establishing an environmental foundation for the Eco Conservation Hope Project. In addition to 12 consecutive years of winning the ROC Enterprises Environmental Protection Award, we were once again affirmed with the highest score among Taiwan's semiconductor industry in the international Carbon Disclosure Project. In our social involvement, UMC has 6 core plans committed to creating a safe working environment, protecting employee health and work-life balance, and upholding UMC's distinguished tradition of volunteer community service so that from disadvantaged rural areas to

ecological wilderness, outreach is expanded and seeds of hope sown to promote a positive cycle of corporate influence and social goodwill.

Overall, sustainable development is not only UMC's vision but is also the core philosophy and competitiveness of our operation and development. In 2014, UMC was listed as a constituent stock in the Dow Jones Sustainable Index (DJSI) for the 7th consecutive year. In the Asia Sustainable Business Award organized by Singapore's Channel News Asia, we ranked top in Taiwan and 4th in Asia. Moreover, we were among the top ten in the 1st Taiwan Corporate Sustainability Awards (TCSA), and also won other awards such as the CommonWealth Magazine Corporate Citizenship Award, thereby confirming the domestic and international recognition of our sustainability performance.

Looking to the future, UMC is committed to the most rigorous self-expectation and will strive to initiate actions to enhance sustainable competitiveness. The Green 2020 goals, employee care, social outreach and volunteer services remain the direction of our continuing efforts. We welcome the feedback and suggestions from all fields so that we can become increasingly robust in the implementation of our corporate social responsibility and sustainable management.



CEO and CS Committee Chairman

Po-chen Yen

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This report is the 9th Corporate Social Responsibility Report issued by UMC and the public non-financial annual report in 15 consecutive years. UMC consistently upholds the principles of sincerity, pragmatism, transparency and joint sustainable development, and discloses its corporate sustainability philosophy and approaches to the general public. This report makes public the implementation of the 2014 UMC corporate sustainable development and social responsibility.

● Scope

The information disclosed in this report includes data on implementation and outcome of UMC environmental protection, corporate governance and social participation from January 1-December 31, 2014. In addition to UMC headquarters and regional information from Taiwan and Singapore fabs, the scope of the report also contains major topics identified inside and outside of the organization, including information from the subsidiary HJTC in China and partial information from joint ventures and other subsidiaries.

● Report Writing Principles and Programs

The content framework in this report is based mainly on major UMC corporate sustainability issues in 2014 and stakeholder concerns. In addition, this report is compiled according to the GRI/G4.0 guidelines of the Global Reporting Initiative (GRI) for global sustainability reports, and complies with the AA1000 standards and principles for identifying, implementing and disclosing information pertaining to the implementation of corporate social responsibility. Data from the annual financial report prepared by certified accountants (Ernst & Young Accounting) are used in this report, and data on greenhouse gas emission and reduction are based on ISO 14064-1 standards and verified by DNV Business Assurance. For further details, please refer to Chapter 3.

● Report Assurance

This report was verified by SGS Taiwan Ltd. in April 2015 according to high assurance standards such as the principles of GRI / G4.0 Comprehensive Standards and the Accountability 1000 Assurance Standard TYPE II. The SGS verification report is attached to the appendix of this report.

● Report Release

2014 Corporate Social Responsibility Report: Issued in June 2015.

2015 Corporate Social Responsibility Report: Scheduled to be issued in June 2016.

In support of environmental protection, a paperless, electronic version of this report is posted on the company website.

● Feedback

For any questions or comment about report content or activity, please contact us at:

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Major UMC Outcomes and Sustainability Performance

 Infinion and UMC Announce Manufacturing Agreement for Automotive Applications	 UMC Board Resolves to Enter a Joint Venture Agreement for a 12" Fab in China	 NJR Analog ICs Manufactured at UMC Adopted by Major Japanese Auto OEM	 UMC Joins Fujitsu's New Foundry Company	 NJR and UMC Extends Collaboration to MEMS Microphone Manufacturing	 UMC Receives Best Supplier Award from Lantiq for Second Straight Year
 Cypress Licenses 55-Nanometer Embedded Flash IP to UMC	 Kilopass' Gusto™ Ultra-Low Power NVM IP for Code Storage Enabled on UMC 55nm LP Process	 Synopsys, Realtek and UMC Collaborate on Industry's First Single-Chip Ultra High Definition Smart TV SoC	 The first Environmental Protection Administration approved carbon rights trading after the domestic carbon trading policy was instituted.	 ARM and UMC Extend 28nm IP Partnership to Target Cost-Effective Mobile and Consumer Applications	 UMC Surpasses 15 Million Shipments for Customer 55nm SDDI Chips

Business Continuity Recognition



Dow Jones Sustainability Indices

Awarded the World Index (DJSI-World) Constituent Stock in the Dow Jones Sustainability Indices (DJSI) for 7 consecutive years).

Awarded the Emerging Markets Index (DJSI-Emerging Markets) Constituent Stocks in the Dow Jones Sustainability Indices (DJSI).



Dow Jones Sustainability Indices

Awarded the RebecoSAM Silver Class sustainability award in the Dow Jones Sustainability Indices (DJSI).



Asia business Sustainability Ranking

Awarded 4th place in the 2014 Asia business Sustainability Ranking.



International Carbon Disclosure Project

Listed on the international Climate Disclosure Leadership Index (CDLI) for 2 consecutive years.

In 2014, scored 96 points in the international Carbon Disclosure Project (CDP).



CommonWealth Magazine Corporate Citizenship Award

Won 7th place in the 2014 CommonWealth Magazine Corporate Citizenship Award for large scale corporations (Top 10 in the last 3 consecutive years).



Information Disclosure and Transparency Ranking System for listed company

Rated A⁺⁺ on the Information Disclosure and Transparency Ranking System for listed company.



Enterprises Environmental Protection Award

For 12 consecutive years, UMC Taiwan factory was awarded the Enterprises Environmental Protection Award by the Environmental Protection Administration.



Ministry of Labor Work-Life Balance Award

Won the LOHAS Family, Healthy Living Work-Life Balance Award by the Ministry of Labor



Taiwan Corporate Sustainability Awards

Awarded the Corporate Sustainability Report Awards for 7 consecutive years and the Ten Most Sustainable Company Award in the 1st Taiwan Corporate Sustainability Awards.

Awards in 2014:
Taiwan Top 10 Sustainable Company Award.
Taiwan Top 50 Corporate Sustainability Report Awards.
Climate Leadership Award.
Supply Chain Management Award.

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● 2014 Sustainability Performance

Economic Performance



Operations Management and Supply Chain Management

1st ISO15408 certification

The first wafer foundry in Taiwan to be ISO15408-EAL6 certified, effectively enhancing safety of company and customer asset management.

More than 2500 suppliers

joined UMC in committing to sustainable development.

0 High-risk Supplier

UMC has established the ISO 22301 business continuity management system, and completed business continuity risk assessment of vendors who supply 95% of the company's procurement

0 Conflict Metals/Minerals

UMC's 12 suppliers and 15 affiliated companies have no conflict metals/minerals.



Economic Performance

89% capacity utilization

Reached 84.9% of the targeted goal in 2014, indicating an achievement rate of 104.8%

NT\$120.61 billion

Revenue for 2014 reached NT\$120.61 billion, which is a 10.3% growth compared to 2013



Profitability

5.66% ROE

In 2014, the return on equity was 5.66%

0.97 EPS

In 2014, earnings per share was NT\$0.97.



Innovative research and development of advanced technologies

10,797 patents

In 2014, UMC was awarded 347 domestic and foreign patents, totaling 10,797 patents to date.

52% high-end process capacity

Sales of 65 nm (inclusive) accounted for 52% of revenue from wafer sales.

1st ultra high-definition TV single SoC smart chip

Together with its customers, UMC jointly developed the first ultra-high-definition TV single SoC smart chip in the industry.

Environmental Performance



Climate and Energy Management

2.91% Power Reduction

In 2014, reduction reached the targeted goal of 2%. The newly added reduction for 2014 was 29,469Mwh, which is equivalent to a decrease of 15,353 tons in CO₂ emissions and a savings of about NT\$80 million in cost.

5.02% Natural Gas Reductions

In 2014, reduction reached the targeted goal of 3.98%. The reduction of 10,979Mwh is equivalent to a decrease of 2,159 tons in CO₂ emissions and a savings of about NT\$29 million in cost.

35% Reduction in Units of Fluorinated Greenhouse Gas Emissions

Reduction in intensity reached the targeted goal of 14.4%, and the substitute measures resulted in savings of more than NT\$20 million in raw material cost.

1st Environmental Protection Administration approved carbon rights.

The first Environmental Protection Administration approved carbon rights trading after the domestic carbon trading policy was instituted.

150,000 tons of carbon reduction credits

UMC was awarded 150,000 tons of reduction credits in the greenhouse gas early reduction project.



Waste Management

7.5% Waste Reduction

Cumulative reduction reached the targeted goal of 7% in 2014. The newly added reduction was 597 tons, which is a savings of about NT\$5.8 million in disposal cost for the year.

91% Waste Recycling

The amount of reused waste was 24,571 metric tons, which is a gain of more than NT\$51million from recycled resources.



Environmental Management

100% Certification

All UMC factories have passed the ISO 14064-1 greenhouse gas emissions certification, the ISO 14001 environmental management certification, and the QC 080000 Hazardous Substance Process Management Certification.

0 Environmental Incident and Fines

In 2014, there were no environmental incidents or fines.

NT\$30 million Environmental Protection Fund.

UMC contributed NT\$30 million into the Eco-echo Ecology Hope Project.



Water Resource Management

7.5% Reduction in Water Usage

In 2014, cumulative reduction reached the targeted goal of 4%. The newly added reduction for 2014 was 441,475 tons, which is a savings of about NT\$11 million in water cost.

26.44 Million Tons of Recovered Water

Recovered water is equivalent to saving 0.84 of the stored water in No.2 Baoshan Reservoir

Daily Reduction of 526 kg of Ammonia Emissions.

Source reduction of nitrogenous wastewater reached the targeted goal 2014 (500 Kg-NH₃-N / day). Compared to the base year reduction of 32% and 9% in Hsinchu and Tainan, respectively, the reduction saved NTS39 million in raw material cost for the year, and a saving of NT\$161 million in wastewater operation cost.

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Social Performance



Education and Training

93.3% overall satisfaction with the courses

A total of 9,169 classes were offered, and 277,005 participants attended. Overall satisfaction was 93.3%, and satisfaction with lecturers, teaching materials and beneficial to work were 93.3% , 93.2% and 93.1%, respectively.

90.6% of employees completed the 7 Habits of Highly Effective Managers and 7 Habits of Highly Effective Employees training courses.

Implemented core company values, and instilled the spirit and philosophy of responsibility. In 2011, UMC first introduced the 7 Habits of Highly Effective Managers and 7 Habits of Highly Effective Employees course, and 90.6% of employees completed the training.



Benefits System

100% Holistic Health Management Program.

Created a safe working environment, and protected health and work-life balance of employees.

95% satisfaction with health promotion activities.

On the average, 95% satisfaction with health promotion activities such as health seminar, relaxation series and health check activities.



Positive Labor Relations

0 labor dispute

Actively promoted harmonious labor relations to reduce the likelihood of labor conflict. In 2014, there was no official case of labor dispute

100% communication meetings were completed

By the end of 2014, a total of 119 sessions of company-wide forums (4 sessions), factory communication meetings (67 sessions), secretary forums (8 sessions), labor-management conferences (36 sessions), and Benefits Committee Meetings (4 sessions) were conducted.

100% of eSuggestions were handled and closed.

Through the audit and reminder system, 100% of cases were closed in 2014.

86.2% of the employees identified with cohesion.

In 2014, up to 86.2% of identified with a sense of cohesion.

Zero case of human rights complain

<5 on the annual EICC labor / ethics risk index

In 2014, the EICC labor /ethics risk index was less than 5.

75.1% of employees returned after parenting leave

which was a 4% increase compared to 2013



Safe Work Environment

0 major occupational hazard

Accidents were reduced by 15%

Compared to 2013, accidents were reduced by 15%, representing a reduction of NT\$380 000 in property loss.

In 2014, the disabling injury frequency rate was 0.07, and disabling severity rate was 2.26, which were much lower than the semiconductor industry average.



Public Service

57.6% increase in total employee volunteer hours.

In 2014, the total volunteer hour was 13,442 hours, which represents a 57.6% increase compared to 2013. 10,441 people received the services.

Won the Ministry of Education's Social, Education and Public Service group award in 2014.

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About UMC

● Introduction

United Microelectronics (UMC short) is a world-class foundry company that provides advanced process and foundry services to produce IC wafers for major application products. UMC offers comprehensive solutions that give IC design companies an edge in advanced processes and a wide range of special technologies, helping customers differentiate their products in the competitive IC market

Company Name	United Microelectronics Corp.
Date Founded	May 1980
Company Headquarter	No. 3 Li-Hsin Road II, Hsinchu Science Park, Hsinchu City, Taiwan, Republic of China
Total Capital	NT \$ 127 billion
Number of Employees	More than 18,000 employees, including worldwide affiliated companies
Main Operation	Professional integrated foundry services
Product Services	Wafer foundry services, silicon intellectual property according to customer needs, embedded integrated circuit design, design verification, photo mask production, wafer manufacturing, testing and other services
Affiliated Businesses	Affiliated business operations including wafer manufacturing, electronics, optoelectronic industry, investment, insurance and trading.

● Establish in Taiwan, Distribute Worldwide

UMC plays an important role in Taiwan's semiconductor industry. In addition to being Taiwan's first wafer fabrication company, it is also Taiwan's first listed semiconductor corporation. To meet the needs of customers worldwide, UMC has established service locations in Taiwan, Japan, China, Singapore, South Korea, Europe and the United States. UMC will continue to strive to provide its customers with the world's leading process and a full range of professional foundry solutions so that they may continue to build a competitive advantage in today's rapidly changing industry.

Worldwide Locations



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Foundry Taiwan, Singapore, China



Fab 6A

Cleanliness : 0.1 um/Class 10
Process : 0.45um
Planned Production Capacity : 50,000 wafers/month
Wafer Production : 6"
Foundry Address : Hsin-Chu, Taiwan



Fab 8AB

Cleanliness : 0.1um/Class 1
Process : 0.25um
Planned Production Capacity : 70,000 wafers/month
Wafer Production : 8"
Foundry Address : Hsin-Chu, Taiwan



Fab 8C

Cleanliness : 0.1um/Class 1
Process : 0.35um - 0.11um
Planned Production Capacity : 29,000 wafers/month
Wafer Production : 8"
Foundry Address : Hsin-Chu, Taiwan



Fab 8D

Cleanliness : 0.1 um/Class 1
Process : 0.18um - 90nm
Planned Production Capacity : 32,000 wafers/month
Wafer Production : 8"
Foundry Address : Hsin-Chu, Taiwan



Fab 8E

Cleanliness : 0.1 um/Class 1
Process : 0.18um
Planned Production Capacity : 35,000 wafers/month
Wafer Production : 8"
Foundry Address : Hsin-Chu, Taiwan



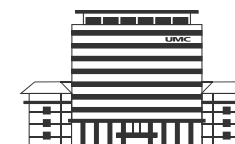
Fab 8F

Cleanliness : 0.1 um/Class 1
Process : 0.15um
Planned Production Capacity : 32,000 wafers/month
Wafer Production : 8"
Foundry Address : Hsin-Chu, Taiwan



Fab 8S

Cleanliness : 0.1 um/Class 1
Process : 0.25 - 0.15um
Planned Production Capacity : 25,000 wafers/month
Wafer Production : 8"
Foundry Address : Hsin-Chu, Taiwan



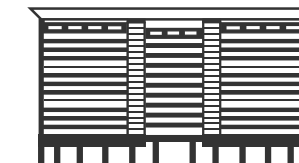
Fab 12A(12-inch Fab)

Cleanliness :
Process : 28nm
Planned Production Capacity : 55,000 wafers/month
Wafer Production : 12"
Foundry Address : Tainan, Taiwan



Fab 12i(12-inch Fab)

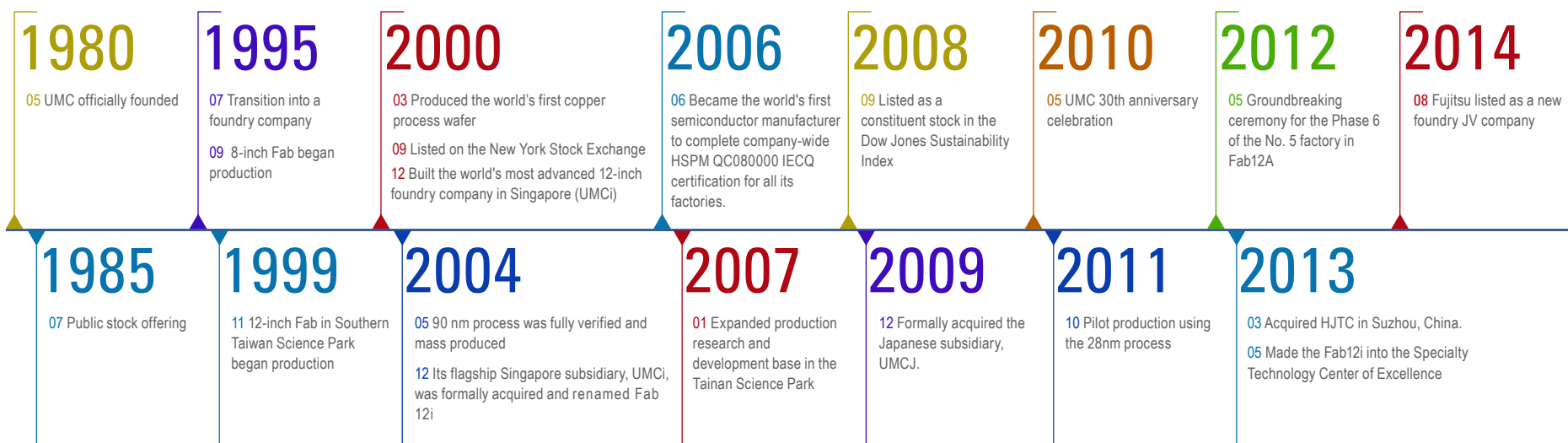
Cleanliness :
Process : 55nm
Planned Production Capacity : 45,000 wafers/month
Wafer Production : 12"
Foundry Address : Singapore



Fab 8N

Cleanliness : 0.1 um/Class 1
Process : 0.35 - 0.11um
Planned Production Capacity : 50,000 wafers/month
Wafer Production : 8"
Foundry Address : Suzhou, China

Company History



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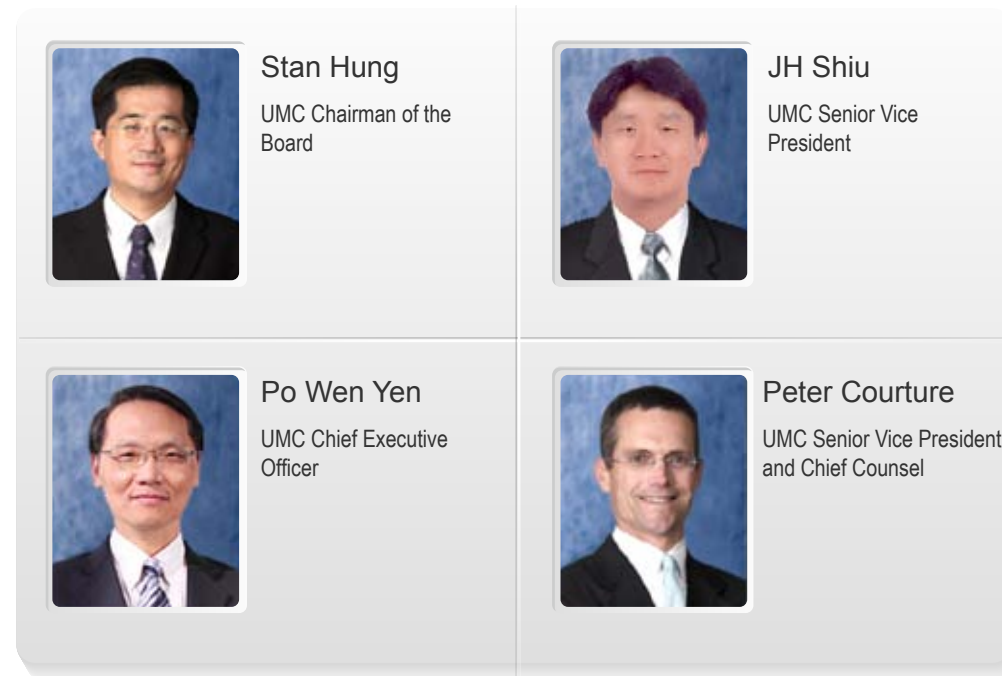
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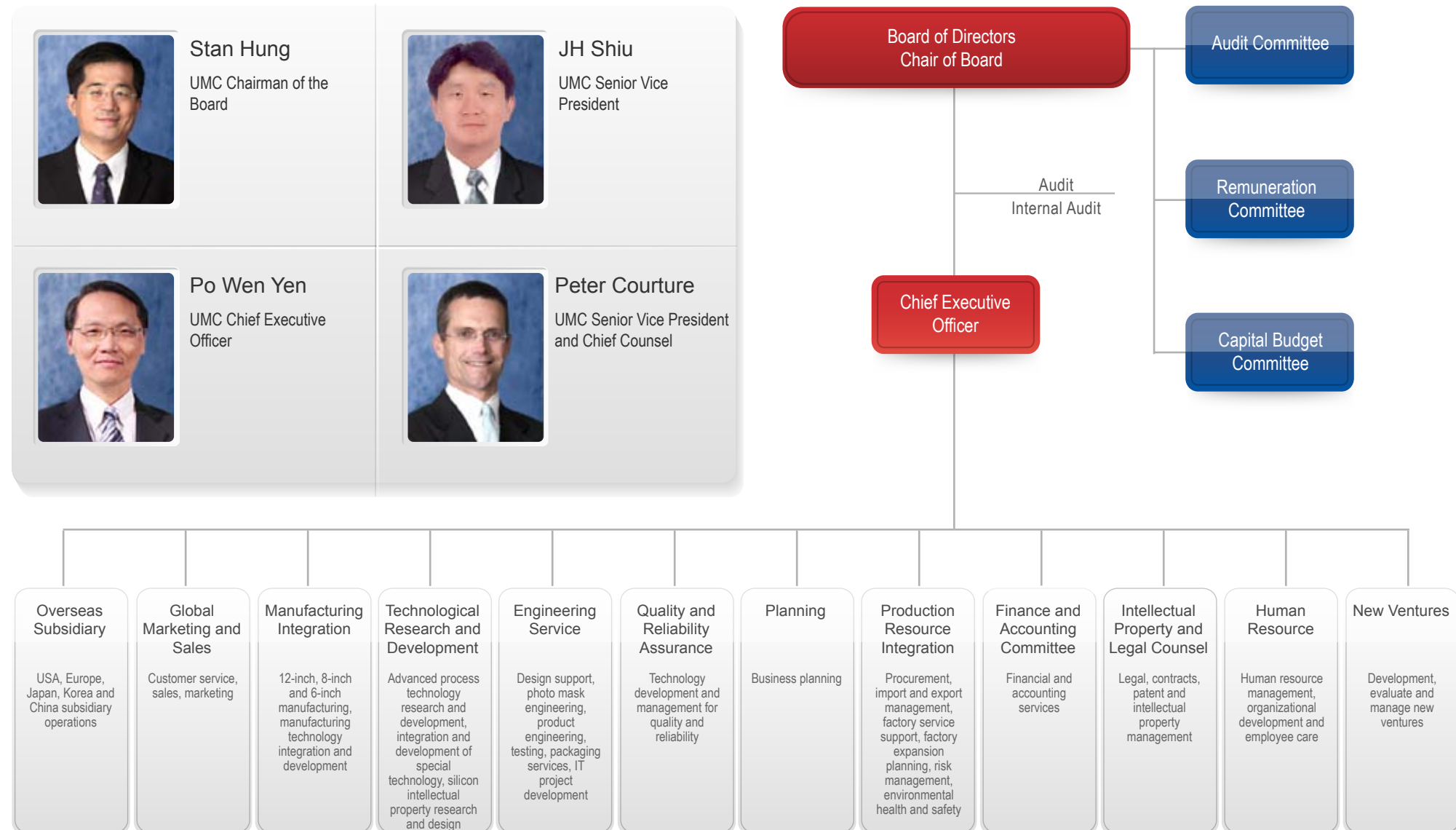
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Managment Team



Operations Organizational Chart



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● Participation in Outside Associations

■ Key UMC Association Involvement

Institution	Member	Participation in Project or Committee
Chinese National Federation of Industries (CNFI)	○	
Business Council for Sustainable Development of Taiwan (BCSD-Taiwan)	○	
Association of Industries in Science Parks (ASIP)	○	○
Taiwan Semiconductor Industry Association (TSIA)	○	○
Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)	○	
Chinese Professional Management Association	○	
Semiconductor Equipment and Materials International (SEMI) Taiwan Committee		○
Global Semiconductor Alliance, (GSA)	○	○

● Core Values



Sustainable Development Strategy and Organization

● Commitment to Sustainability

UMC is committed to the philosophy of “employee care, environmental focus and public service”, and furthering sustainable development, corporate social responsibility and guiding society towards a positive cycle. UMC sustainable development is built on the vision of “creating a friendly global ecology where the new value is people orientation, co-existence with the environment and shared social prosperity.” “Customers, shareholders, employees, the environment and society” are the primary focus of joint pursuit of sustainable growth.



VISION

Creating a friendly global ecology where the new value is people orientation, co-existence with the environment and shared social prosperity



MISSION

Company growth is built on green innovation and corporate social responsibility, and helping customers meet the challenge of sustainable development.

● Sustainable Policy

The triple dimensions of business continuity and sustainable development, namely 1. economic development, 2. environmental development and 3. community development, are mutually supporting and influencing. Through UMC strategies and plans for long-term integration, long-term sustainable development is achieved.

UMC has always upheld the philosophy of sustainable development. Business continuity, long-term partnerships with customers and community groups, corporate social responsibility and maintaining advanced safety, health and environmental standards have always been incorporated into UMC policies. Moreover, the company complies with Electronic Industry Code of Conduct (EICC) standards and the 10 principles of UN Global Compact to ensure human rights, labor care, workplace safety, anti-corruption and environmental protection.

● Equal Emphasis on Core Competitiveness and Social Responsibility

The four highly competitive UMC strengths, “independent and autonomous research and development capability”, “excellent manufacturing technology”, “excellent employees”, and “sound financial structure,” further enhance the five key corporate cultures of customer-orientation, integrity, innovation, responsibility and efficiency in the company’s operational management and organization, thereby securing the company’s leadership in the semiconductor industry. Moreover, founded on the corporate culture, a sustainable development blueprint and 3 major approaches are formulated for achieving corporate competitive advantage:

Economic dimension:

continue to improve corporate governance performance

Environmental dimension:

strive to become a green wafer foundry

Social dimension:

fulfill corporate social responsibility

■ UMC corporate social responsibility blueprint



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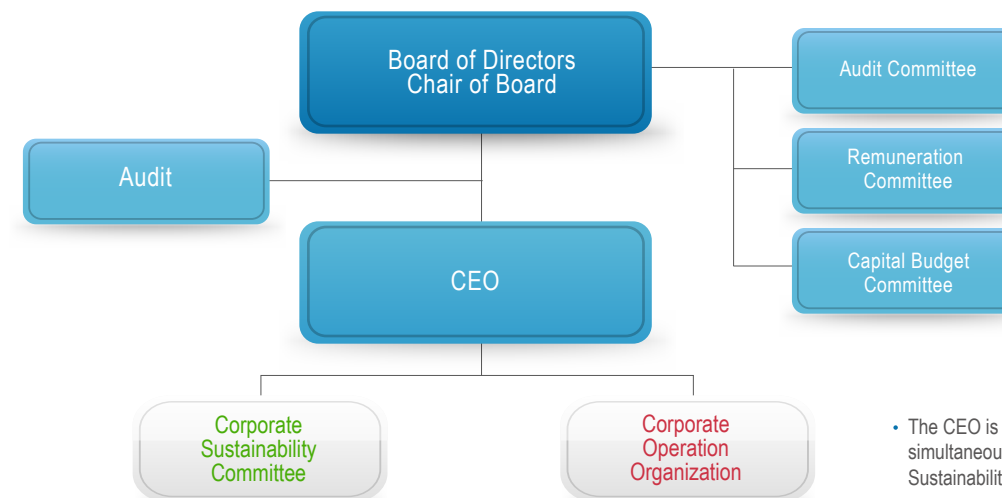
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● Sustainable Organization

Vertically, headed by the Board Chair, the Board of Directors leads the UMC Sustainable Organizational structure and the Chief Executive Officer guides the Corporate Organization and Corporate Sustainability Committee. Business sustainability policies are implemented top-down, and the Audit Department is responsible for supervision. Horizontally, the Audit Committee, Remuneration Committee and Capital Budget Committee are instituted to enhance Board functions and strengthen corporate governance. The Corporate Operations Organization and the Corporate Sustainability Committee institute their own functional units, and division of labor and commitment to corporate sustainability are jointly implemented horizontally.

■ Corporate Operations : Organization vs. Corporate Sustainability Committee



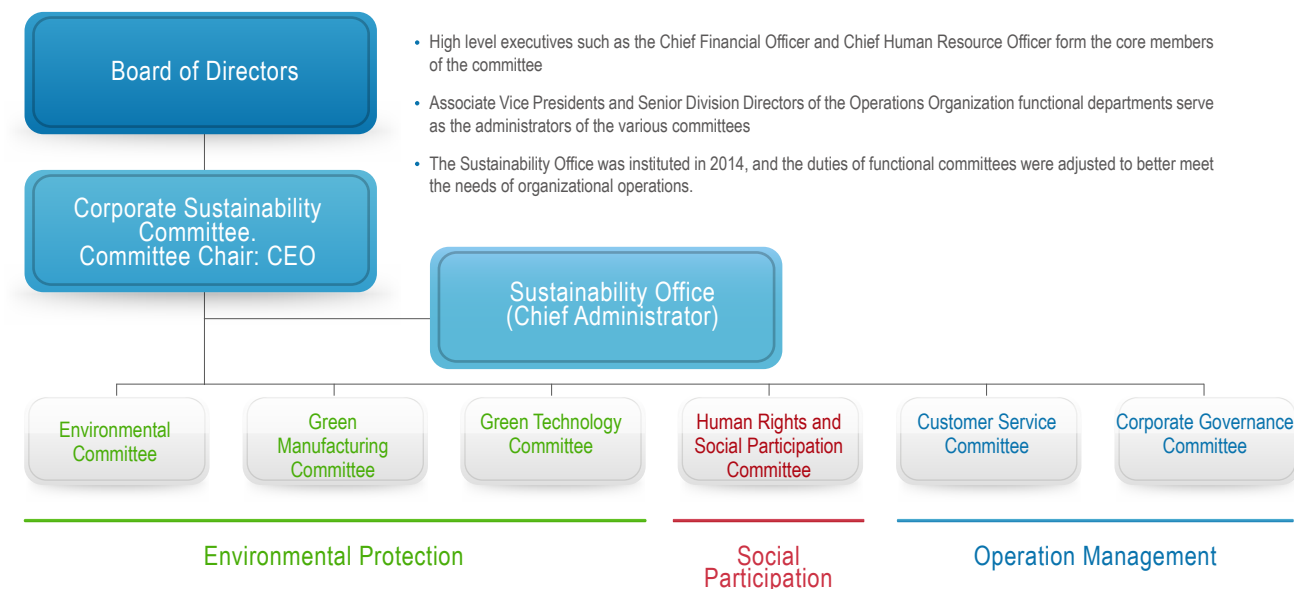
- The CEO is a member of the Board of Directors, and simultaneously serves as the Chair of the Corporate Sustainability Committee

● Corporate Sustainability Committee Organization and Operation

The Corporate Sustainability Committee is the highest level Corporate Social Responsibility organization within UMC. The Committee coordinates company-wide corporate social responsibility, and formulates the direction and goals of sustainable development. The Committee Chair and members regularly review the committee's performance and progress.

The Corporate Sustainability Committee has six functional committees: Corporate Governance Committee, Customer Service Committee, Human Rights and Social Participation Committee, Environmental Committee, Green Manufacturing Committee, and Green Technology Committee. The Committee Chair reviews annual progress every six months, and the Chief Administrator reports performance and plans to the Board's Audit Committee. Beginning in 2015, reports are made to the Board of Directors.

■ Corporate Sustainability Committee Organization



- High level executives such as the Chief Financial Officer and Chief Human Resource Officer form the core members of the committee
- Associate Vice Presidents and Senior Division Directors of the Operations Organization functional departments serve as the administrators of the various committees
- The Sustainability Office was instituted in 2014, and the duties of functional committees were adjusted to better meet the needs of organizational operations.

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Sustainable Development Strategy and Organization

Descriptions of Committee Functions

Corporate Governance Committee

Help strengthen the function of the Board and shareholder equity, integrate related regulations and policies of relevant departments, and help complete and implement the company's internal control system to ensure information transparency and disclosure, and compliance with regulations. Fulfill the company's business philosophy of core integrity, information transparency, shareholder equity protection, and good internal business management.



Human Rights and Social Participation Committee

Responsible for protecting the basic rights of employees and promoting communication with outside communities and society. Integrate the UMC Cultural and Educational Foundation, and with focus on education, arts, sports, public service and environmental protection, strive to promote technological research and development cooperation, long-term educational assistance, arts and sports activities and other social welfare events.



Environmental Committee

Promote company-wide environmental, safety and health, energy, water and greenhouse gas emission management. Establish sustainable supply chains and long-term partnership with suppliers to enhance sustainable competitiveness.



Customer Service Committee

Refine customer service and quality control, improve service quality and customer satisfaction, and protect customer interests and relevant trade secrets.



Green Technology Committee

Promote green product research and development and innovations, and lead in cutting edge green technology.



Green Manufacturing Committee

Promote company-wide green process, such as hazardous materials management and increase in resource productivity.



● Operation Management Model

1

Functional committees present their respective annual promotion plan in the 4th quarter of each year to the Corporate Sustainability Committee for approval during the second half of the year.

Functional committees follow up and assess the progress of their respective annual plan during quarterly meetings.

2

3

The Corporate Sustainability Committee follows up and reviews implementation performance every six months.

● Corporate Sustainability Committee Management Mechanisms

Corporate Sustainability Committee

Review: Once every 6 months

Participant

Committee chair+committee members
Chief administrator
Functional committees administrators

Management Content

Committee reviews
Operational progress of various functional committees
Review and approve goals and plans, review executive performance

Functional Committees

Review: Quarterly

Participant

Functional committee administrators
Members

Management Content

Discuss and plan implementation programs
Follow up implementation progress

Key Corporate Sustainability Projects

Review: Monthly

Participant

Functional committees for promotions
Management Content

Develop key performance indicators (KPI) to quantify the execution of management performance
Follow up and review company project management system
Follow up progress, and present audit result of the Corporate Sustainability Committee

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Identifying stakeholders

7 major stakeholders

Based on the 5 major principles (dependency, responsibility, influence, diverse perspective, tension) of the AA1000 SES-2011 Stakeholder Engagement Standard (SES), UMC identified 7 major categories of stakeholders.



Survey stakeholders concerns

Conduct questionnaire survey to determine the degree of stakeholder concern over the various types of sustainability issue so that stakeholders can express their need in terms of sustainable information.



468 questionnaires

Identifying stakeholders' concerns



32 major substantive issues

Multiply the score for degree of stakeholder concern over each issue and the score for its respective impact on company operation. Rank issues for disclosure.



74 sustainability issues

Adopt the GRI G 4.0 guidelines, ISO 26000 social responsibility standard guidelines, UN Global Compact and domestic and international sustainability assessments as basis for issues



21 team members

Analysis of materiality issues



1

Communication with Stakeholders

Since 2000, UMC has issued non-financial reports to the public to describe its efforts and outcomes in sustainable development. To maintain effective communication with stakeholders and meet their request for sustainability information, UMC first conducted materiality analysis to determine the content of the 2014 Corporate Social Responsibility Report.

1-1 Mechanisms for Stakeholder Communication



1-2 Procedure for Defining Report Content

1-2-1 Identify Stakeholders

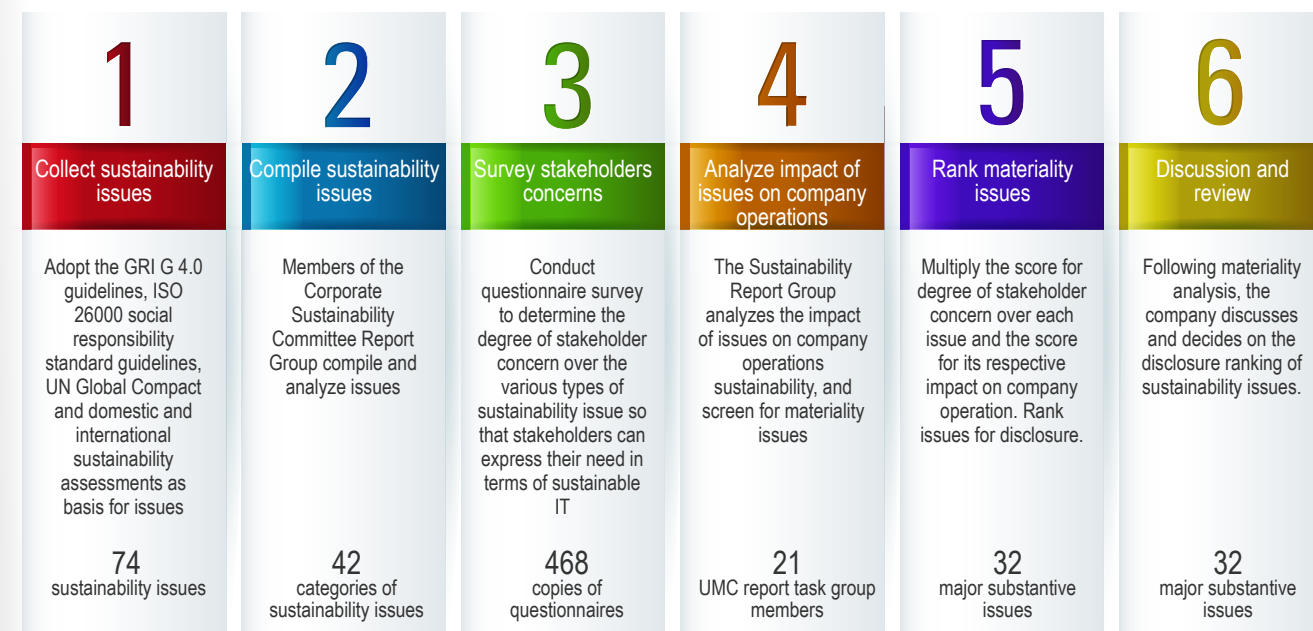
Based on the 5 major principles (dependency, responsibility, influence, diverse perspective, tension) of the AA1000 SES-2011 Stakeholder Engagement Standard (SES), UMC identified 7 major categories of stakeholders.

Stakeholders



1-2-2 Issue Identification, Communication and Review

Materiality Analysis Procedures



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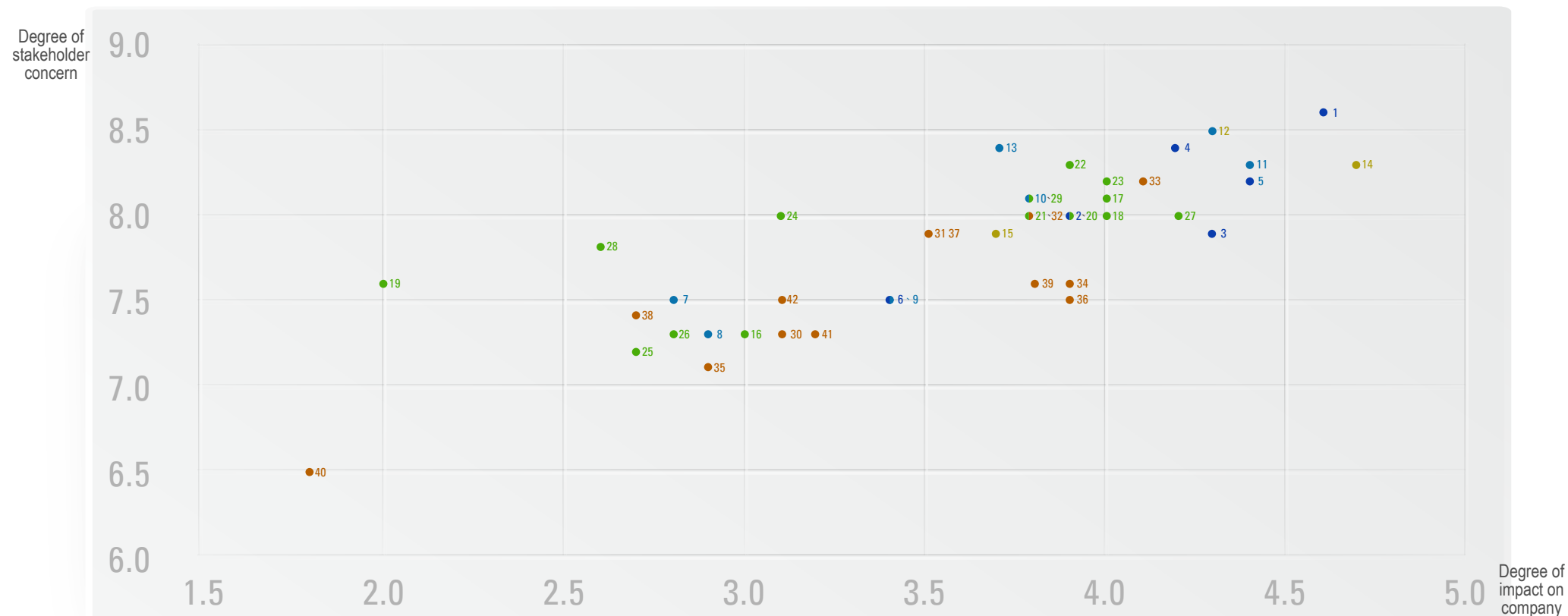
1

Communication
with
Stakeholders

Ranking the materiality analysis result of sustainability issues

Note 1: Stakeholders scored differently in their degree of concern for each issue (10 points = very concerned, 8 points=concerned, 6 points =somewhat concerned, 4 points=little concerned, 2 points=not concerned)

Note 2: UMC Sustainability Report Group member score for impact of each issue on company operational sustainability (5 points=highly impacted, 4 points= impacted, 3 points=moderately impacted, 2 points=not very impacted, 1 point=not impacted)



Issue

Corporate Sustainability Plan

- Sustainable Development Strategy
- Stakeholder communication
- Corporate Governance
- Ethics and Integrity
- Compliance with regulations
- Complaint mechanism

Economic

- Economic performance
- Market image
- Indirect economic impact
- Procurement Practices
- Supplier Assessment
- Risk Management
- Innovation Management

Product

- Customer Service
- Customer Privacy

Environmental

- Raw Material Use
- Energy Use
- Water Resource Use
- Biodiversity
- Greenhouse Gas Emissions
- Waste Gas Emission
- Waste water discharge
- Waste
- Product Management
- Transportation
- Environmental expenses
- Environmental Management
- Ecological Conservation
- Chemical Use

Social

- Employer-Employee Relations
- Labor Relations
- Employee Communication
- Occupational Health and Safety
- Training and Education
- Employee Diversity and Equal Opportunity
- Compensation and Benefits
- Human Rights
- Local communities
- Anti-corruption
- Public Policy
- Fair Trading
- Social Welfare

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Ranking the materiality analysis result of sustainability issues

Corporate Sustainability Plan	Total Score	Ranking
Sustainable Development Strategy	39.9	1
Stakeholder communication	30.8	15
Corporate Governance	33.7	9
Ethics and Integrity	35.5	6
Compliance with regulations	38.9	2
Complaint mechanism	29.1	23

Product	Total Score	Ranking
Customer Service	36.6	3
Customer Privacy	30.8	16

Social	Total Score	Ranking
Employer-Employee Relations	22.9	32
Labor Relations	27.6	25
Employee Communication	30.6	19
Occupational Health and Safety	34.0	7
Training and Education	29.5	21
Employee Diversity and Equal Opportunity	20.6	35
Compensation and Benefits	29.4	22
Human Rights	27.3	26
Local communities	19.6	38
Anti-corruption	29.1	24
Public Policy	11.8	42
Fair Trading	23.2	31
Social Welfare	23.4	30

Economic	Total Score	Ranking
Economic performance	36.5	5
Market image	25.5	28
Indirect economic impact	21.0	34
Procurement Practices	17.5	40
Supplier Assessment	25.8	27
Risk Management	30.6	18
Innovation Management	36.6	4

Environmental	Total Score	Ranking
Raw Material Use	22.0	33
Energy Use	32.7	10
Water Resource Use	31.4	13
Biodiversity	15.5	41
Greenhouse Gas Emissions	31.3	14
Waste Gas Emission	30.5	20
Waste water discharge	32.1	12
Waste	32.4	11
Product Management	24.8	29
Transportation	19.3	39
Environmental expenses	20.3	36
Environmental Management	34.0	8
Ecological Conservation	20.0	37
Chemical Use	30.7	17

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UMC10 major material sustainable development issues

Sustainability Issue	Chapter and Section in 2014 UMC Corporate Social Responsibility Report	Pages
Sustainable Development Strategy	Sustainable Development Strategy	p 10
Compliance with Regulations	2-1-6 Legal Compliance	p 29
Customer Service	2-3 Customer Service	p 44
Innovation Management	2-2 Innovation Management	p 39
Business Performance	UMC 2014 Sustainable Performance	p 3
	2-2-2 Business Performance	p 41
Ethics and integrity	2-1-5 Code of conduct and Anti-Corruption	p 29
Occupational Health and Safety	4-3-2 Safe Work Environment	p 119
Environmental Management	3-1 Green Factory	p 60
Corporate Governance	2-1 Corporate Governance	p 26
Energy Use	3-2 Energy and Greenhouse Gas Management	p 71

Based on the results of the materiality analysis for each sustainability issue, the respective management policies, goals and approach are disclosed in the relevant sections of this report. Other secondary issues are summarized in this report.

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Communication with Stakeholders

Stakeholder Communication

Stakeholder communication method, key concerns and major outcome for 2014 are compiled as follow:

Employee Key Concern - Compensation and benefits - Sustainability development strategies - Economic Performance - Employee Communication - Human rights	Communication Method - CEO –employee forums, , secretary forums, Benefits Committee conference, factory dialogues, labor relations, communication platforms - eUMC information website for employees, BBS message boards, sexual harassment complaint channel, mailbox for reporting fraud or professional ethics violation, e-suggestion and feedback platform, confidential complaint system, 12885ER help hotline - My UMC website, UMC CSR Newsletter - Employee satisfaction survey on benefits measures, service satisfaction survey, HR satisfaction surveys, employee recognition survey	Key stakeholder communication outcome in 2014 - Continued implementing industry salary survey, and provided performance-oriented, competitive and differentiated salaries and benefits (including bonuses, dividends, stock returns). - Continued advancing UMC icecream APP platform for benefits information, and furthered employee benefits - Promoted the 2014 Holistic Health Management program, and committed to creating a safe working environment, protecting employee health and balancing work-life. - Strengthened communications on business strategy and policy, continued to communicate updated business performance information. Conducted more than 119 sessions of various types of communication sessions in 2014. - The e-suggestion feedback platform received 311 employee opinions in 2014, and 100% of the cases were handled and closed. - Strengthened the EICC committee, and promoted and complied with international labor standards and human rights norms.
Customer Key Concern - Customer service - Innovation management and customer privacy - Sustainable development strategy - Ethics and integrity	Communication Method - Online Service Platform - Regular communication and discussion meetings - Questionnaire response - On-site audit and discussion - Voice of Customer (VOC) - Voice of Customer (VOC) instant customer online complaint system - Customer satisfaction monitoring	Key stakeholder communication outcome in 2014 - Promoted the Common Criteria for Information Security (ISO 15408) certification to enhance security of company and customer assets. - Organized the 2014 Excellence Forum in Shanghai to provide the most cost-effective solution for IC design customers. - Organized the 2014 Technology Forum in Japan to introduce the open industry chain cooperation model to customers. - In 2014, formulated the UMC Code of Conduct to enhance employee conduct knowledge, professional ethics and professional competency. - Maintained customer service and provided 42 files of BCM / BCP risk management information.
Investor Key Concern - Labor relations - Corporate governance - Sustainable development strategies - Economic performance - Ethics and integrity	Communication Method - General Shareholders: - Annual general shareholder meeting - Quarterly investor conferences - Financial report - Corporate shareholders: - Quarterly domestic and overseas investor conferences - Domestic and overseas seminar for investing institutions	Key stakeholder communication outcome in 2014 - Cooperated with the Financial Supervisory Commission (FSC) and completed the 1st Corporate Governance assessment. - Continued implementing annual shareholder meetings and investor conferences in accordance to plan. - Constructed the audiovisual Financial and Operation Reports on the company shareholder website http://www.umc.com/chinese/investors/e.asp

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Communication with Stakeholders

Supplier

Key Concern

Review reports or meetings
Explain ESH and corporate social responsibility management
Questionnaires and audit visits
Jointly implement ESH and corporate social responsibility program with suppliers

Communication Method

- Customer Privacy
- Sustainable development strategies
- Customer Service
- Compliance with regulations
- Ethics and integrity

Key stakeholder communication outcome in 2014

- Promoted the BCM supplier management, and completed risk assessment of suppliers who provided 95% of procurement amount
- Implemented anti-corruption measures, and promoted the Supplier and Employee Ethics Agreement signing event.
- Constructed the e-SA supplier communication platform
- Organized education and training for supplier carbon footprint inventory

Community/Non-profit Organization

Key Concern

Compliance with regulations
Occupational health and safety
Human rights
Environmental management
Local Community

Communication Method

- Assigned a department for community communication
- Participate regularly in community meetings
- Visit community leaders and residents during holidays
- Invite community residents to participate in the company's Family Day activities
- Participate in community activities or seminars
- Participate in the operations of outside associations

Key stakeholder communication outcome in 2014

- Organized the 2014 "Panda in UMC" Family Day activities
- In 2014, the UMC U-Drum group gave a total of 15 public performances.
- Continued to promote social charity events and provided 199 sessions of volunteer services.
- Participated in the Occupational Hygiene Association forums, and shared occupational health education and professional competencies with professionals
- Established the Environmental Protection Fund.
- Collaborated with the Society of Wilderness ecology conservation group to promote the Eco Echo Ecological Conservation Project.

Governmental Agency

Key Concern

Compliance with regulations
Environmental management
Occupational Health and Safety
Chemical use
Energy use

Communication Method

- Participate in parks and Science Park Administration functional organs for operations.
- Participate in public hearings and symposiums organized by of governmental authorities

Key stakeholder communication outcome in 2014

- Provided industrial experience and recommendations for formulating the Data Entry for New Chemical Substance and Existing Chemical Substances and the New Chemical Substance Data Entry Management measures.
 - Collaborated with the Ministry of Science and Technology Science Park Administration and the Allied Association for Science Park Industries in the Park
 - Industrial Safety Expert Platform to help SMEs promote occupational safety and health
 - Jointly organized the National Safety Week Seminar with the Ministry of Labor Occupational Safety and Health Administration, and shared highly effective leadership experience and conduct safety management.
 - Collaborated with EPA to promote the National Toxic Substance Defense Organization, and served as group leader for the northern region.
- Promoted ammonia nitrogen reduction in the company (wastewater quality improvement) plan, PFOA Free plan and the 369+ energy reduction plan

Media

Key Concern

Waste water discharge
Sustainable development strategies
Water use
Energy use
Economic Performance

Communication Method

- press conference
- press releases
- Company Website

Key stakeholder communication outcome in 2014

- 33 company operations and sustainable management press releases
http://www.umc.com/chinese/news/Press_Releases/2013/2013.asp
- Planned the UMC 2020 Green Goal
http://www.umc.com/chinese/news/Press_Releases/2013/2013.asp

1-3

Key Report Considerations and Boundaries

With due consideration to Internal (joint ventures and subsidiaries) and external influence and impact on UMC, the disclosures in this report are shown below in accordance to the materiality analysis outcome of sustainability issues and recommendations of the GRI G4 guidelines:

■ Within the organization ■ Outside the organization

UMC	HJTC	Wavetek/ NexPower/ Topcell Solar	UMC Group USA/UMC Group Japan/UMC Capital Corp./UMC New Business Investment Corp/Montage Technology Group Limited/UMC Capital Co., Ltd.	Supplier	Contractor	Customer	Neighboring Communities
Economic Dimension							
Economic performance							
●	●	●	●				
Supplier assessment-Procurements							
●				●			
Compensation and benefits - Market image							
●	●	●	●				
Other issues - Risk management							
●				●			
Other issues - Innovation management							
●							
Product Dimension							
Customer service-Product and service indicators							
●	●					●	
Customer privacy							
●							
Compliance with regulations							
●	●	●	●	●	●	●	●

● Highly significant, disclose at this time ◎ Highly significant, plan to disclose within next 3 year; ○ Highly significant, disclosure not planned

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Environmental Dimension							
Energy use - Energy							
●	●	●		○			
Water use - water							
●	●	●		○			
Greenhouse gas emission - Emissions							
●	●	●		○			
Waste gas emission - Emissions							
●	●	●		○			
Wastewater discharge - Wastewater and waste substance							
●	●	●		○			
Waste substance - Wastewater and waste substance							
●	●	●		○			
Product management - Products and services							
●	●	○		○			
Supplier assessment - Supplier environment assessment							
●				●			
Compliance with regulations							
●	●	●		●			●

● Highly significant, disclose at this time

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Environmental Dimension							
Other issues - Environmental management							
●	●	●		○			
Other issues - Chemical use							
●	◎	○		○			
Social Dimension							
Employee - Employee relations							
●	●	●					
Labor relations							
●	●						
Supplier assessment - Supplier labor assessment							
●				●			
Occupational health and safety							
●	●	●			●		
Compensation and benefits - Male and female equal pay							
●	●	●	●				
Compensation and benefits - Employee diversity and equal opportunity							
●	●						

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Social Dimension							
Training and education							
●	●	◎					
Human rights - Non-discrimination							
●	●	●					
Human rights - Freedom to organize association and collective agreements							
●							
Human rights - Child labor							
●	●	●					
Human rights - Forced labor							
●	●	●					
Human rights - Human rights complaint mechanism							
●	●	●					
Human rights - Assessment							
●	●						
Supplier assessment - Supplier human rights assessment							
●				●			
Anti-corruption							
●	●	●	●	●	●	●	

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UMC	HJTC	Wavetek/ NexPower/ Topcell Solar	UMC Group USA/UMC Group Japan/UMC Capital Corp./UMC New Business Investment Corp./Montage Technology Group Limited/UMC Capital Co., Ltd.	Supplier	Contractor	Customer	Neighboring Communities
Social Dimension							
Fair trade - Anti- competition							
●	●	●	●				
Compliance with regulations							
●	●	●	●				●
Supplier assessment - Supplier social impact assessment							
●				●			
Other issues - Employee communication							
●	◎						
Other issues - Public services							
●							●

● Highly significant, disclose at this time

◎ Highly significant, plan to disclose within next 3 year;

○ Highly significant, disclosure not planned

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Sustainable Development
- Economic Growth

2 Sustainable Development-Economic Growth

2-1 Corporate Governance

- Board of Directors
- UMC Functional Committee
- Shareholder Activism
- Internal Audit
- Code of conduct and Anti-Corruption
- Legal Compliance
- Joint Ventures and Subsidiaries

2-2 Innovative Management

- Innovative products and technologies
- Business Performance
- Investment to Enhance Competitiveness
- 2015 Operational Goals

2-3 Customer Service

- Improving Service Quality and Customer Satisfaction
- Improving Customer Satisfaction
- Protecting Customer Assets

2-4 Risk and Crisis Management

- Financial and Operational Risks
- Business Continuity Management
- Disaster Risk Control

2-5 Sustainable Supply Chain Management

- Localize supply chain and procurement
- Sustainable Supply Chain Management
- Sustainable Supply and Quality Enterprise Certification
- Conflict Minerals Management
- Control of Strategic High-tech Commodities



Protecting Customer Assets

1ST ISO15408 certification

The first wafer foundry in Taiwan to be ISO15408-EAL6 certified, effectively enhancing safety of company and customer asset management.

A⁺⁺

Rated A⁺⁺ on the Information

Disclosure and Transparency Ranking System for listed company by Securities & Futures Institute .



95.06%

Board of Directors

A total of 9 board meetings were held. The average attendance rate was 95.06%.



347

Innovative development of advanced technologies

Awarded 347 patents, totaling 10,797 patents to date

In 2014, UMC acquired a total of 347 domestic and foreign patents, of which 263 are US patents, 68 are Taiwan patents, 11 are China patents, and others are patents from various other countries



95%

Sustainable Supply Chain

UMC has established the ISO 22301 business continuity management system, and completed business continuity risk assessment of vendors who supply 95% of the company's procurement.



2-1

Corporate Governance

United Microelectronics Co. (the Company) has an effective corporate governance framework that is consistent with Taiwan's Company Act, Securities and Exchange Acts and other relevant laws and regulations, as well as practical company considerations to protect shareholders' equity, respect stakeholders, enhance information transparency, strengthen the competency of the Oversight Board, and uphold corporate integrity and code of conduct. It is hoped that through effective corporate governance, the company can fulfill its corporate responsibility in sustainable development and enhance corporate performance.

Executive Summary

Establish effective Corporate Governance Framework	Protect shareholder equity, strengthen competencies of the Board	Enhance information transparency
Performance in 2014 The Corporate Sustainability Committee met regularly with the Audit Committee to report promotional outcome and plans	Performance in 2014 Capital expenditure budget was reviewed and approved by the Capital Budget Committee and the Board of Directors before implementation, and effectiveness was followed up.	Performance in 2014 The company updated its corporate governance self-evaluation report in 2014 Granted A++ rating by the Information Disclosure and Transparency Rankings System of the Securities and Futures Institute for 2014 disclosure.
Plans and Objectives for 2015 The Corporate Sustainability Committee will meet regularly with the Board to report promotional outcome and plans.	Plans and Objectives for 2015 The 13th Board of Directors will be elected according to the corporate governance principles. The 3rd Audit Committee will be established by the independent members of the 13th Board of Directors. The 3rd Remuneration members will be decided by the Committee 13th Board of Directors.	Plans and Objectives for 2015 Sustain the A++ rating by the Information Disclosure and Transparency Rankings System of the Securities and Futures Institute and getting best result of the Corporate Governance Ranking.

The UMC Board of Directors, Audit Committee, Remuneration Committee and Capital Budget Committee conduct their duties according to the regulations of "Convention Rules for Meetings of Board of Directors", "Audit Committee Charter", "Compensation Committee Charter", and "Capital Budget Committee Charter". To improve corporate governance, the company not only self-evaluates performance indicators, but also its plans for shareholder equity, Board and Audit Committee competencies, information transparency, internal control and audit system, business strategies, and social responsibility. In 2013, the Corporate Sustainability Committee also began meeting regularly with the Audit Committee to report promotion outcome and plans. Moreover, in addition to the company's annual operational disclosure, the company's corporate governance self-assessment is reported on the Market Operation Post System (MOPS) so that shareholders can easily access UMC governance information.

(Website : <http://mops.twse.com.tw/mops/web/t100sb10>, Company Code 2303)

All UMC's Corporate Governance Policy, Articles of Incorporation of UMC, Convention Rules for Meetings of Board of Directors , Policy for Nomination and Election of Directors, Audit Committee Charter, Compensation Committee Charter, Capital Budget Committee Charter, Organization and Operation of Internal Audit, Code of Ethics for Directors and Officers, Employee Code of Conduct, Related-party Transaction Procedures and Internal Significant Information Processing Procedures are available on the company's website.

(URL: http://www.umc.com/english/investors/corp_gov.asp)

2-1-1 Board of Directors

The UMC Board of Directors comprises of 9 members from different professional backgrounds, and is responsible for company operation and supervision. The diverse academic and industrial experiences of the Board members are an asset to corporate decision-making and long-term strategy planning. Currently, the Board has four seats for independent directors and two for outside directors. Up to two-thirds of the director seats are filled by members of outside companies. In 2014, a total of 9 board meetings were held. The average attendance rate was 95.06%, and ratio of total remuneration for board directors to company after-tax net income was 0.37%.



The non-executive directors have reached 2/3 of the Board.

2/3



The average attendance rate reached 95.1%

95.1%



The percentage of total directors' compensation to EAIT was 0.37% in 2014

0.37%

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Sustainable Development-Economic Growth

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UMC Board of Directors

♂ Chairman Stan Hung

Attendance Rate 100%

UMC Chair of Board and Chief Strategy Officer
Chair of Board of UMC Capital (Ltd.)
Chair of Board of Montage Technology Group Limited
Chair of Board of UMC New Business Investment Corp.(Ltd.)
Chair of Board of NexPower Technology Corp. (Ltd.)
Board member of EpiStar (Ltd.)
Board member of Crystalwise Technology Inc. (Ltd.)
Board member of Altek Corp. (Ltd.)
Independent board member of United BioPharma (Ltd.)

♂ Director Wen-Yang Chen

Attendance Rate 100%

Board member of Wavetek (Ltd.)
Board member of UMC Capital (Ltd.)
Board member of Montage Technology Group Limited
Board member of UMC New Business Investment Corp.(Ltd.)
Capital Budget Committee member

♂ Director J H Shyu

Newly appointed

UMC Senior Deputy General Manager
On January 9, 2015, Mr. Shiu Jian-Hua was appointed by SiS Corp. (Ltd.) to succeed Mr. Suen Shi-Wei as a director of the Company.

♂ Director Po-Wen Yen

Attendance Rate 77.78%

UMC Chief Executive Officer
Board member of UMC Capital (Ltd.)
Board member of Montage Technology Group Limited
Board member of UMC New Business Investment Corp.(Ltd.)

♂ Director Ting-Yu Lin

Attendance Rate 100%

Capital Budget Committee member

♂ Independent Director Chun-Yen Chang

Attendance Rate 100%

Independent board member of BIZLINK HOLDING INC.
Independent board member of GlobalWafers Co. Ltd.
Convener for Audit Committee
Convener for Remuneration Committee
Convener for Capital Budget Committee

♂ Independent Director Paul S.C. Hsu

Attendance Rate 100%

Director General of Taiwan Institute of Directors
Director General of Taiwan Social Ethics Association
Board member of Faraday (Ltd.)
Board member of FETC (Ltd.)
Independent board member of Gintech (Ltd.)
Independent board member of Yummy Town (Cayman) Holdings Corporation
Supervisory director of Far Eastern International Bank 100%
Audit Committee member and financial expert
Remuneration Committee member
Capital Budget Committee member

♂ Independent Director Chung-Laung Liu

Attendance Rate 88.89%

Chair of Board of TrendForce (Ltd.)
Independent board member of Richtek (Ltd.)
Independent board member of Powerchip (Ltd.)
Board member of Macronix (Ltd.)
Supervisory director of Mediatek (Ltd.)
Audit Committee member
Remuneration Committee member
Capital Budget Committee Member

♂ Independent Director Cheng-Li Huang

Attendance Rate 100%

Supervisory Director of WIN Semiconductor Corp. (Ltd.)
Audit Committee member and financial expert
Remuneration Committee member
Capital Budget Committee member

- The Board has 9 seats, of which 4 are occupied by independent directors. The various committees are composed of independent directors and outside directors, and members do not include members who also serve as administrative directors.
- The Board has 9 seats, of which 3 are occupied by members who also serve as administrative directors, namely the Chief Executive Officer, Chief Strategy Officer and Senior Vice President.
- Board members are elected by shareholders according to regulations for Director Election during shareholder meetings, and in compliance with the Board of Directors Regulations and company constitution. Jurisdiction for each committee is based on organizational constitution, and committee members are nominated and approved by the Board.
- Each year, UMC arranges for its directors and managers to participate in economic, social and environmental courses in corporate sustainability. Continuing education for directors in 2014 is disclosed on Page 36 of the company's annual report.

● Principles for Avoiding Conflict of Interest in Management

Provisions for avoiding conflict of interest are stated in the company's Board Meeting Regulations and Audit Committee Regulations. Directors with vested interest in an agenda, personal or representing organizations should explain the key content of their interest at the meeting. Should that interest undermine company interest, the said directors are not permitted to participate in discussions or votes, must be excused from discussions and decisions, and must not vote on behalf of another director. The name, key content and excuse from participation are recorded in the minutes of the meeting.

The company has formulated an ethics code of conduct for its directors and managers, and professional code of conduct for its employees to avoid conflict of interests. In addition, employee code of conduct implementation is reported to the Audit Committee. Detailed regulations and information on disclosure are available on the company website for stakeholder communication. The company has spokespersons and email at ir@umc.com for handling enquiries and input from shareholders and other stakeholders.

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2-1-2 UMC Functional Committee

Capital Budget Committee

Function

The Capital Budget Committee comprises independent directors and outside directors to assist in the company's long-term development strategy, financial planning and business performance. The Committee discusses plan implementations, modifies and follows up on the company's capital expenditure budget by auditing its cost-effectiveness and tracking its performance.

Effectiveness in 2014

The UMC Capital Budget Committee was established in October 2013. In 2014, the Committee met 7 times, audited and approved capital budget expenses of NT \$ 65,801 million.

Disclosure Oversight Committee

Function

In response to the US Securities and Exchange Commission (SEC) demand for disclosure as a result of the Sarbanes-Oxley Act, UMC has established a Disclosure Oversight Committee comprising of the company's Level 1 executives. Information is rigorously gathered and managed to ensure that information reported to securities authorities are accurate and timely, thereby fulfilling the company's disclosure responsibility and obligation.

Effectiveness in 2014

In July 2014, UMC's information disclosure for 2013 was rated A++ by the Securities and Futures Institute.

The Audit Committee

Function

Assists the Board in its oversight responsibilities, and is responsible for tasks dictated by the Company Act, Securities Exchange Act and other relevant laws. Since UMC is listed on the New York Stock Exchange (NYSE), it is also subjected to the US laws for foreign issuers. The UMC Audit Committee comprises four independent directors, of which two are financial experts. According to the terms and responsibilities stated in the company's Audit Committee Charter, members are required to meet at least 4 times per year.

Effectiveness in 2014

In 2014, the Committee convened 8 times, and maintained positive communication channels with the company's internal auditors, certified accountants and employees.

Remuneration Committee

Function

According to Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter Act, UMC established the Remuneration Committee to strengthen corporate management and risk management. In addition, to motivate and retain talents, the Committee reviews and supervises the remuneration system of the company's directors and managers. The committee comprises of 4 independent directors, and meets at least twice a year.

Effectiveness in 2014

In 2014, the Committee convened once each in June, July and December. All 4 independent directors attended the meetings.

All four independent directors meet the requirements of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies for professional qualification, work experience, and restrictions and the independence of independent directors.

● Remuneration for High Level Managers

In addition to leading the company towards its operational direction and goals, UMC's high level managers also maintain focus on sustainable development indications, and work and innovate diligently in economic, environmental and social development to create common harmony and prosperity for the corporation and society.

Remunerations for UMC general managers and deputy general managers include salary, pension, bonuses, special disbursement, and disposition of earnings and employee stock options. Performance evaluation and salary remuneration policies, system, standards and structure for directors and managers are determined and reviewed by the Remuneration Committee. In addition, regular review and comparison within the industry and talent pool ensure competitive salaries to attract, motivate and retain talents. The effectiveness of high level managers are reflected in the company's overall performance, including indicators such as customer satisfaction, product innovation and technology development, capacity utilization, environment and sustainable development, and talent training and development. Remuneration is primarily divided into fixed and variable remuneration to fully reflect individual and team performance as well as ensuring steady operating growth and breakthrough innovative power for the company.

Taiwan

Singapore

Ratio of maximum remuneration to median annual remuneration

10

3.7

Ratio of % increase in highest total annual remuneration to % increase in median total remuneration

1.66%

1.68%

2-1-3 Shareholder Activism

Since 2012, UMC has used electronic voting as a way for shareholders to exercise their voting rights so that those who are unable to attend shareholder meetings can vote through the Internet and easily participate in major company decisions regardless of where they are. Investors from foreign legal entities may exercise their voting rights via direct electronic voting, thereby significantly reducing the difficulty of custodian institutions having to also represent foreign investors in shareholder meetings. Direct participation of stakeholders in decision-making can reduce agency costs and risk, and increase the motivation of foreign shareholders to exercise their voting right.

In the 2014 UMC shareholder meeting, electronic voting accounted for 37.5% of total shares outstanding, and 48.2% of those attending the meeting.

All admitted bills and motions during UMC shareholder meetings are discussed and voted by meeting attendees, and resulting shareholder supports and vetoes for each bill are recorded so that shareholder opinions are fully reflected in the resolutions.

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2-1-4 Internal Audit

UMC establishes the Internal Audit, which reports directly to the Board of Directors. Its main purpose, duties and responsibilities are as follows:

Main Purpose

- ▶ Examine and evaluate the effectiveness of the internal control system
- ▶ Evaluate the efficiency and effects of the business operation
- ▶ Ensure reliability, timeliness, transparency and legal compliance of reports
- ▶ Provide timely suggestions for improvement to ensure the sustainability and effective implementation of internal control operations

Duties and responsibilities

- ▶ Conduct annual audit in accordance to the provisions of the Taiwan authorities, or conduct unscheduled checks in the event of risks.
- ▶ Issue audit reports and track improvement.
- ▶ Regularly revise internal control system, and audit implementation details and annual internal self-assessments.
- ▶ Communicate with independent directors, and report to the Audit Committee and Board of Directors.

Since UMC is listed on the New York Stock Exchange (NYSE), it is also subjected to US regulations for foreign issuers. Since 2006, UMC has complied with the SOX 404 Act, and received audit by certified accountants. To date, the certified accountants have given unqualified opinion on the effectiveness of UMC's internal control plans and implementation.

For details of the internal audit and operation, please refer to the company's Website at http://www.umc.com/chinese/pdf/audit_c.pdf

2-1-5 Code of conduct and Anti-Corruption

UMC has developed the UMC Code of Conduct for all directors, managers and employees to enhance company and employee knowledge of conduct and professional ethics from top down.

UMC expects all employees to comply with the company's Code of Conduct in their daily work and business execution to gain public confidence and ensure sustainable growth and development for the company. By promoting the Code of Conduct (targets include company subsidiaries, joint ventures, suppliers, customers and others entities pertaining to UMC operation and development), it is hoped that joint effort can be put into fulfilling corporate social responsibility and promoting a balanced and sustainable economic, social and environmental development.

UMC encourages open communication with employees and third parties, and any questionable or unequal treatment in the workplace can be reported to uncover, terminate or prevent major misconduct and violation of government Acts.

For relevant information, please refer to the company Website at http://www.umc.com/English/CSR/c_4.asp

2-1-6 Legal Compliance

UMC's customers are located around the world, and its operations are distributed over several countries. To ensure that operations are in compliance with the laws and regulations of each country, thereby avoiding losses due to legal violations or avoiding profit loss due to fines, UMC has consistently paid close attention to all changes in policies or laws that might impact the company's business or finances.

All UMC departments must comply with relevant laws and regulations. The company has a dedicated legal department serving as a legal platform to offer legal advice and assistance to each department. UMC and its employees are required to comply with relevant business laws and regulations. The company arranges training programs and courses on legal compliance to familiarize employees with updated regulations. Prompt updates allow employees to implement job regulations into their daily management, thereby ensuring that the company complies with the law.

UMC Training Courses for Legal Compliance

Online Courses

Allow employees to learn at any time, and strengthen awareness of the latest laws, and offer online testing, review and correction of employees' legal knowledge. Other related online courses or tests include: Fair Trade Law (antitrust law), import and export control.

Classroom Courses

Classroom instruction on important policy or statutes, including fair trade, insider trading, classified information protection, high-tech export controls, intellectual property protection and personal data protection.

Seminar Courses

Outside legal professionals and experts are invited to lecture on the latest legal trends and information, and exchange ideas.

Outsource Courses

Arrange for legal staff to attend outside training to update their knowledge of amendments and latest news and details to ensure compliance with latest requirements.

Employees can obtain training course information and promotional information from the company's internal Website. Information updates, internal reviews, regulation amendments and implementation ensure our compliance with legal standards. UMC adheres diligently to the various regulations, and has no case of serious legal violations.

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Examples of UMC legal compliance:



High-tech Commodities Export Control
To ensure that UMC export controls meet international requirements, the company has long since implemented internal control for review and feedback, and has simultaneously introduced the Internal Control Program (ICP) in Taiwan and Singapore. For overall control of the export process, the company requires customers to provide necessary information for a series of self-examination and screening from beginning Customer Inquiry to Order Processing to Shipping, and delineates clear control procedures to its various departments. In February 2011, the company's subsidiary in Singapore was awarded the government's Strategic Trade Scheme, Tier3 (STS TIER3) and Secure Trade Partnership (STP) certifications. In December 2012, UMC's Taiwan headquarters was awarded the Internal Control Program certification by the Ministry of Economic Affairs, and due to these government certifications, 26 customers are given preferential export licenses.



Conflict minerals
With the Article 1502 of the Reform and Consumer Protection Act in effect on January 6, 2010, the US Securities and Exchange Commission announced the Conflict Mineral Law on August 22, 2012, and as an issuer of the American Depositary Receipt (ADR), UMC must comply with the regulations. The company has adopted a series of management and investigative measures to ensure that conflict metal/minerals do not come from suppliers and supply chains from specific countries in Africa. In addition, review of 10 suppliers and 42 subsidiaries in 2013, and 12 suppliers and 15 subsidiaries in 2014 confirmed that no supply or use of raw materials contain conflict metals/minerals. Moreover, the company has submitted a Specialized Disclosure (SD) Report to the US Securities and Exchange Commission in May 2014.



Intellectual Property Rights
Faced with increasingly technological competitiveness, UMC has significantly improved its patent protection strength of key technologies, and obtained stable growth in its number of patents. In 2014, UMC obtained a total 347 domestic and foreign patents, including a total of 263 patents from the US, 68 patents from ROC, and 11 patents from China. To date, UMC has a total of 10,797 patents around the world, giving UMC a comprehensive and powerful intellectual fortress.



International Accounting Standards
Since January 1, 2013, according to the Roadmap of the Financial Supervisory Commission (hereinafter referred to as FSC), UMC began compiling financial reports in accordance to the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Explanations and Interpretations.



Fair Trade Law
In 2011, UMC formulated and announced its fair trade policy, and required employee compliance. The company also conducted education and training for its directors and employees to prevent legal violation.



Insider Trading
UMC has formulated the Prevention Policies and Procedures for Managing Insider Trading, and is committed to promoting policies against insider trading. The company has designated personnel to notify directors and management team of block out dates within the next two months when trading is not allowed.



Personal Data Protection Law
In response to Taiwan's newly issued Personal Data Protection Act, Taiwan's UMC inventoried its personal data on file and established appropriate information protection mechanisms to prevent information theft, tampering, damage, loss or disclosure. Regular education and training enhanced the basic knowledge of business employees to help them understand employee restrictions for handling personal data, restrictions on storing personal data, alert and reporting mechanism, and informed consent mechanism. A channel for informed consent and notification is also established to explain the mechanism for informed consent and signature for using personal information.



Classified Information Protection
UMC signed non-disclosure agreement with both its vendors and customers to require mutual protection of classified information. UMC has also set an internal system for classified information /data management so that customer information is handled by a designated unit to avoid inappropriate disclosure.

Regulation Compliance in 2014

Cases of anti-trust complaints against the company	Cases of product, service information and labeling regulation violations	Cases of hefty fines imposed on the company for regulation violations	Complaints of customer privacy violation / data loss
0 Cases	0 Cases	0 Cases	0 Cases

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2-1-7 Joint Ventures and Subsidiaries

The ventures of the company and its affiliated enterprises include wafer manufacturing, electronics, optoelectronics industry, investment, insurance and trading industries. In 2014, about 90% of revenue was generated by UMC's integrated semiconductor manufacturing operations, and the remainder generated by the new business department for research and manufacturing of solar energy and new generation light-emitting diodes.

This report is based on Chapter 1 on material sustainability issues, as identified and disclosed by the 10 joint ventures and subsidiary companies, namely HJTC, Wavetek Co., Ltd., NexPower Technology Corp., Topcell Solar International Co., Ltd., UMC Group USA, UMC Group Japan, UMC Capital Corp., UMC New Business Investment Corp, Montage Technology Group Limited, and UMC Capital Co., Ltd, as well as the categorical and industrial specific disclosures of subsidiary companies. As semiconductor manufacturing and sales companies, both HJTC and UMC have disclosure information in other chapters and sections in addition to the basic disclosures in this section. For information on other UMC subsidiaries, please refer to Page 124 of the company's 2014 annual report and the company website at http://www.umc.com/chinese/investors/Reports/2010-present_report.asp

Basic Information

Company Name	Time of Establishment	Principal operation or production	Address
HJTC (Suzhou) Co., Ltd.	2001.11	Semiconductor Manufacturing and Sales	No. 333, Xinghua Street, Suzhou Industrial Park, Suzhou,Jiangsu Province, China
Wavetek Co., Ltd	2010.10	foundry services	3F.,No. 10, Innovation 1st Road, Hsinchu Science Park, Hsinchu County,Taiwan, R.O.C.
NexPower Technology Corp	2005.11	Solar cells manufacture and sales	No.2, Houke S. Rd., Houli Township, Taichung City, Taiwan, R.O.C.
Topcell Solar International Co., Ltd.	2009.12	Solar cells manufacture and sales	No. 1560 , Sec. 1,Chungshan Rd., Junhu Vil. Guanyin Township, Taoyuan County ,Taiwan, R.O.C.
UMC Group (USA)	1997.08	IC marketing	488 De GuigneDrive, Sunnyvale,CA 94085, USA
UMC Group Japan	2013.01	IC marketing	15F Akihabara Centerplace Bldg.,1 Kanda Aioi-cho Chiyoda-ku Tokyo 101-0029 Japan
UMC Capital Corp.	2001.01	Investment	190 Elgin Avenue, George Town,Grand Cayman, Cayman Islands
UMC New Business Investment Corp	2009.08	Investment	8F, No.68, Sec.1, Neihu Rd.,,Neihu Dist., Taipei City, Taiwan, R.O.C.
Montage Technology Group Limited	2005.10	Investment	18F, No. 333,Sec.2,Tunhua S. Rd., Taipei City, Taiwan, R.O.C.
UMC Capital Co., Ltd.	1993.09	Venture investment consulting and planning	18F, No. 333,Sec.2,Tunhua S. Rd., Taipei City,Taiwan, R.O.C.

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Three Subsidiary Manufacturing Companies

Company Name	Wavetek Co., Ltd	NexPower Technology Corp.	Topcell Solar International Co., Ltd.
Economic Performance	Economic		
	Operating Revenue/NT\$1000		
	504,920	385,072	9,333,016
	Capital/NT\$1000		
	989,613	4,875,288	2,740,320
	After tax profit (loss)/NT\$1000		
	(192,001)	(1,869,652)	(266,847)
	Other financial information		
	Please refer to Page 134 of the Company's 2014 Annual Report on the operations of affiliated companies http://www.umc.com/chinese/investors/Reports/2010-present_report.asp		
	Pension fund allocation		
Compensations and Benefits	According to local pension regulations		
	Minimum wage standard		
Regulations compliance	According to local regulations on minimum wage		
	Product		
	Product/Service Total Hefty Fines /NT\$		
Regulations compliance	No hefty fines related to violation of relevant regulations in 2014		

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Three Subsidiary Manufacturing Companies

Company Name	Wavetek Co., Ltd		NexPower Technology Corp.		Topcell Solar International Co., Ltd.	
Environmental						
Environmental Management	Promote relevant environmental management system certification					
	• Promoted the EMS + OHSAS Management System; certification is expected in 2015 • Awarded ISO 14064-1 verification on greenhouse gas emissions. For relevant information, please refer to http://www.wtkmicro.com/cht.cc/about/profile.asp		• Awarded the IEC (61646 & 61730) and ISO (9001 & 14001) certifications • Awarded the PAS2050 carbon footprint and ISO/CD14067-1 certifications • Passed the WEEE 3R compliance verification. For relevant information, please refer to http://www.nexpw.com/About/About		• Awarded the ISO (9001 & 14001) certifications • Awarded the QC080000 certification • Awarded the PAS2050 carbon footprint certification • Awarded the water footprint verification. For relevant information, please refer to http://www.topcell-olar.com/Ch/Web/company/company.asp?info_id=48	
Regulation Compliance	Environmental regulation violation fines/ NT \$					
	No major fines related to violation of relevant regulations in 2014					
Resource usage	Energy consumption					
	MWh8072		MWh22954		MWh81676	
	Giga Joules29060		Giga Joules82634		Giga Joules294034	
	Energy intensity (Giga Joules/1000 NTD)					
	0.05755		0.16789		0.0315	
Water resource usage	Total water withdrawal (m³)					
	59774		111082		847623	

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Three Subsidiary Manufacturing Companies

Company Name	Wavetek Co., Ltd.	NexPower Technology Corp.	Topcell Solar International Co., Ltd.
Environmental			
Greenhouse gas emission	Direct greenhouse gas emissions Category 1 (ton CO2e)		
	1051	249	795
	Indirect greenhouse gas emissions Category 2 (ton CO2e)		
	4157	12211	43452
	Intensity of greenhouse gas emission (ton CO2e/1000 NTD)		
	0.01032	0.02532	0.00474
Waste gas emission	Ozone Depleting Substances (ODS) emissions (ton)		
	0	0	0
	Emissions of air pollutants (Nitrogen oxides (NOx) : Sulfure Oxides (Sox) : Volatile organic compounds (VOCs)		
	NOx 0.7128	NOx 1049	NOx 2.721
	SOx 0	SOx 0	SOx 0.566
	VOCs 46.92	VOCs 0	VOCs 10.95 (ton)
Wastewater discharge	Total wastewater discharge (m ³)		
	50985	16301	823354
Waste material	Total weight of waste material (ton)		
	137	230	5768

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Three Subsidiary Manufacturing Companies

Company Name	Wavetek Co., Ltd.				NexPower Technology Corp.				Topcell Solar International Co., Ltd.			
Social												
Labor relations	Number and rate of employee turnover according to gender											
	Male	48 employees	26.82 %	Male	72 employees	42.00 %	Male	236 employees	43.00 %			
	Female	35 employees	30.97 %	Female	3 employees	8.00 %	Female	192 employees	39.00 %			
	Gender-neutral return to work and retention rates following maternal and parental leave											
	Return rate	100.0 %	Return rate	40.0 %	Return rate	100.0 %						
	Retention rate	100.0 %	Retention rate	100.0 %	Retention rate	61.5 %						
Occupational Health and Safety	Occupational injury index (Disabling Frequency Rate (FR) ; Disabling Severity Rate (SR) ; Injury Rate (IR) ; Lost Day Rate (LDR)											
	FR	0	FR	4.873	FR	11.67						
	SR	0	SR	17.055	SR	11.67						
	IR	0	IR	0.487	IR	2.537						
	LDR	0	LDR	3.411	LDR	2.334						
					Absenteeism	3%						
Compensations and Benefits	Female-male basic wage ratio; Female-male compensation ratio											
	Employee salary is based on educational level, performance and market prices, and independent of gender											

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Three Subsidiary Manufacturing Companies

Company Name	Wavetek Co., Ltd.	NexPower Technology Corp.	Topcell Solar International Co., Ltd.
	Social		
Human Rights	Discrimination		
	No incidence of discrimination in 2014		
	Child labor		
	Management mechanism in place; no incidence of child labor		
	Serious incidence of forced or compulsory labor risks in operation base		
	No incident of forced or compulsory labor risks in operation base in 2014		
	Number of cases		
	Complaint mechanism in place. No complaint of human rights issues in 2014		
Anti-Corruption	Corruption risk assessment		
Fair Trade	Number of antitrust litigations		
	Promoted according to the UMC Code of Conduct (For relevant information, please refer to the company website http://www.umc.com/chinese/CSR/c_4.asp) In 2014, there is no incidence of corruption, and no violations of antitrust		
Regulations Compliance	Hefty Fines for violation of regulations (NT\$)		
	No hefty fines related to violation of relevant regulations in 2014		

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Six Non-manufacturing Subsidiary Companies

Company Name	UMC Group USA	UMC Group Japan	UMC Capital Corp.	UMC New Business Investment Corp	Montage Technology Group Limited	UMC Capital Co., Ltd.
Economic						
Economic Performance	Operating Revenue （ NT\$1000 ）					
	57,238,969	5,715,905	1,590,509	24,641	1,405,808	331,353
	Capital （ NT\$1000 ）					
	499,108	8,607	2,175,975	6,000,000	4,861,502	5,738,000
	After tax profit (loss) (NT\$1000)					
	34,479	43,141	884,123	(354,867)	313,062	(106,105)
	Other financial information					
	(Please refer to Page 134 of the Company's 2014 Annual Report on the operations of affiliated companies) http://www.umc.com/chinese/investors/Reports/2010-present_report.asp					
	Pension fund allocation					
According to local pension regulations						
Compensations and Benefits	Minimum wage standard					
	According to local regulations on minimum wage					
Product						
Regulations compliance	Product/Service Total Hefty Fines (NT\$)					
	No hefty fines related to violation of relevant regulations in 2014					

2-2

Innovation Management

● Current status and development in the semiconductor industry

The development trends for end electronic products are oriented toward functional improvement and light weight, but the introduction of energy conservation and carbon reduction have also impacted chip design. Therefore, in view of factors such as functional integration, increased performance and low power consumption, chip design has become increasingly complex. Moreover, for production efficiency, semiconductor manufacturing technology must continue to miniaturize, and wafer surface area must increase in diameter. Hence, given these two major trends, the threshold for semiconductor manufacturing is increasing, and investment cost is rising rapidly.

● Future business opportunities in the semiconductor market

The four types of traditional IC products are computers, communication, consumer and car electronics. Electronic products are already more compact, power saving and interconnected. For example, notebooks and tablets have a longer operating time, and cell phones can be connected to laptops and tablets via wireless networks. In addition, significant improvement in the bandwidth of broadband networks has facilitated the combination of the Internet and smart TV. Through information reading, transmission and processing, objects are linked into a large network, and the many derivative breakthrough applications will result in huge business opportunities. In the future, key technologies for smart phones, wearable electronics and the networking market will be adopted and commercialized. Hence corresponding specialized foundry manufacturing should be developed as soon as possible to satisfy the myriad of customer product needs that will result from the integration of 4C and internet of things.

■ The Internet of things(IOT)



■ Key Future Research Plan and Progress

28 nm manufacturing technology

- Successfully developed the 28 nm Poly-SiON manufacturing process, and transferred the technology to production.
- Successfully developed the 28 nm HK/MG manufacturing process, completed customer product verification, and transferred the technology to production.

14 nm manufacturing technology

Developed the 14 nm FinFET manufacturing process according to schedule. Expect to provide customers with trial production in the first quarter of 2016.

10 nm manufacturing technology

Sent technology team to the US IBM foundry plant in CNSE to jointly develop advanced 10nm foundry technologies. At the same time, 10nm technology was developed in UMC's R&D facilities. Progress is going as scheduled.

3D IC TSV technology

- Developed relevant 6nm Via Middle manufacturing process.
- Integrated with the 14nm manufacturing process

Second generation lithography technology

- Established the dual/multi framework for rounding technology. Trial production and verification are proceeding as scheduled.
- Developed inverse lithography technology (ILT) and optic rounding correction
- Continue with extreme ultra-violet technology project and evaluation

Special technology development

Develop and test 55/40nm special technology platforms (such as HV, CIS and eFlash)

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Sustainable Development-Economic Growth

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Sustainable Development-Economic Growth

2-2-1 Realization of Sustainable Development

Innovative products and technologies

The UMC R&D team is committed to developing advanced manufacturing technology, and upholds the philosophy of offering foundry solutions that are consistent with market trend and customer needs, such as world class advanced manufacturing technology, customer support and production and manufacture.

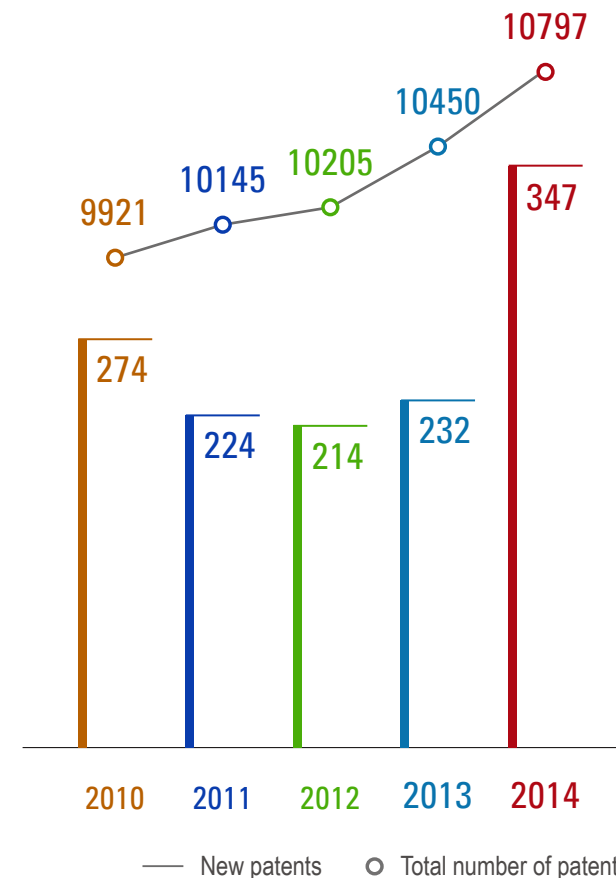
Innovative development of advanced technologies

In the face of intense technological competition, besides significantly increasing its key technological capabilities, UMC is also focused on patent distribution to protect its technological intellectual property rights, and has seen steady growth in its number of patents. In 2014, the company acquired a total of 347 domestic and foreign patents, of which 263 are US patents, 68 are Taiwan patents, 11 are China patents, and others are patents from various other countries. To date, UMC has a total of 10,797 patents, which provides the company with a complete and strong intellectual property right for manufacturing. To remain competitive, UMC has also significantly increased the patent quality of its key technologies, and continues to strengthen its customer service and competitive advantage, and generate profits for the corporation.

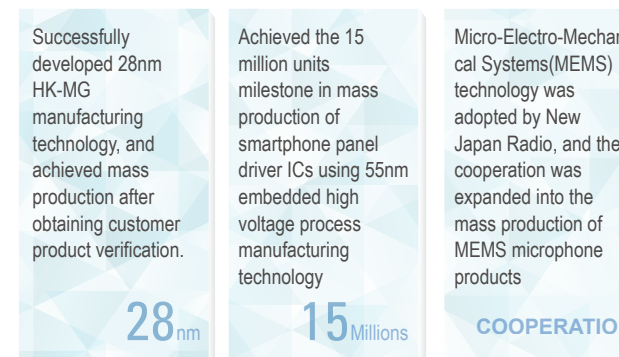
A Winning Foundry Approach



New Patents/ Total Number of Patents



Successful Technology or Product Development in 2014



2014 Innovative Operations



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Sustainable Development-Economic Growth

2-2-2 Business Performance

Key Performance Indicators in 2014

KPI	KPI
Capacity Utilization Rate	Ratio of revenue from sale of foundry less than 65 nm
Expected Goal	
84.9%	54.2%
Achieved Goal	
89.0%	52.0%
Performance Rate	
104.8%	95.9%

Advanced Processes Continue Growth

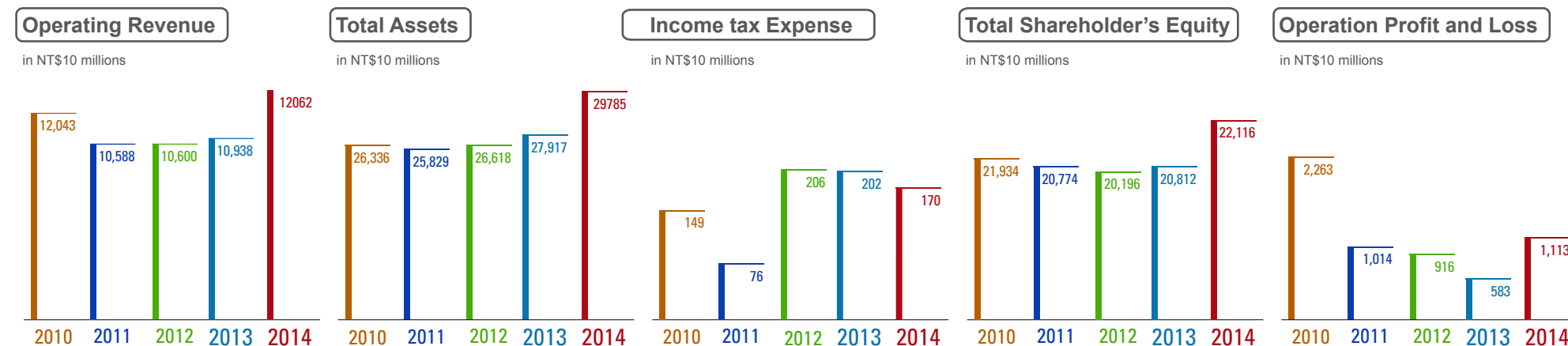
40nm and below products account for 24% of total production capacity.	24%↑
Revenue for 28nm reached 7% in the 4 th quarter	7%



Profitability

Return on assets			Return on equity			Pre-tax profit to paid-in capital ratio		
2012	2013	2014	2012	2013	2014	2012	2013	2014
2.43%	4.76%	4.37%	3.01%	6.16%	5.66%	6.36%	11.54%	10.87%
Net profit rate			Earnings per share (NT\$)					
2012	2013	2014	2012	2013	2014			
5.83%	11.55%	10.07%	0.49	1.01	0.97			

Notes: (1)The above data is based on IFRS. (2)The data is from the parent company only. For consolidated information, please refer to the company's 2014 Annual Report



Notes 1:The 2010~2011 financial data is based on ROC financial accounting standards.

Notes 2:The 2012~2014 financial data is based on IFRS.

Notes 3:The data is from the parent company only. For consolidated information, please refer to the company's 2014 Annual Report.

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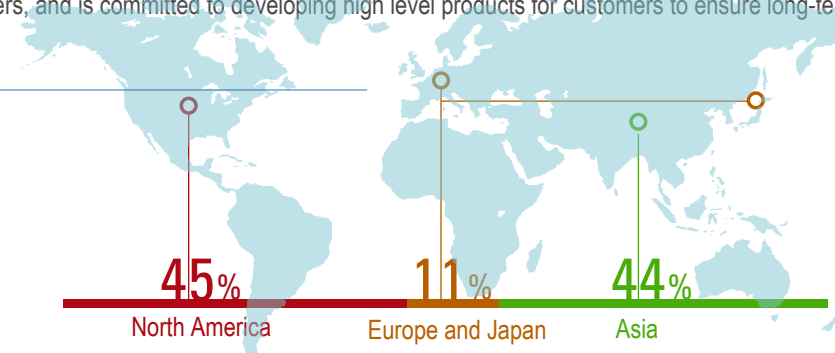
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Sustainable Development-Economic Growth

● Overview of Marketing and Sales

UMC is well recognized by customers, and hence its customer base comprises major manufacturers from various regions. Primary markets for product sales are North America and the Asia-Pacific region, and account for 45% and 44% of the total sales, respectively, while Europe and Japan account for 11% of the company's total revenue. The company will strengthen future cooperation with other world class customers, and is committed to developing high level products for customers to ensure long-term stable growth for UMC

Export Ratio



● Unfavorable Factors in Future Development

Given the prospect of long-term demand and growth in the semiconductor industry, the world's leading foundries have increased their capital expenditures to expand advanced manufacturing capacity, which may unbalance future market supply and demand.

● Countermeasures

- Continue to control spending and improve efficiency to reduce costs, and strategically and efficiently expand 28nm manufacturing capability. Strengthen company competitiveness by increasing high order manufacturing and product portfolio.
- Build equity and strategic alliances to expand the 12-inch foundry layout, and reduce construction time, risk and cost for new foundry factories, thereby reducing risk for the local market.
- Strategies for new competitors: Continue to strengthen advanced manufacturing development, and maintain the existing advantages of stable high yield and comprehensive service. Expand the gap with new competitors while also creating distinction so that UMC remains the best choice for customers.
- Provide the most advanced and optimal manufacturing services for featured IC products in various applications, and help customers achieve the lowest cost, high efficiency and low power consumption.
- Strengthen marketing effectiveness and customer service mechanism, and continue to increase customer satisfaction.
- All investment plans should be carefully evaluated, and comprehensive consideration given to UMC's maturity at different stages of high order manufacturing and customer manufacturing capacity requirements.

● Factors Favoring UMC's Sustainable Economic Development

Summary as shown below. For detailed information, please refer to Page 93 of the Company's 2014 Annual Report

The foundry market flourished under the integrated circuit design and manufacturing vertical division of labor trends, and global demand for foundry grew rapidly.



Integrated device manufacturing giants (IDMs) have adopted an outsourcing strategy for foundry, which contributes to the growth of the foundry market.



Strategic alliances with international companies have resulted in long-term stable orders.



UMC's advanced 28nm manufacturing is already in mass production. UMC is one of the rare specialized foundry manufacturers that help customers improve product profits and reduce customer production costs. In addition, the 28nm manufacturing technology breakthrough will further strengthen the long-term competitiveness of UMC.



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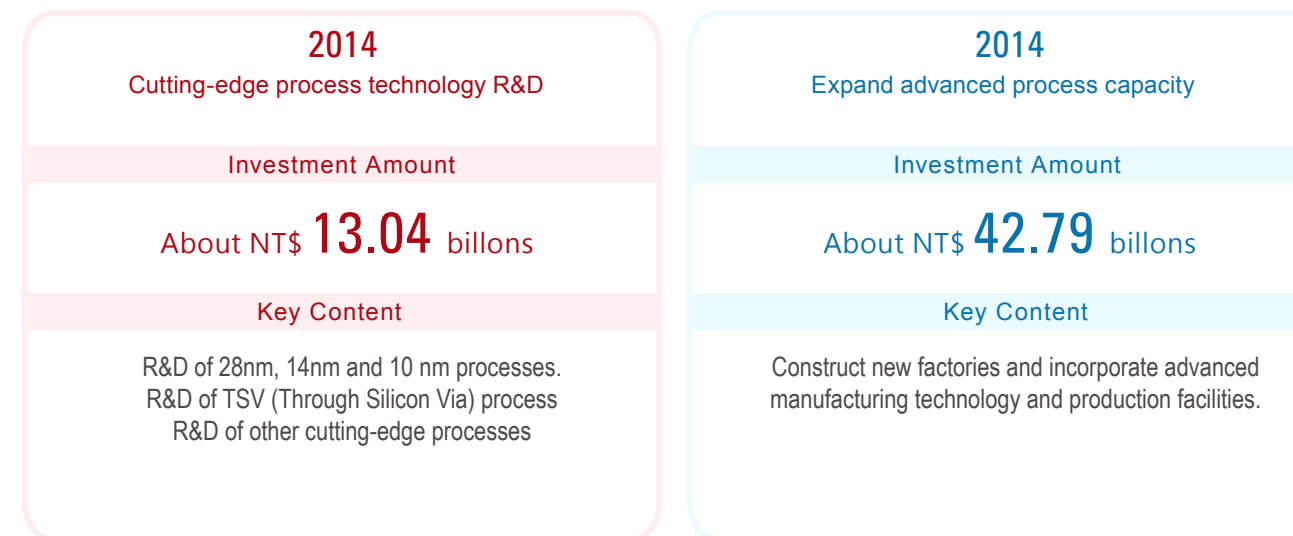
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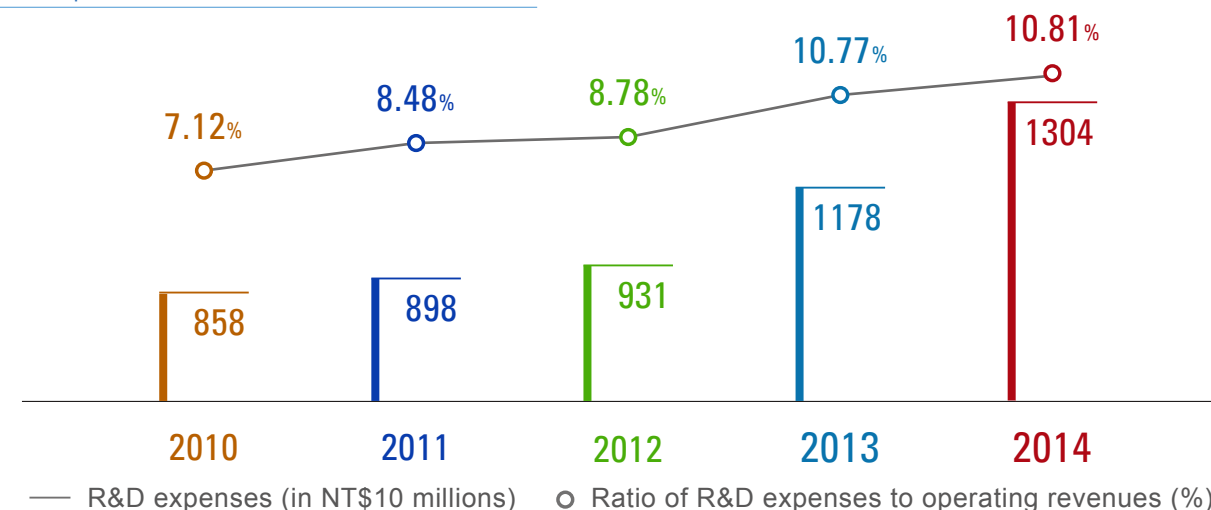
Sustainable Development-Economic Growth

2-2-3 Investment to Enhance UMC's Competitiveness

UMC's R & D team is committed to promoting the development of advanced manufacturing technology, and upholds the philosophy of customer-driven foundry solutions that are consistent with market trend and customer needs, including world class advanced manufacturing technology, customer technical support and production. With the expansion of the Southern Taiwan Science Park, the company continues to employ a large number of R & D talents, and spares no effort in recruiting and nurturing R & D talents.



R&D Expenses



Note 1: The 2010~2011 data is based on ROC financial accounting standards.

Note 2: The 2012~2014 data is based on IFRS.

Note 3: The data is parent company only. For consolidated information, please refer to the company's 2014 Annual Report.

2-2-4 2015 Operational Goals

Focus on differentiating advanced manufacturing and development of specialty technology to help customers succeed.



Continue to strengthen manufacturing capabilities, shorten lead-time, and improve overall quality and productivity



Expand marketing and customer management to maintain the company's leadership in foundry



Motivate employee potential and responsibility, integrate organization operational efficiency, and increase competitiveness in sustainable management.



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Customer Service

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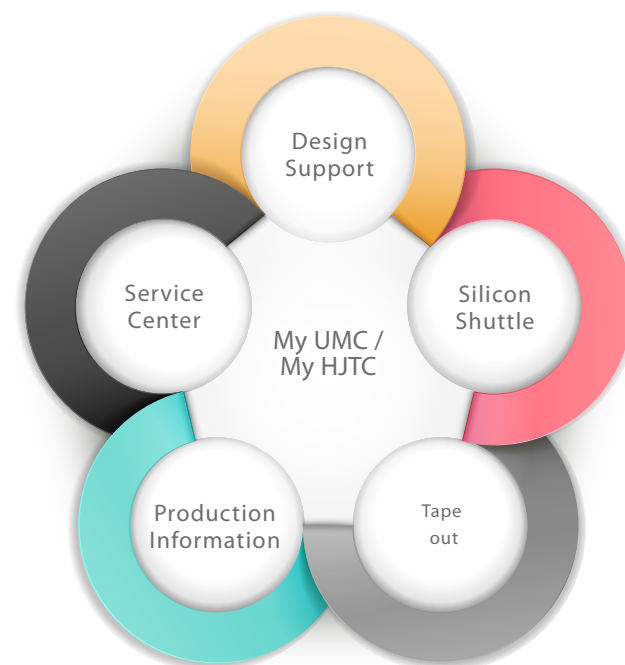
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Sustainable Development-Economic Growth

In the spirit of UMC's philosophy of sustainable development, sustainable economic development requires not only stability and growth in business performance; respect for customer feedback, customer demand, customer recognition and customer long-term support are also indispensable to sustainable operation. While striving to strengthen operational performance, the company's economic growth and business sustainability is facilitated by a positive cycle that can only be truly created by investing and giving to society for common good and benefits.

UMC is a leader in the semiconductor foundry industry. It provides advanced process technology and foundry services, and is the major wafer producer for various application products in the IC industry. UMC is directed toward meeting customer product demand, and emphasizes customer orientation and professional support. The company thinks in terms of its customers' perspective, and based on their needs, provides a full range of services to achieve customer satisfaction and business sustainability.

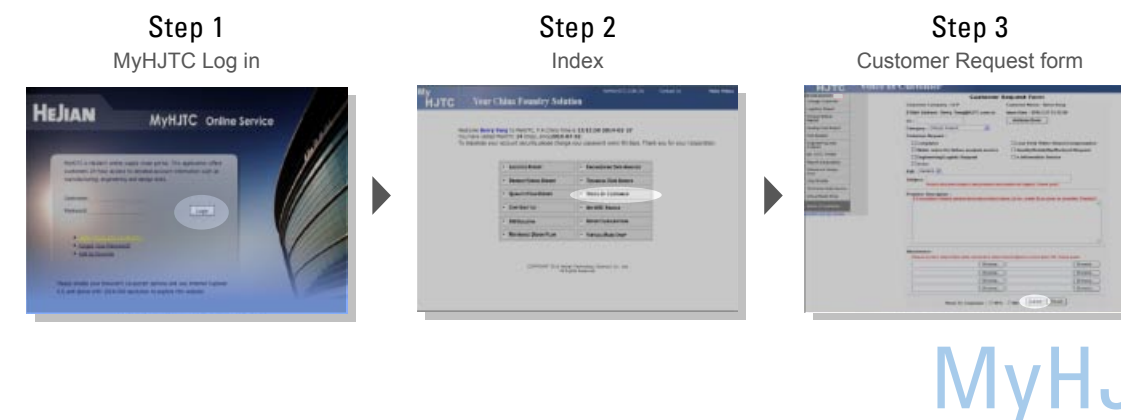
Online service platforms for providing real-time information



2-3-1 Improving Service Quality and Customer Satisfaction

Since the beginning of its operations, UMC has been committed to customer satisfaction as its duty and long-term objective, and this attitude became the core value of the company, that is, customer orientation. Customer-oriented products and services are priority, and overall solutions for fulfilling demands are based on a customer perspective. UMC has introduced the My UMC and My HJTC (reserved for HJTC customers) online service platforms to provide customers with complete and immediate online supply chain information, including production status of orders, shipping date inquiry, and product quality data and status. At the same time, the website also offers an Engineering Data Analysis which provides an easy engineering analysis function for customers. Moreover, the Voice of Customer (VOC) instant online complaint system allows customers to request UMC products or services, or offer comments or suggestions. Designated employees are responsible for distributing the feedback and managing and responding to customers, who may make online enquiries about the progress at any time. For UMC, understanding customer needs through the VOC, and transforming these requests into practical action enhance the company's service quality and competitiveness, and ultimately achieve customer satisfaction.

MyUMC and MyHJTC instant online complaint systems for customers



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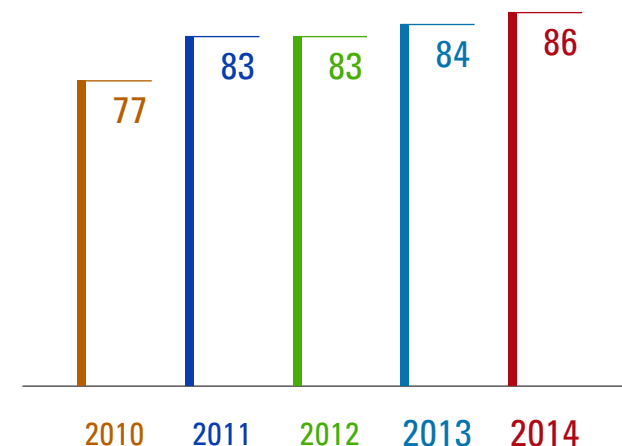
2-3-2 Improving Customer Satisfaction

UMC (including its subsidiary HJTC) regularly receives satisfaction ratings from those customers that generate more than 60% of its revenue. Customer scorecards are distributed on an annual, semi-annual or quarterly basis. Rating results are analyzed to identify opportunities for improvement, and UMC upholds its responsibility to make timely and effective improvements to increase customer satisfaction.

UMC's (and its subsidiary HJTC) use of scorecards to determine customer needs and satisfaction allows for more immediate knowledge of customer needs. In addition, UMC also responds to customer needs through meetings, and ensures that their needs receive proper attention. At the same time, the company lists product quality and timeliness as key indicators of the company's internal performance to further enhance customer satisfaction and create a win-win business.

Customer scorecard ratings show that customer satisfaction toward UMC (and its subsidiary HJTC) has been growing steadily. At the same time, UMC's overall performance over the years has also received customer approval and awards, thereby indicating customer endorsement of UMC's product and service quality, and demonstrating the positive interaction and cooperation between UMC and its customers.

Customer Ratings



Customer's Award

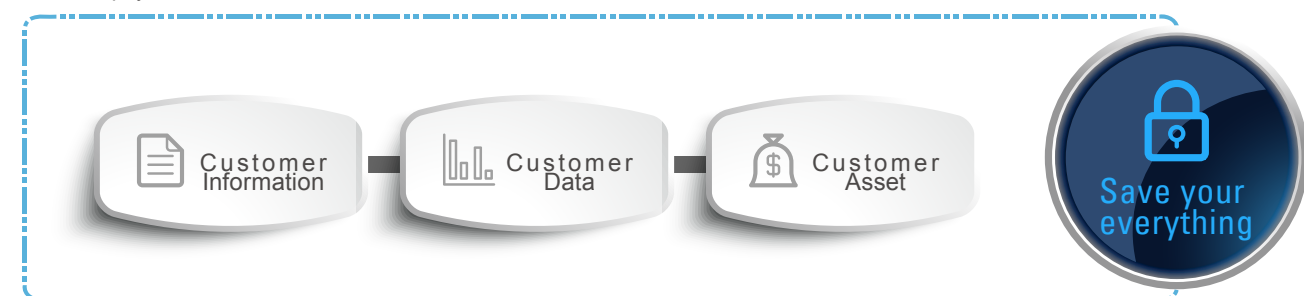


2-3-3 Protecting Customer Assets

UMC satisfies customer needs by helping manufacturers systematically develop, design and manufacture reliable and safe products that comply with international standards. In 2014, UMC began pushing for International Organization for Standardization (ISO 15408) certification. In addition, its Fab12A was awarded ISO 15408 Level EAL6 safety certification by the Germany Federal Office for Information Security (BSI), becoming the first wafer foundry in Taiwan to win such a certification and possessing manufacturing conditions that comply with the ISO 15408 Common Criteria. In addition to the comprehensive increase in the security of company and customer assets, customers are not required to verify wafer fabrication safety in their future applications for product safety certification, thereby reducing their costs in time and resources, and accelerating their product entry into the market. For further information, please refer to the company website at

<http://www.umc.com/English/news/2015/20150112.asp>

- Product perspective: Content of verification includes all stages of product development, from initial product design, production and delivery to operation.
- Applicable to security products such as government documents, passport chips, electronic identity cards, electronic banking and electronic payment.



2-4

Risk and Crisis Management

2-4-1 Financial and Operational Risks

Analysis of the impact of financial performance indicates the following financial risks for UMC:

Liquidity Risk 	Currency Interest Rate Risk 	Credit Risk 	Property Damage and Business Interruption Risk 
Content The semiconductor industry requires intensive capital. If adequate cash cannot be maintained, the company may face liquidity risk in its short-term financial needs. Risk Strategy To continue operations in emergency situations, UMC maintains a cash reserve equivalent to about three months of operational revenue to cope with operational needs under various situations. In addition, UMC maintains a bank balance of no less than the amount of monthly revenue to ensure liquidity.	Content Revenue and capital expenditure in the semiconductor industry is mainly calculated in currencies other than NT, and hence fluctuates with exchange rates. However, due to large scale deposits and loans in the semiconductor industry, changes in interest rates could result in deviations from expected financial performance Risk Strategy UMC balances foreign currency assets and liabilities by natural hedging. In addition, appropriate management of debt period and fixed or floating interest rate structure reduces interest rate risk.	Content Due to financial deterioration or other factors, clients may be unable to fulfill their contractual obligations, resulting in risk of loss from default. Risk Strategy UMC's Credit Management Department controls customer credit amount according to company credit regulations and customer financial conditions.	Content Natural disasters or accidents may result in risk of property or operational loss. Risk Strategy UMC mitigates natural or man-made disaster risks through property damage and business interruption insurance policies. The insurance plan balances risk management cost, premiums and risk capacity. In consideration of Total Costs of Risks, risk management resource allocation is optimized.

2-4-2 Business Continuity Management

With rising global risks, UMC recognizes the need to pursue business continuity, that is, provide uninterrupted services to important strategic customers and key stakeholders, and uphold the highest goal of operational sustainability by providing customer with wide range, quality and uninterrupted foundry manufacturing. Since 2002, UMC has instituted the Business Continuity Plan (BCP) for its factories. In 2013, it led the industry by obtaining ISO 22301 certification issued by SGS in Taiwan, and continues to strive for precision and improvement. In 2014, UMC's business continuity management aimed to strengthen the completeness of supply chain management by completing the Risk Assessment of Supplier Business Continuity for 95% of Suppliers of Purchases. The assessment outcome is used as a reference for auditing high-risk suppliers in 2015 to effectively control supply chain risk and reduce supply disruption risk.

Business Continuity Policy

- 1 UMC strives to provide the most competitive wafer foundry services while constantly pursuing co-development partnerships with customers. To provide customers with diversified, quality and uninterrupted foundry manufacturing service is the highest principle of the Company's business continuity management.
- 2 UMC will carry out BCM organizational operations, conduct operational impact analysis and risk assessment, and initiate its BC strategy and objective accordingly as the operating environment changes. Necessary resources are then invested for implementation, review and constant improvement.
- 3 When disasters or events impacting operations occur, UMC will follow its BC strategy and invest in resources to maintain and restore operations to the highest possible level. During incidents, the Company will also maintain open communication with customers and stakeholders and strive for their best interests.

Business Continuity Objective

- 1 Personnel safety is the top objective for all the BC activities and practices.
- 2 UMC has established all types of disaster prevention, countermeasures and crisis management abilities to reduce impact to business continuity. Within the timeframe decided by management to restore operations, UMC will strive to surpass minimum operation levels, in order to ensure customers' and stakeholders' best interests.
- 3 To ensure that the UMC BCM mechanism is correct and conducted efficiently, UMC values and follows the highest operating level standard, ISO22301. The Company's constant BCM improvement activities are based on this standard.

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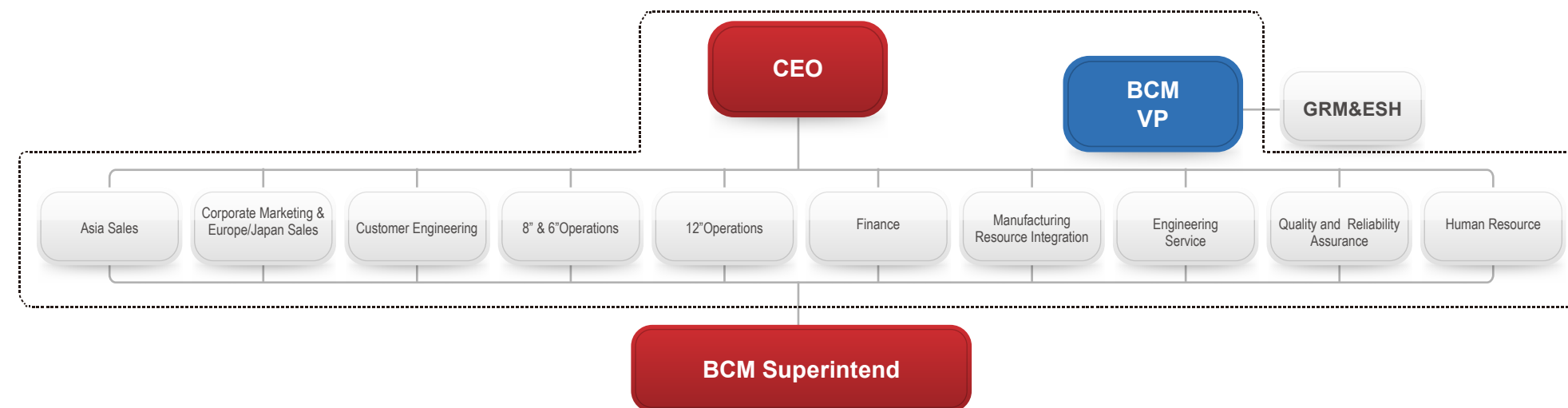
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UMC Business Continuity Management Organization



System Operation Objectives

2014 System Operation Objectives



0

Zero major incidents

21%

Reduce number of non-minor incidents in the company by 21%

0

Assess risk for 95% of suppliers of purchases, totaling 57 suppliers, and achieve 0 high risk.

2015 System Operation Objectives

100%

Audit 100% of high risk suppliers

ISO

Pre-approval by ISO22301 for 12-inch factory

80%

Substitute 80% of PFOA materials in the 12-inch factory

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2-4-3 Disaster Risk Control

UMC well recognizes the impact and influence of natural and man-made disasters on production and operation. Hence the company has consistently adopted an active attitude toward preventive disaster risk management, and seeks to achieve the highest standard of semiconductor industrial safety through rigorous risk engineer controls and implementation of safety regulations and norms.

In recent years, global climate change issues have continued to be a point of contention. UMC is also concerned about the possible impact of extreme weather. The company actively controls the impact of disaster risk, completing a Taiwan flood risk and improvement assessment in 2014, and improving the floodgates in its Southern Taiwan Science Park factories in 2015. To improve risk management goals and honor its insurance commitment, the UMC Fire Brigade pursues overall improvement, and will adopt a numerical simulation method in 2015 to verify the effectiveness of UMC fab fire risk control for future reference.

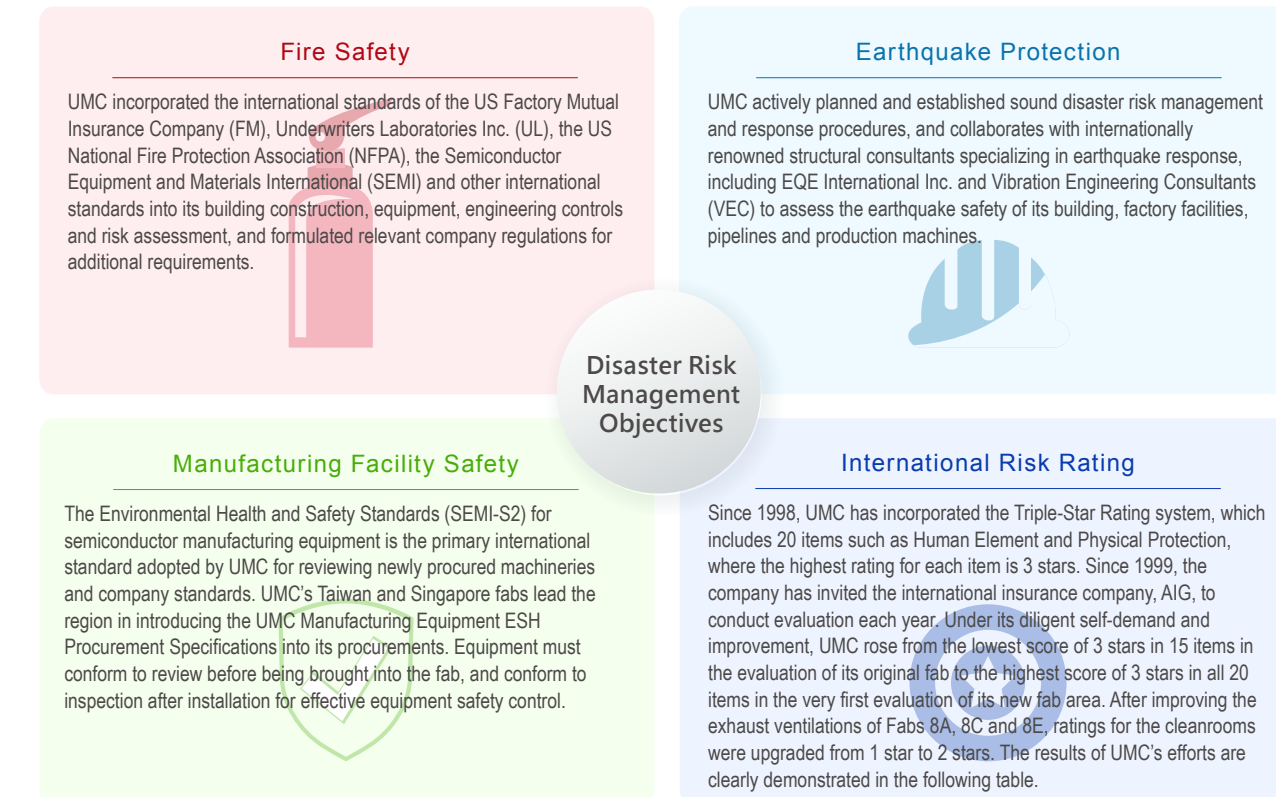
International Risk Rating



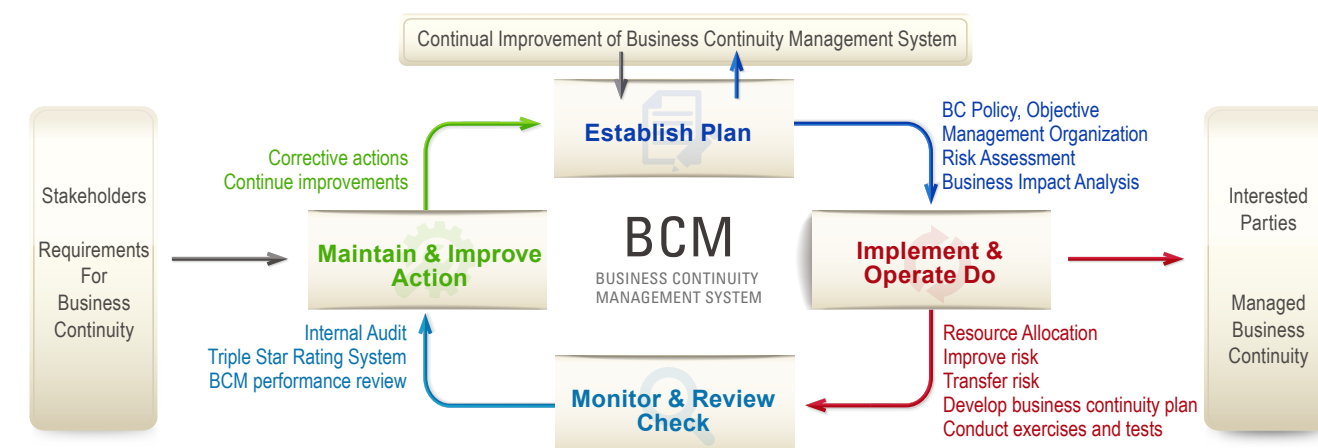
Note 1: This risk rating does not include UMC's 6-inch fab and its subsidiary HJTC in China. HJTC is inspected each year by Marsh insurance agent.

Note 2: Fabs 8A, 8C and 8E are limited by the conditions of the original plant design. After improving their exhaust ventilation, rating for the clean room was upgraded from one star to two stars.

Fire Disaster Risk Management Objectives



Continual Improvement of Business Continuity Management System



2-5

Sustainable Supply Chain Management

We realize that the global wave of social responsibility and environmental protection has spread beyond the company itself into the entire supply chain. Regardless of where in the supply chain, corporate social responsibility must be confronted. For UMC, such a challenge also presents opportunities. The Environmental Committee has formed a special task force to promote sustainable supply chain management. UMC's worldwide suppliers are not merely business partners, but in addition to quality and delivery, UMC also expects them to fulfill their social responsibility in related issues such as environment-related substances control in products, climate change, labor safety, health and human rights, conflict metals/minerals, and water footprint. Since 2008, UMC has been inviting suppliers to promote the UMC Corporate Social Responsibility Joint Declaration for Supply Chains.

UMC Corporate Social Responsibility Joint Declaration for Supply Chains.

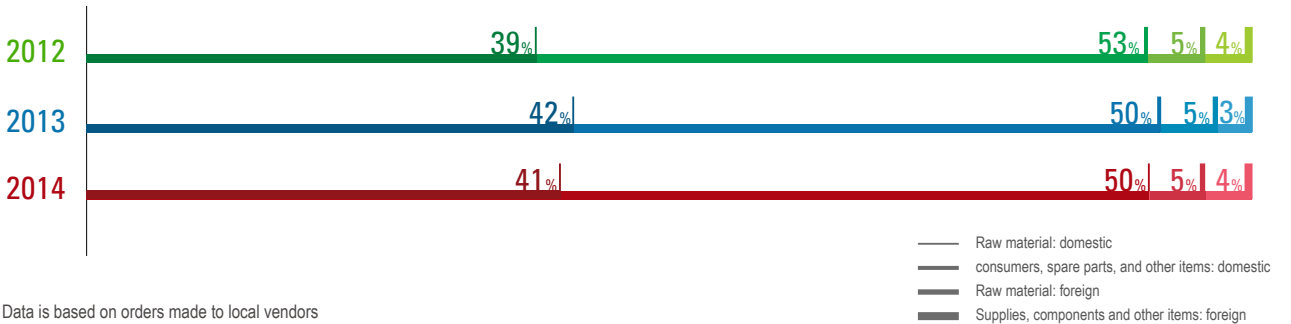
- 1 Reach out to employees, emphasize environmental protection, offer public service
- 2 Be people-oriented, emphasize human rights, create a high-quality work environment
- 3 Develop green manufacturing, offer green products, build a green supply chain
- 4 Reach out to the disadvantaged, nurture the environment, and fulfill corporate social responsibility
- 5 Assist upstream and downstream manufacturers, enhance green competitiveness, and jointly create sustainable business opportunities

2-5-1 Localize supply chain and procurement

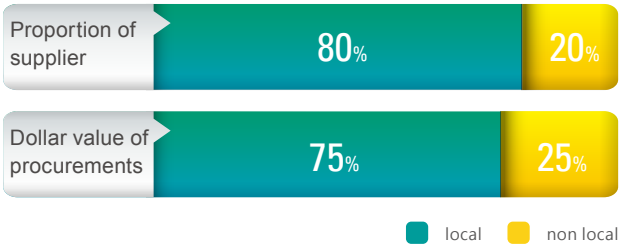
When corporate social responsibility becomes the key to business continuity, UMC must fulfill increasing international expectations toward business standards in Taiwan. UMC cooperates with more than 3,000 suppliers worldwide, most of which are local procurements to promote close relationship with local partners, enhance the development of local economies, and reduce the environmental footprint of raw materials needed for manufacturing. Localizing procurement is an important UMC strategy for finding supply partners. The main UMC production bases in Taiwan are located in Hsinchu Science Park and Southern Taiwan Science Park, and overseas factories are mainly located in Singapore (UMC Singapore Branch) and China (subsidiary HJTC).

In the last 3 years, up to 90% of UMC raw materials, consumers, spare parts, photo masks and other items were purchased from domestic vendors.

Proportion of UMC raw materials, consumers, spare parts, photo masks and other items purchased from domestic vendors.

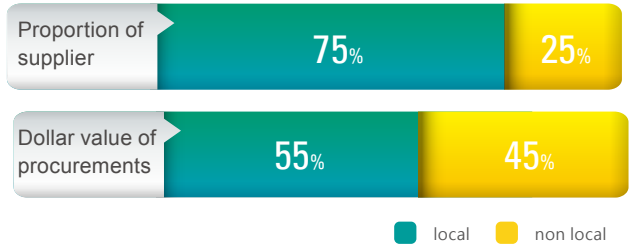


UMC Singapore Branch



2014 analysis of supplier source in Singapore production base
In 2014, in the overseas production bases, 80% of the procurement in Singapore was from local suppliers, which accounted for 75% of local procurement dollar value.
2014 analysis of procurement disbursement in the Singapore production base indicated that 80% of procurement was local, which accounted for 75% of procurement dollar value, and 20% of procurement was from non-local vendors, which accounted for 25% of procurement dollar value.
In 2014, 88% of total procurement dollar value for indirect materials and components was from locally registered companies.
Thus, the proportion of local procurement was relatively high, and accounted for the majority of procurement.

Subsidiary HJTC



2014 analysis of supplier source in China production base
75% of the procurement in China was from local suppliers, which accounted for 55% of local procurement dollar value.
2014 analysis of procurement disbursement in the China production base indicated that 75% of procurement was from local vendors, which accounted for 55% of procurement dollar value, and 22% of procurement was from non-local vendors, which accounted for 45% of procurement dollar value.
In 2014, 65% of total procurement value for indirect materials and components was from locally registered companies.
Thus, the proportion of local procurement was relatively high, and accounted for the majority of procurement.

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2-5-2 Sustainable Supply Chain Management

UMC Supplier Management Objectives

	In addition to supporting and respecting the Tripartite Declaration of Principles, OECD and other principles and spirit set by the Multinational Enterprises and Social Policy, United Nations Universal Declaration of Human Rights and United Nations Global Compact, UMC encourages suppliers to also comply with relevant international initiative principles such as the EICC. We follow human rights and labor policies, and implement measures to ensure child labor ban, equal employment, forced labor ban, and protection of disadvantaged populations.	 Beginning with basic compliance with occupational safety and environmental protection requirements, lead suppliers worldwide join UMC to jointly value and promote corporate social responsibility.
		 For the purpose of fair policy and human rights, UMC rallies suppliers to respect the issue of conflict metals/minerals. To ensure that UMC procures raw materials that do not contain conflict metals/minerals, the company urges suppliers to avoid using raw materials or processes that contain metal harvested by means that violates human rights.

UMC Supplier Management Capability Assessment

UMC has planned a comprehensive supplier management approach, and expects to establish a sustainable supply chain management mechanism for providing control and counsel in the following 4 major dimensions:

	New supplier selection ▶ Review supplier quality/finances/price/environmental protection and labor rights and other dimensions. ▶ Only those who meet UMC requirements may become suppliers for UMC.
	Supplier review/management ▶ Score suppliers according to supplier review mechanism ▶ Stop purchasing from or cancel qualified status of suppliers who score below UMC requirements
	Grade supplier and counsel accordingly ▶ Categorize suppliers according to characteristics and risks. ▶ Assess suppliers according to categories during annual supplier audit ▶ Based on assessment outcome, provide counsel to achieve company requirements
	Supplier education and training ▶ Conduct supplier education and training periodically ▶ Promote and communicate UMC supply chain management approach

Only suppliers who satisfy UMC's assessment criteria such as product quality, financial, price, quantity and reputation may become suppliers for UMC.

Selecting New Suppliers

Currently, criteria for selecting new suppliers include

status on the Dow Jones Sustainability Index,

compliance with UMC Supplier and Employee Professional Ethics and code of conduct,

compliance with principles of open and fair competition

Currently, items evaluated by the UMC Supplier and Employee Professional Ethics Agreement and the EICC audit for suppliers include business ethics, labor rights, environmental protection, safety and health, and management systems. In 2014, 54 new suppliers satisfied UMC requirements for raw materials, supplies, components, photo mask and other items, and 100% of the new suppliers signed on with the company, indicating that supplier cooperation and participation is necessary for maximize efficiency. The company urges suppliers to jointly value and promote corporate social responsibility.

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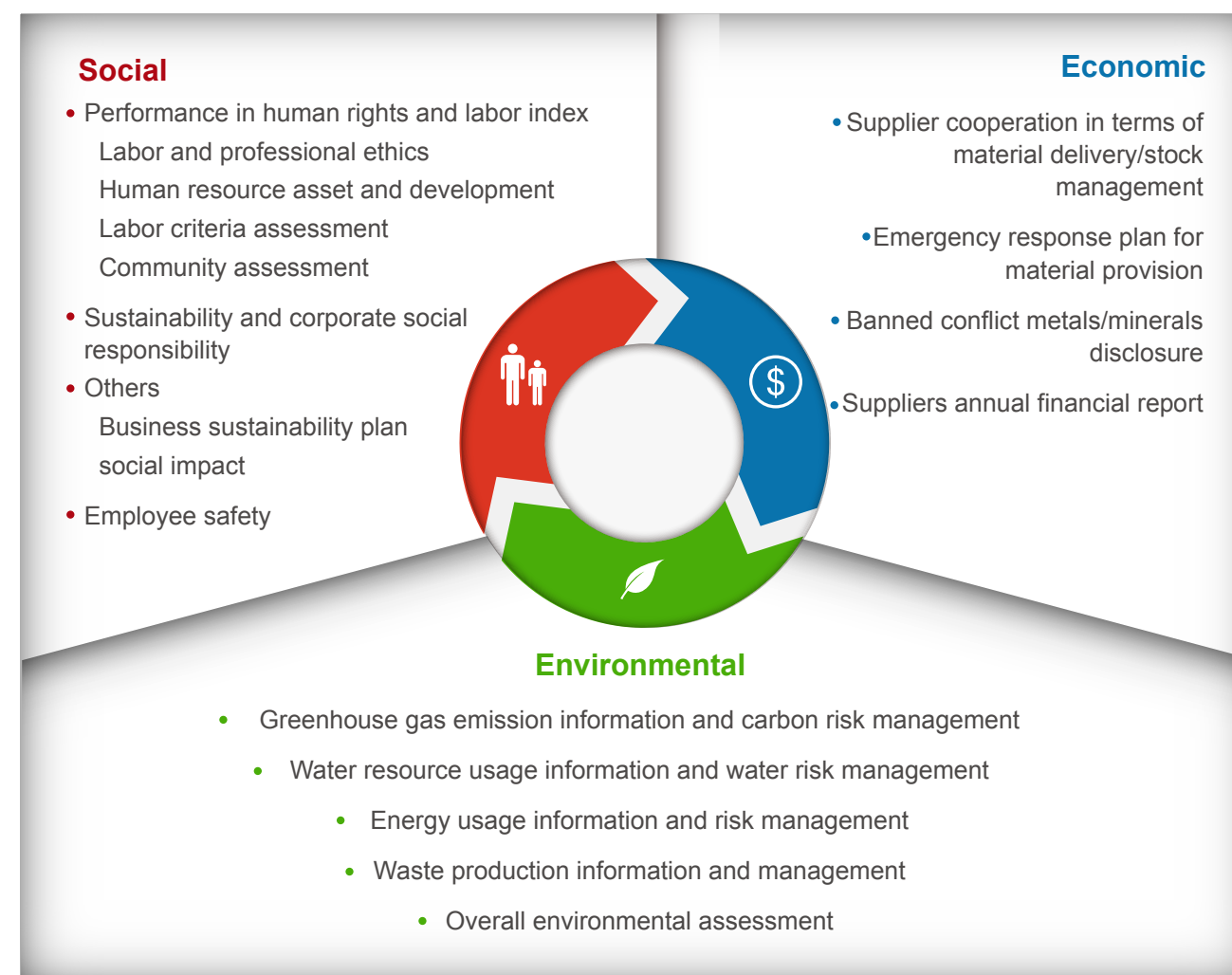
Sustainable Development-Economic Growth

Sustainable Supplier Assessment

For major suppliers, quarterly assessment includes dimensions such as Q (Quality), C (Cost/ Financial), D (Delivery), S (Service) and S (Sustainability). In terms of sustainability, focus is on supplier compliance with environmental, social, and governmental requirements.

The management effectiveness of hazardous substance suppliers is added into the company's supplier rating. Suppliers with environmental or hazardous substances management certification (ISO14001 or TS16949 or QC080000) are awarded extra scores to motivate compliance. The company will stop procurement from or cancel qualification of suppliers scoring below standard.

Sustainable Supplier Assessment



Mechanism for Assessing Supplier Sustainability

Management Target

Suppliers for various production raw material

Management Unit

Supplier Chain Management Group

Management Approach

Each quarter, collect from relevant units supplier performance data for analysis
Periodically conduct supplier questionnaire survey
Conduct annual on-site audit of major suppliers or request performance summary from the suppliers

Assessment Item

Sustainability Index
Quality Index
Price Index
Delivery Index
Service Index

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Sustainable Development-Economic Growth

Assessing Supplier Sustainability Level and Response Measures



In 2013, anticorruption and social responsibility directives in Board mandated Supplier and Employee Professional Ethics Agreement were strictly implemented to achieve anti-corruption and sustainable supplier management. Currently, more than 2500 suppliers have agreed to sign the above-mentioned ethics agreement with UMC to jointly implement anti-corruption. Suppliers found in violation are subjected to penalties, and in severe cases, removed from the supplier list. This item has been included in the basic selection criteria for new supplier.

UMC conducts questionnaire surveys of the economic/environmental/social dimensions of major suppliers (a total of 57 suppliers provided more than 95% of procurement). Survey results in 2013 show that a total of 54 companies had a Satisfactory rating while three did not fulfill the economic, environmental and social criteria. However, following audit and counseling in September, October and November of 2014, all suppliers have achieved standards, and in 2014, no supplier was removed from partnership qualification.

Vendor	Economic	Social	Environmental
Raw Material Vendor A	Qualify.	Qualify.	Record-keeping methods for waste disposal did not meet UMC standard and must be improved.
Raw Material Vendor B	BCP risk management did not fulfill UMC standards.	Qualify.	Record-keeping methods for waste disposal did not meet UMC standard and must be improved.
Raw Material Vendor C	BCP risk management did not fulfill UMC standards.	Employee complaint channel and method did not meet UMC code of conduct.	Record-keeping methods for waste disposal did not meet UMC standard and must be improved.

In 2014, the UMC annual survey of major suppliers who supplied more than 95% of procurement (a total of 67 vendors) was completed, returned and being analyzed. New suppliers and those who did not meet standards were audited and counseled, and at least 10 suppliers are expected to undergo on-site audit.

Number of Vendors Rated for Environmental, Social and Governance (ESG) in the Last Three Years



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Sustainable Development-Economic Growth

● Sustainable Supplier Risk

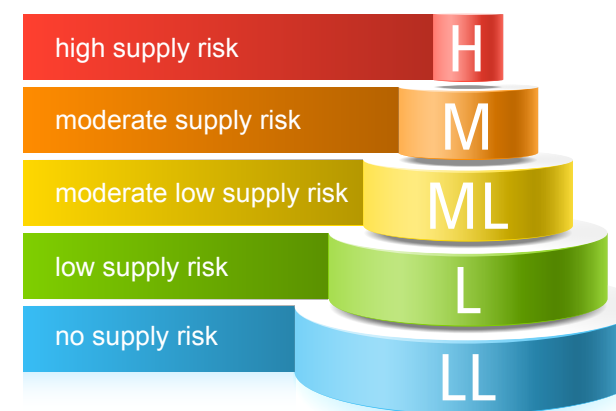
After the 2011 flood in Thailand, tsunami and nuclear disaster in Japan, and global financial crisis, the operating conditions, raw material distribution and geographical location of supplier production lines are assessed and controlled to reduce future risk of supply shortage due to extreme weather or major natural disasters. UMC has established a supply chain risk assessment and developed a set of scoring methods for supplier sustainability. Delivery time, quality, financial, operational and other variables are included in the supply chain risk assessment for formulating the UMC procurement strategy. Each year, UMC primarily conducts an annual sustainability risk survey, audits and scores major suppliers of raw materials such as silicon wafer, gases, chemicals, quartz components, photo masks, and component cleaning, who represent more than 95% of procurement dollar value. This fully demonstrates the close cooperation between the company and its partner suppliers to facilitate the commitment to increase overall value of the supply chain.

■ UMC Supplier Risk Management



■ UMC supplier risk indicators are divided

In the 2014 supply risk assessment, relevant ESH, QA and HR departments surveyed and scored 109 suppliers. A total of 12 vendors scored below 80 points. Following counseling and improvement, and onsite BCM audit for vendors with the highest risk, re-assessment outcome indicated a reduction to moderate low risk, and subsequently no current risk.



Feedback



Chuang Jen-yuan
Air Products Asia,
Electronic Material Department,
General Manager

Unlike in the past, the concept of corporate social responsibility should no longer be limited to the assessment of financial performance. Rather, factors such as the environment, society and company governance should be incorporated into investment decisions or corporate operations.

At the heart of Air Products is a set of solid core values. These values include our commitment to protect people and the environment, and positively impacting our community and world through our actions, programs and mode of operation. As a global company and reliable corporate citizen, we are not only deeply responsible for serving others, but are also obligated to become a good environmental manager in our operations in hundreds of communities worldwide. Therefore, we greatly value our role in the supply chain, and with "development,

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Sustainable Development-Economic Growth

● Earthquake Disaster Risk Control

An emergency notification system is established so that in the event of a disaster, suppliers can immediately report the situation and update recovery progress to UMC.

■ Supply Chain Disaster Loss Reporting System

回復時間	Affect the Goods Supply	Company name	Material Category	Contury Name (Vendor Location)	Disaster Area(Country)	Disast Area(Coun
			Chemical			
			Consumable Material			
			G. Gas			
			Gas			
			MASK			
			O. Other			
			Other			
			Photoresist			
			Quarts			
			S. Spare Parts			
			Spare Parts			
			Target			
			Wafer			

■ Earthquake Disaster Risk Control



● Supplier Education and Training

UMC believes that suppliers have a very important position in the green supply chain management system. Therefore the company periodically organizes supplier education and training programs to promote and communicate the company's green supply chain management system policies and practices, and necessary collaboration with suppliers. The company hopes to reach a green product consensus with suppliers, and work together toward a win-win situation.

With the rise in environmental awareness, product Life Cycle Assessment (LCA) has become an important basis for enterprises to demonstrate their mitigation of environmental impact and global warming. In 2014, UMC organized sLCA seminars to explain the use of inventory software and carbon footprint inventory standards and procedure, and illustrated with carbon footprint cases and sLCA outcome. In addition to promoting product LCA to suppliers and cooperating research agencies (11 agencies), the company also sends information of promotional activities to like industries in the Allied Association for Science Park Industries, relevant domestic research institutes and departments, the British Standards Institution, and partners in the Foundation of Taiwan Industry Service to further promote study outcomes and information on carbon footprint inventory and product LCA.



Carbon footprint inventory education and training

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2-5-3 Sustainable Supply and Quality Enterprise Certification

In November 2013, the Ministry of Finance Customs Administration signed a Mutual Recognition Arrangement (MRA) with the United States, and in 2014, extended the MRA to Singapore, Israel and other countries. The Authorized Economic Operator system for quality corporations has clearly become an international trend, and will become a prerequisite for international trade.

As an international semiconductor foundry company, UMC is fully cognizant of issues such as global terrorism and cargo security. In February 2013, the company initiated a meeting to officially declare implementing the AEO, and in July, completed tasks such as document review under the advice of customs, and conducted on-site assessments. Subsequently, the company was awarded three AEO quality certifications for manufacturing, import and export, becoming the first company in the nation's wafer industry to be successfully certified.

Since 2014, to ensure that AEO related activities are effectively implemented and also fulfill AEO requirements, UMC began annual posting on the AEO platform all supplier information in accordance to Article 27 of the AEO provisions. This symbol of quality and safety certification creates a win-win situation for both the company and customers by providing customers with more convenient and secure service delivery while enhancing their competitiveness in international of export. UMC will continue to implement the standards of AEO safety certification and strive to increase supply chain security.

2-5-4 Conflict Minerals Management

In its conflict metals/ minerals management, UMC has been conducting supplier assessment and obtaining supplier signatures since 2009 to guarantee non-conflict metals/minerals materials and ensure that products from suppliers are not in violation of conflict metals/ minerals manufacturing. To date, all suppliers have returned assurance of non-conflict metals/minerals in all their products.

According to the final measure of the Dodd-Frank Wall Street Reform and Consumer Protection Act announced by the US Securities and Exchange Commission (SEC) on August 22, 2012, UMC reviewed 10 suppliers in 2013 according to the mandates of Section 1502, and 22 suppliers and 42 UMC-affiliated businesses in 2014. In 2015, the company reviewed 12 suppliers and 15 UMC affiliate enterprises to ensure that the company's supply chain did not contain conflict metals/minerals.

In addition, according to the latest EICC feedback on EICC customer questionnaire, a total of 128 EICC responses were collected in 2013, and 254 responses were collected in 2014.

UMC Conflict Metals/ Minerals Management Measures

Establish internal investigation for the company (including subsidiaries) and investigation mechanism for suppliers.

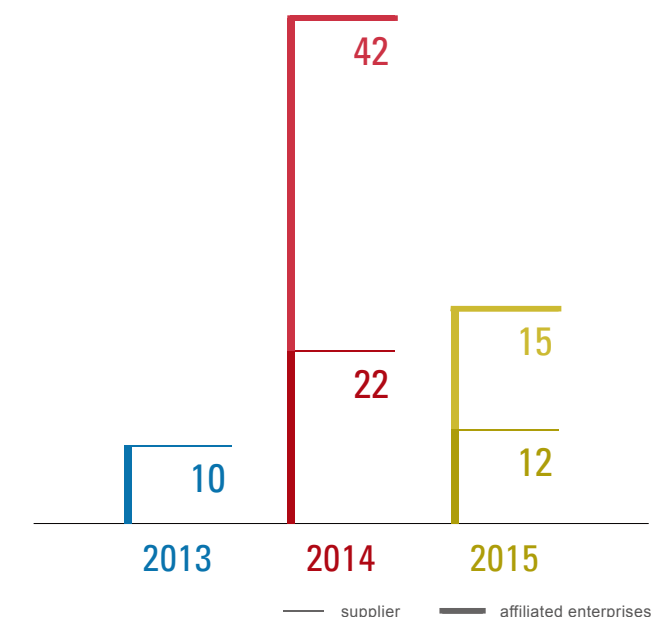
Establish annual periods for investigating operations and controlling operations.

Establish and consolidate investigation data, and store in data bank.

Although the US SEC final rule does not mandate storage of investigation data, preserving the data as proof of compliance and evidence of due diligence is recommended.

Vendor transparency and availability of information for evaluation is one of the company's conditions for transacting with the vendor.

Conflict metals/minerals



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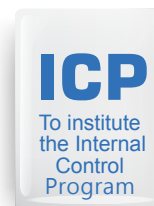
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2-5-5 Control of Strategic High-tech Commodities



In accordance with the Regulations Governing Export And Import Of Strategic High-tech Commodities in Article 13 announced by the Ministry of Economic Affairs Bureau of Foreign Trade in 1994 for strategic high-tech commodities, "No exportation is allowed unless otherwise authorized." In August 2012, the Trade Bureau announced the "Key verifications for internal export control systems" to encourage exporters to institute the Internal Control Program (ICP)

In 2012, UMC completed its certifications, indicating that the company's export control standards are consistent with international and government export control standards, and therefore qualified to simplify the complicated licensing process for exporting high-tech commodities. As a result, shipping has become smoother and quicker, and the rigorous system management has reduced product misuse or illegal export to the minimum level of risk. Both the company and its customers have benefitted from the convenience and time efficiency.

In 2010, UMC fabs in Taiwan and Singapore simultaneously implemented the Internal Control Program (ICP).

In 2011, UMC's Singapore Branch was awarded the STP TIER3 certification by the Singapore government.

In 2012, UMC in Taiwan was awarded the Internal Control Program (ICP) certification by the Ministry of Economic Affairs.

For two consecutive years in 2013 and 2014, the subsidiary HJTC was awarded the AA Class Management Enterprise of China Customs, satisfying the requirements of customs administration, business management and trade security .

The Company has adopted a series of self-assessment and screening from the beginning Customer Inquiry to Order Processing to Shipping as means of managing the company's overall export process. In addition, the well-defined steps in each department in the company must comply with the SOP process.

The company has formulated 10 essential components (7 management items and 3 screening items) according to key requirements identified in the ICP. Of these, the self-initiated screening system comprising a list of export controls is one of the first in the industry. The automatic screening includes the range of standards delineated by the Foreign Trade Bureau and EU to achieve higher management standards. In addition to the self-initiated and systematic commodity classification and management and customer screening, the following management measures are regularly implemented.



Education and Training

Export employees are required to attend at least one export control education and training course per year. E-Check or training courses help employees understand legal content and changes, and further their understanding of regulations and violation penalties pertaining to export licensing.



Internal Audit

An audit is conducted at least once a year, and all relevant departments in the company are required to schedule for the internal audit. An internal audit report must be submitted before January 31 each year.



Submit Report

Every six months before the end of the next month, detailed customs permit transactions must be compiled and submitted to customs for inspection by the Trade Bureau.

Currently, the company has 29 customers using the above preferential licensing (Taiwan: 23 customers, Singapore: 14 customers)

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3-1 Green Factory

- Green Factories and Buildings
- Energy Resource Productivity Improvement Plan
- Clean Production
- Environmental Accounting

3-2 Energy and Greenhouse Gas Management

- Climate Change Policy and Low-Carbon Commitment
- Climate Management Organization
- Climate Challenges and Opportunities
- Measures for Mitigation Climate Change
- Carbon Disclosure and Communication
- Carbon Assets and Carbon Trading
- Energy Management

3-3 Water Risk Management

- Factory Water Source
- Water Quality Risk Control
- Water Conservation During Manufacturing
- Water Pollution Control
- Ammonia Wastewater Improvement

3-4 Green Product

- Hazardous Substance Management
- Life Cycle Assessment (LCA)
- Carbon Footprint
- Water Footprint
- LCA to go project

3-5 Green Concept

- Industrial Safety and Environmental Protection



2.91% Power Reduction

Energy and Greenhouse Gas Management

Cumulative reduction reached the targeted goal of 2%. The newly added reduction for 2014 was 29,469Mwh, which is equivalent to a decrease of 15,383 tons in CO2 emissions and a savings of about NT\$80 million in cost.



26.44 Million Tons of Recovered Water

Water Resource Management

Recovered water is equivalent to saving 0.84 of the stored water in No.2 Baoshan Reservoir



91% Waste Recycling

Waste Management

The amount of reused waste was 24,571 metric tons, which is a gain of more than NT\$51million from recycled resources.



7.5% Waste Reduction

Waste Management

Cumulative reduction reached the targeted goal of 7% in 2014. The newly added reduction was 597 tons, which is a savings of about NT\$5.8 million in disposal cost for the year.



100% Certification

Environmental Management

All UMC factories have passed the ISO 14064-1 greenhouse gas emissions certification, the ISO 14001 environmental management certification, and the QC 080000 Hazardous Substance Process Management Certification.



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Sustainable Development- Environment

Major Material Environmental Issues

Three major categories of material environmental issues in 2014: (1) Environmental management (2) Operational eco-efficiency (3) Water Risk

● * Reached ○ Not reached

Material Issue	Indicator	2014 Goal	Goal Achievement	2015 Goal
Environmental Management	Compliance with regulations	0 case of environmental regulation violation	● No incident of environmental regulation violation	0 cases of environmental regulation violation
	Outside certification for management system	100% passing rate for outside environmental management system certificatio	● The entire company (9 fab areas) passed outside ISO 14001, ISO 14064 and QC 080000 certifications	Continue to pass various annual environmental management system certifications
	Supplier assessment	ESG assessment of 65 suppliers	● Completed audit of 65 suppliers, and found 1 supplier below the UMC environmental standard. Improvements have been made following on-site audit and counseling.	Major suppliers from whom more than 95% of procurements are purchased.
		On-site hazardous material audit of 24 suppliers	● Completed audit of 24 waste management companies, and for the 3 companies rated as acceptable, cooperation has been reduced and the companies listed as substitute companies.	Conduct on-site audit of more than 25 waste management companies
	Hazardous material management	Achieve 100% substitution for PFOS chemical substances	○ Due to inventory, substitution was implemented after stocks were used up in the first quarter of 2015 (Despite the delay, substitution was completed)	
Operational Eco-efficiency	Intensity per unit fluorinated greenhouse gas emissions	Reduce intensity per unit of fluorinated greenhouse gas emissions by 14.4% (> 34%).	● Reduced intensity per unit of fluorinated greenhouse gas emissions by 35%	Reduce intensity per unit of fluorinated greenhouse gas emissions by> 34%
	Electricity consumption	Reduce 2-year cumulative electricity consumption by 2%	● Additional reduction of 29,469Mwh of electricity for the year. 2.91% reduction in cumulative electricity consumption for 2013-2014	Reduce electricity consumption by 1%
	Natural gas consumption	Reduce natural gas consumption by 3.98%	● Additional reduction of 10,979Mwh of natural gas for the year. 5.02% reduction in natural gas consumption	Reduce natural gas consumption by 3.38%
	Waste generation	Reduce 2-year cumulative waste generation by 7%	● Additional reduction of 597 metric tons of waster for the year. 7.5% reduction in cumulative waste generated	Reduce waste by 2%
Water Risk	Water consumption	Reduce 2-year cumulative water consumption by 4%	● Additional reduction of 441,475 tons for the year 7.5% reduction in cumulative water consumption for 2013-2014	Reduce water consumption by 1.4%
	Wastewater quality improvement (reduction of waste water ammonia)	Reduce ammonia water by 12,232 L / month	● Reduced ammonia water by 13,689 L / month	Reduce ammonia concentration in water by more than 10%

The various annual indicators are included in the company's and Corporate Sustainability Committee's key project implementation (KPI) and policy development, integrated with major company policies, and continually reviewed and improved.

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Sustainable Development-Environment

Environmental Information

Greenhouse Gas Emissions

Scope 1 /Direct Greenhouse Gas Emissions	628.5	1000 ton CO ₂ e
Scope 2 /Indirect Greenhouse Gas Emissions	1,222.6	1000 ton CO ₂ e
Scope 3 /Greenhouse Gas Emissions	1,438.2	1000 ton CO ₂ e
Scope 1 /Direct Carbon Dioxide (CO ₂) Emissions	46.7	1000 ton CO ₂
Scope 1 /Direct methane (CH ₄) emissions	0.5	1000 ton CO ₂ e
Scope 1 /Direct nitrous oxide (N ₂ O) emissions	135.4	1000 ton CO ₂ e
Scope 1 /Direct hydrofluorocarbon (HFC) emissions	39.9	1000 ton CO ₂ e
Scope 1 /Direct perfluorocarbon (PFC) Emissions	258.1	1000 ton CO ₂ e
Scope 1 /Direct sulfur hexafluoride (SF ₆) emissions	87.0	1000 ton CO ₂ e
Scope 1 /Direct nitrogen trifluoride (NF ₃) emissions	61.0	1000 ton CO ₂ e

Other Air Pollutant Emissions

Nitrogen Oxide (NO _x)	71	ton
Sulphur Oxides (SO _x)	5	Kg
Volatile Organic Compounds (VOCs)	38.8	ton
Ozone-Depleting Substances (ODSs)	0	ton

Waste Generation

Total Waste	27.00	1000 ton
Hazardous Waste	17.28	1000 ton
Recycling Waste	24.57	1000 ton
Landfill Waste	0.27	1000 ton

Waste Water

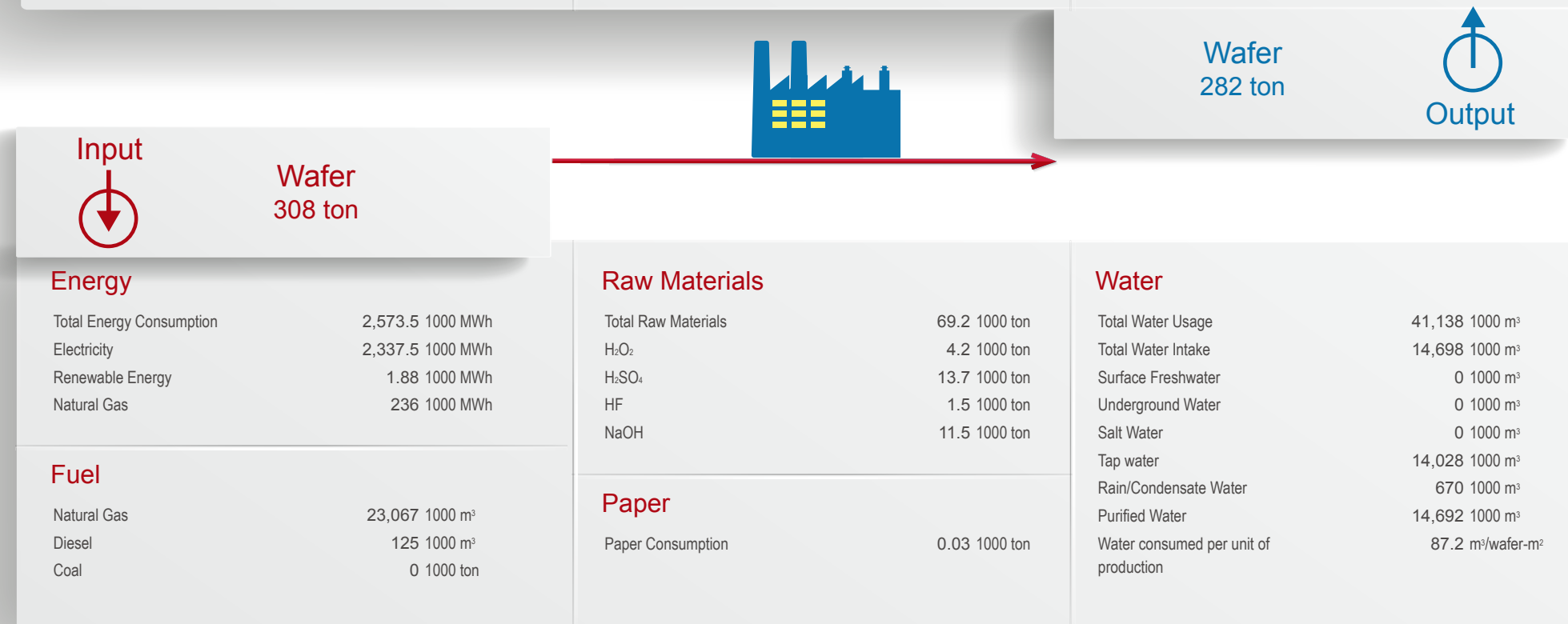
Total Waste Water Discharge	10,100	1000 m ³
Chemical Oxygen Demand (COD)	1.23	1000 ton

Water

Total Recycled Water	26,440	1000 m ³
Water Recycling Rate	72.50	%

Paper

Recycling Waste Paper	0.35	1000 ton
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3-1

Green Factory

To alleviate ecological deterioration, reduce greenhouse effect and global warming, UMC's environmental protection policies aim to minimize the consumption of resources and create minimum waste. Therefore, the company continues to enhance its technology, self-regulate and introduce high-performance pollution control technology and equipment to achieve environmental symbiosis, shared prosperity and sustainable global development.

Environmental Protection Policy

- 01 UMC's goal is pollution-free production. We not only comply with, but also strive to exceed international standards and all applicable environmental and safety regulations. We want to be an environmentally friendly enterprise characterized by continuous improvement.
- 02 We incorporate our environmental management system into the overall organizational management system.
- 03 We take the initiative to reduce waste production and prevent pollution by introducing and developing environmentally friendly technology into design, production, and operation.

- 04 We conserve energy and recycle natural resources as a model of environmental protection for the international community.
- 05 To meet our Corporate Social Responsibilities, we play an active role in government and community to improve and protect our natural habitat.
- 06 We educate employees about environmentally sound ethics and practices.

3-1-1 Green Factories and Buildings

Using past promotional experience and success of its departments in source reduction, recycling and reuse, UMC employs outside green building and ecology experts and collaborates with relevant academic programs to plan and construct green buildings that are consistent with the US LEED and domestic EEWH standards. In 2010, the company participated in the Green Factory Promotion Alliance, which integrates industrial, governmental and academic forces, to help the government formulate a green building and clean production evaluation system for developing Green Factory standards for Taiwan.

In 2012, the company's new fab in Southern Taiwan Science Park and over 17-year old Fab 8A in Hsinchu Science Park were awarded the 1st Green Factory logo by the Industrial Development Bureau. Moreover, Fab 8A was the first 8-inch foundry facility in the nation to receive the award. In 2013, UMC redoubled its efforts to have all its Taiwan factories achieve the Industrial Development Bureau certification for clean production. In 2014, UMC constructed Fab 12A P5 & P6, which are expected to receive the LEED Gold certification, EEWH Diamond Certification and Smart Building Diamond certification upon completion in 2015.

UMC Future Plans for Green Building and Green Fab

 Designs for new fabs will adhere to green building, green factory and smart building principles.

 Existing fabs will undergo green building and green factory assessments, and green design and construction will be gradually incorporated.

Certificate



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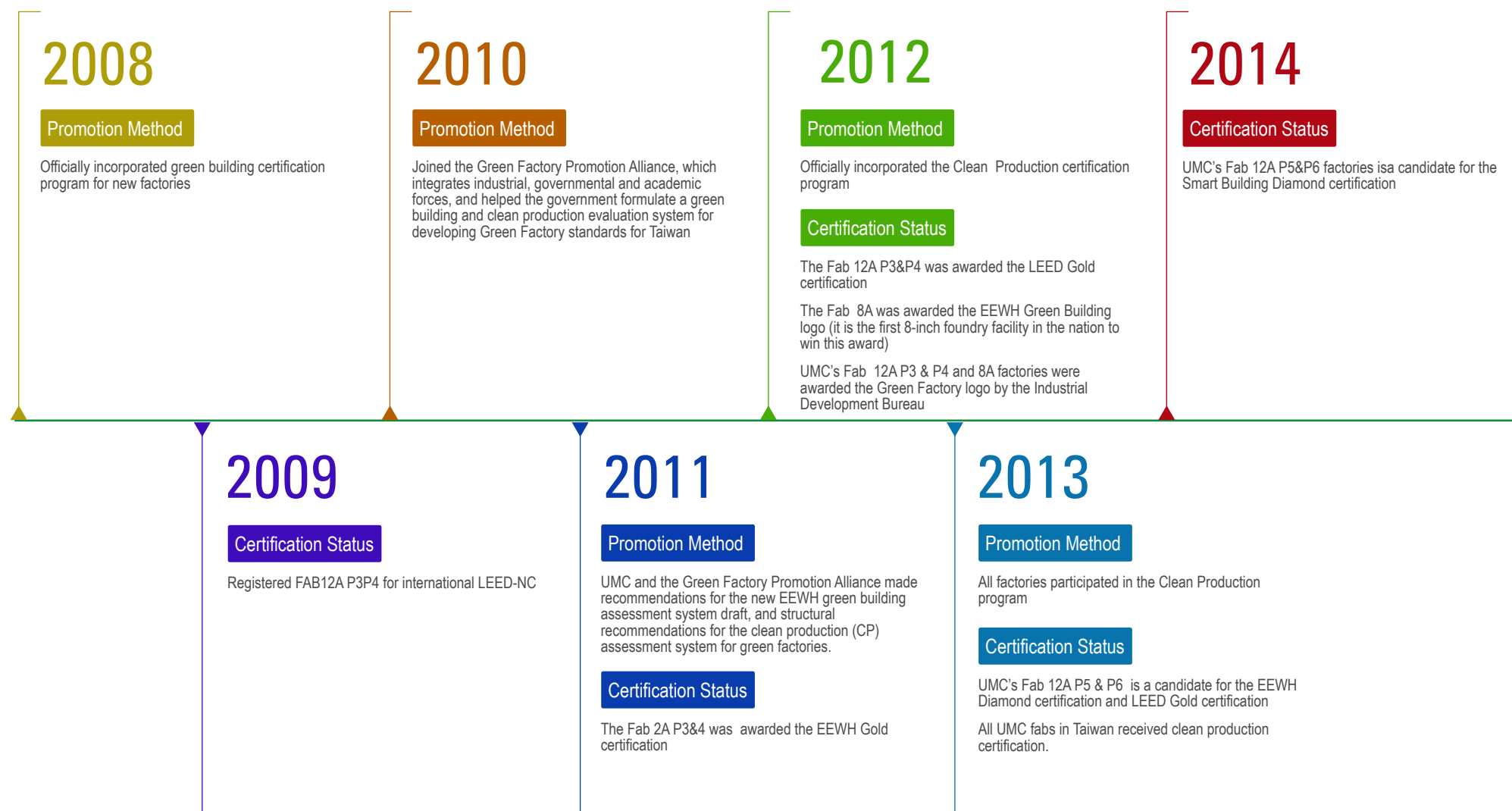
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Promotion Method and Certification Status



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Sustainable Development-Environment

● UMC Green Building and Smart Building Features

In addition to incorporating various energy-saving designs, UMC increased bio-diversity and green indexing for its buildings that far exceed legal requirements, thereby highlighting UMC's commitment to conservation strategies and action

■ UMC's Smart Building Features

To satisfy user demand while also conserving energy, ICT Information and Communication Technology is integrated with energy conservation strategies to improve building quality. Design concepts include security monitoring, healthcare, convenience and comfort, and sustainable energy conservation.



Illumination sensors, indoor humidity detectors and air conditioning system control linkage are used in offices to reduce energy use and increase the comfort of the work environment.



Conventional energy boilers are replaced with solar water heater.



Traditional full-time full-power exhaust fans in basement parking are replaced with carbon monoxide and ventilation equipment linkages to reduce energy consumption and promote safety in public basements.

■ UMC Green Building Features



Renewable energy in-situ design



Solar power systems are installed to generate renewable energy for fabs.



Energy saving lighting design



Fab 12A P3 / P4 leads the industry by fully using LED lighting fixtures in offices and outdoors to significantly reduce lighting power consumption without compromising illumination. LED lighting for cleanrooms is being assessed for reducing FAB power consumption without compromising production conditions.



Energy saving air-conditioner design



VAV and winter "Free cooling" enthalpy control systems are used in all offices. Heat pumps are innovatively applied by using Hot DI for heating during manufacture, which partly replaces gas boiler usage and significantly reduces the annual gas consumption of the boiler system.



Ecology, green base and water conservation design



The circular Green Belt design is adopted to avoid barriers to biological migration. Ecological detention ponds are installed in two sections within the base to serve as biological habitats, flood control and rainwater recovery and regulation. Artificial garden, soil interception design and grass are used in unexcavated areas to provide natural permeability. Open-celled stones are used for roads instead of poor, water permeable AC asphalt.



Bio-diversity



- Ecological Green Network: The fabs are surrounded by a continuity of green belts to increase opportunity for biological migration, foraging and habitat.
- Creature Habitat: Green detention ponds, porous banks, mixed forests, grasslands and bush retention provide for the needs of different creatures.
- Plant Diversity: Adhering to the principle of native and diverse plants that also attract butterflies and birds, conditions for developing a diverse habitat are created.



Greening Index



- Create multi-tier ecology: Trees, shrubs and mixed stratified planting methods are used, and a diverse mix of species is selected.
- Increase planting distance: Large trees are planted on both sides of service roads, with adequate growth room.
- Strive for 3-D greening: Soil thickness above the basement of Building OB is increased to create an environment that is conducive to plant growth.

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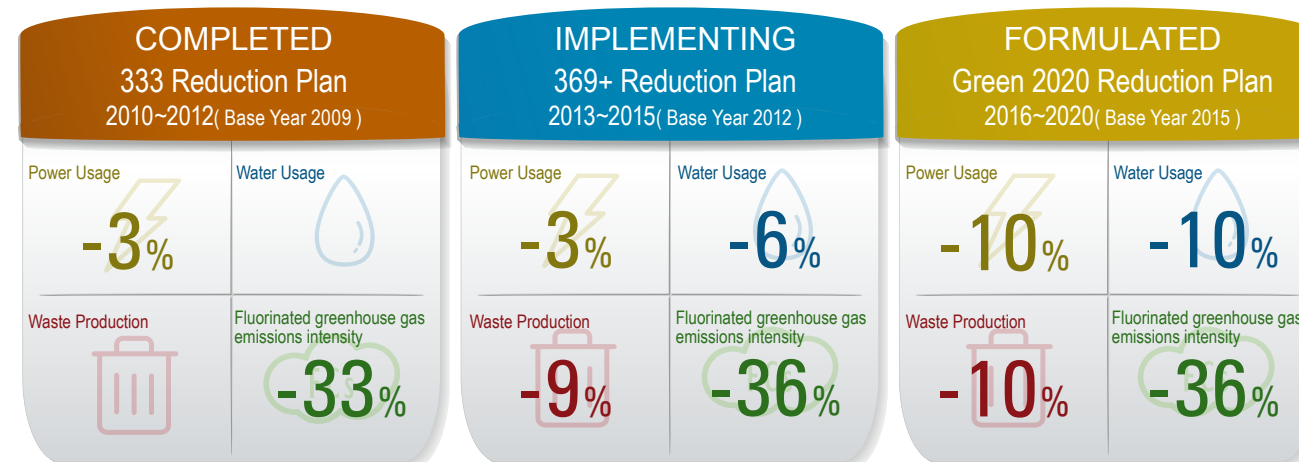
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Sustainable Development-Environment

3-1-2 Energy Resource Productivity Improvement Plan

Currently, environmental issues are a major issue of business sustainability among stakeholders. To improve energy resource productivity and reduce greenhouse gas emissions, UMC recently promoted various reduction measures and set targets for each stage.

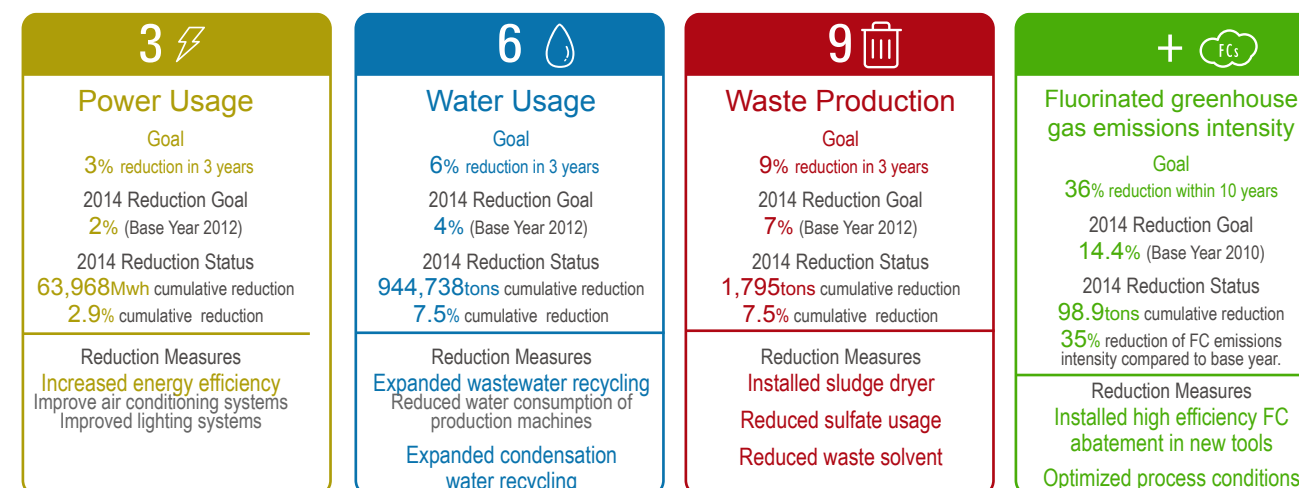
UMC energy source improvement status



note 1: The base year for the 369+ and Green 2020 plans to reduce the intensity of fluorinated greenhouse gases (FCs) is 2010

note 2: For the Green 2020 reduction plan, please refer to <http://www.umc.com/English/news/2015/20150420.asp>

Implementation of the 2014 UMC 369+ Energy Resource Productivity Improvement Plan



note 1 .Fluorinated greenhouse gases (FCs) reduction goal exceeds the reduction standard set by the World Semiconductor Council (30% less emissions intensity in 2020 than in 2010)

3-1-3 Clean Production

UMC Clean Production Promotion

Manufacturing

UMC continues to develop manufacturing process and high efficiency production equipment that utilizes low hazardous raw materials and produces less waste, reduces risk factors and harmful intermediate products during manufacturing, and reduces waste production and toxicity to maximize resource utilization.

Production

The nature of its operations makes it more difficult for UMC to control end product recovery. Hence UMC focuses on reducing environmental impact and hazard of product manufacturing and utilization, and adopts energy efficient design.

UMC also spares no effort in assessing its semiconductor product lifecycle. To minimize resource and energy consumption, UMC collects information on upstream suppliers to assess product lifecycle for its downstream customers (end-products businesses). Moreover, its harmful substance control measures, green procurement management and voluntary greenhouse gas reduction enable UMC to achieve green products.

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Sustainable Development-Environment

Management System and Certification

Currently, all 9 UMC fabs and its subsidiary HJTC are ISO 14001 certified, and continue to incorporate various management systems and certification.

 ISO 22301 Operational sustainability management system Issuing Agency : SGS Range : UMC Headquarters, Fab 12A	 ISO 14001 Environment management system Issuing Agency : DNV-GL Range : All UMC fabs and its subsidiary HJTC	 Certificate of Green Partner SONY Sony Green Partner Certification Issuing Agency : Sony Range : Entire UMC	 EPD EPD Products Type. III environmental declarations Issuing Agency : DNV-GL Range : UMC Fab 12A and Fab 8A
 OHSAS 18001 Occupational safety and health management system Issuing Agency : DNV-GL Range : All UMC fabs and its subsidiary HJTC	 ISO 9001 Quality control management system Issuing Agency : DQS-UL Range : Entire UMC	 CO₂ Carbon Footprint Verification for Integrated Circuit Wafers Issuing Agency : DNV-GL Range : UMC Fab 12A and Fab 8A	 Water Footprint Verification Water Footprint Verification on Integrated Circuit Wafers Issuing Agency : DNV-GL Range : UMC Fab 12A and Fabs 8A, 8C and 8D.
 ISO/TS 16949 Quality control management system Issuing Agency : DQS-UL Range : Entire UMC	 IECQ HSPM QC 080000 Harmful Substance Flow Management System Issuing Agency : DQS-UL Range : Entire UMC and its subsidiary HJTC	 ISO 14064-1 ISO 14064-1 Greenhouse gas emissions verification Issuing Agency : BSI, DNV-GL Range : Entire UMC and its subsidiary HJTC	 ISO 50001 Energy management system Issuing Agency : SGS Range : UMC Fab 8A

Raw Material Management

By improving manufacturing process design and technology, UMC not only reduces raw material consumption, but also reduces pollution emissions at its source, thereby reducing operating costs, resource consumption and environmental impact. Consistent with environmental protection and international environmental / governmental chemical concerns, UMC prioritizes the reduction of raw materials that contributes to major waste, and coupled with the company's cost reduction policy and benchmarking, each department assesses the feasibility of reducing benchmarked materials and conducts small-scale tests. Once feasibility is verified, reduction is implemented among all the fabs.

Management Approach

Implemented by the Green Manufacturing subcommittee within UMC's CS committee.

Established an electronic system to manage UMC's rational use of raw material, and designated a unit to regularly analyze optimized usage.

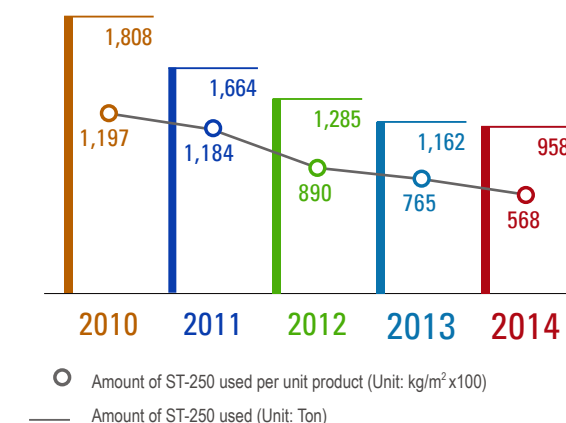
In addition to analyzing the relationship among the amount of key raw materials used, production capacity and waste output, reduction programs for reducing source through process optimization, work process improvement and objective management are promoted.

Effectiveness of Raw Material Management in 2014

Continue promoting process and source reduction and reduce use of organic cleaning agent

ST-250 (Liquid photoresist)
Compared to 2013, the amount of ST-250 per unit used decreased by
25.7%
Implementing Factory 8D/12A/12i

ST-250: Amount of ST-250 Used



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Waste Management

Waste Reduction

UMC's ultimate waste management goal is zero waste using the strategy of total waste reduction and waste-to-resource. By improving process technology, raw material source reduction and other source management measures, waste output is reduced to achieve waste reduction.

UMC's total waste output is 27,003 metric tons (not including routine office waste), and waste output per unit production capacity is 160 kg / m², which is an increase of 0.8% compared to 2013. Hazardous waste output is 17,280 metric tons, and hazardous waste output per unit production capacity is 103 kg / m², which is an increase of 6% compared to 2013. The increase in waste output is due to the increase output of sulfuric acid in high-order processes.

In 2014, UMC's reduction plans and measures resulted in a total waste reduction of 597 metric tons, as shown in the table below. The cumulative reduction for 2013 to 2014 is 1,795 tons, and the reduction ratio is 7.5%, which is 7% of the 2014 reduction target.

Expected waste reduction measures for 2015



Promote sulfuric source reduction and waste sulfuric acid reduction.



Promote hydrofluoric source reduction and waste sludge reduction.



Continue to promote chemical lifetime extension and liquid waste chemical reduction.

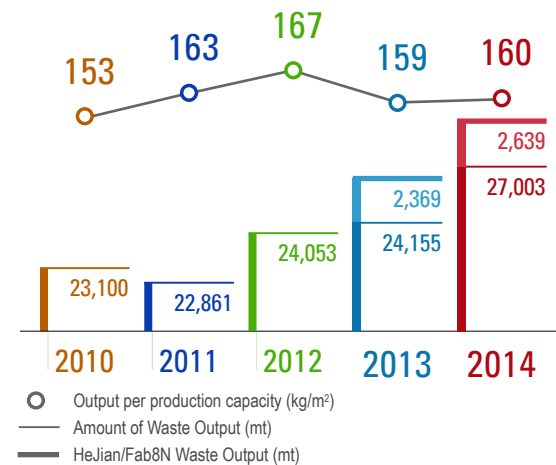


Promote ammonia reduction and waste ammonium sulfate reduction.



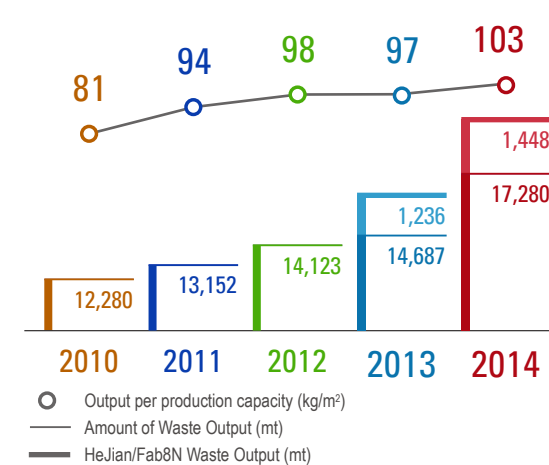
Improve barrel supply method for grinding fluid and reduce waste liquid.

2010-2014 Total Waste Output



Note: In 2014, the overall NER of UMC and its subsidiary HJTC foundry (8N) was 157 Kg / Wafer-m²

2010-2014 Hazardous Waste Output

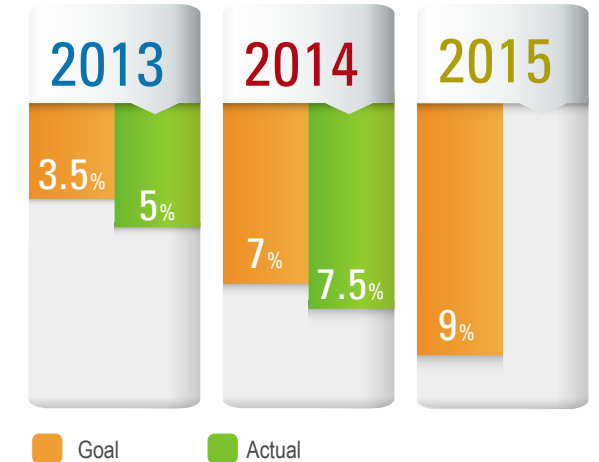


Note: In 2014, the overall NER of UMC and its subsidiary HJTC foundry (8N) was 94 Kg / Wafer-m²

2014 Waste Reduction Measures and Effectiveness

2014 Waste Reduction Plans	Reduction (Metric Ton)
Waste sulfuric acid reduction (lifetime extension / self-recycling)	247
Cleaning Solvent Reduction (lifetime extension)	164
Copper sulfate waste reduction (Reduce emissions ratio or extend machine maintenance)	73
Wood pallets waste reduction	32
Component reduction (lifetime extension)	26
UPS battery reduction	20
VOC carousel rotor cleaning fluid reduction	18
Wipes reduction	12
Calcium fluoride sludge reduction (reduce amount of hydrofluoric acid source)	5
Total Reduction	597

UMC Waste Reduction Goal and Status



Note 1: Reduction goal is based on the company's total waste output in 2012

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● Waste-to-Resource

In addition to reducing waste from the manufacturing source, UMC continues to promote recycling and reuse in place of existing end-of-pipe control to turn waste into resources, subsequently creating three advantages: waste reduction, waste disposal energy and cost reduction, creating a positive waste-to resource ratio.

In 2014, UMC recycled 24,571mt of waste, which accounts for 91% of waste being recycled. For 3 consecutive years, the recycling rate has exceeded 90%. The amount of recycled hazardous waste is 15,896mt, which accounts for 92% of hazardous waste being recycled. In 2014, revenue from resource recycling (fabs in Taiwan) was about NT\$51 million.

Basel Convention hazardous wastes definition: Except for 0.109mt of nickel-cadmium batteries transported to Korea for reuse in February and September 2014, respectively, all UMC waste are treated domestically.

In the future, UMC will continue to actively collaborate with waste management companies/raw material suppliers to research and develop new waste recycling methods and goals.

● Waste Company Control Measures

UMC conducts on-site audit of its waste cleanup/ treatment / recycling vendors mainly to inspect their management, storage areas, treatment facilities management and pollution control, site safety management and operating conditions (including sales flow of recycled products). Based on the evaluation result, the company determines whether to maintain cooperation or increase the frequency of audits. The table below shows the results of the audit and subsequent follow-up:

In 2014, UMC audited a total of 24 waste disposal companies. None were found inadequate or unsatisfactory, while 3 companies were found to be satisfactory, and cooperation with these companies was decreased or the companies were listed as a substitute. The remaining companies were rated excellent or above.



List of major waste recycling resource in 2014

 Receptacle Cleaned by recyclers for re-use.	 Solvent Convert to chemical grade raw material through distillation / extraction by chemical factories.	 Phosphate Collected by recyclers and re-made into industrial grade phosphoric acid or biological nutrients.	 Mixed Hardware Collected by recyclers to extract the heavy metals or recover other metals.	 Photo Mask Collected by recyclers, cleaned to remove patterns, and renewed as photo masks or made into optical materials.	 Sulfuric Acid Collected by recyclers and diluted into industrial grade sulfuric acid, or re-made into poly aluminum chloride or sulfate.	 Calcium fluoride sludge Supply to cement companies as cement additive. Collected by recyclers and made into artificial fluorite for use as solvent by steel mills.
 Lead Acid Battery Collected by waste disposal vendors to recover raw lead and waste plastic materials.	 Recycling Category Scrap paper, scrap aluminum, aluminum foil, plastic bottles and scrap plastics are collected by recyclers for re-use.	 Resin Collected by recyclers, classified and cleaned and used as second grade resin for ion exchange.	 Fluorescent Lamp Collected by recyclers for reusable fluorescent powder and metals.	 Wood Recycled as raw material for wood product.	 Copper sulfate Collected by recycler, and using electrolysis to recover copper, which is re-made into copper plates, copper sulfide or copper sulfate.	 Waste solvent from photo process Outsourced to factories to be manufactured as paint thinner or banana oil.

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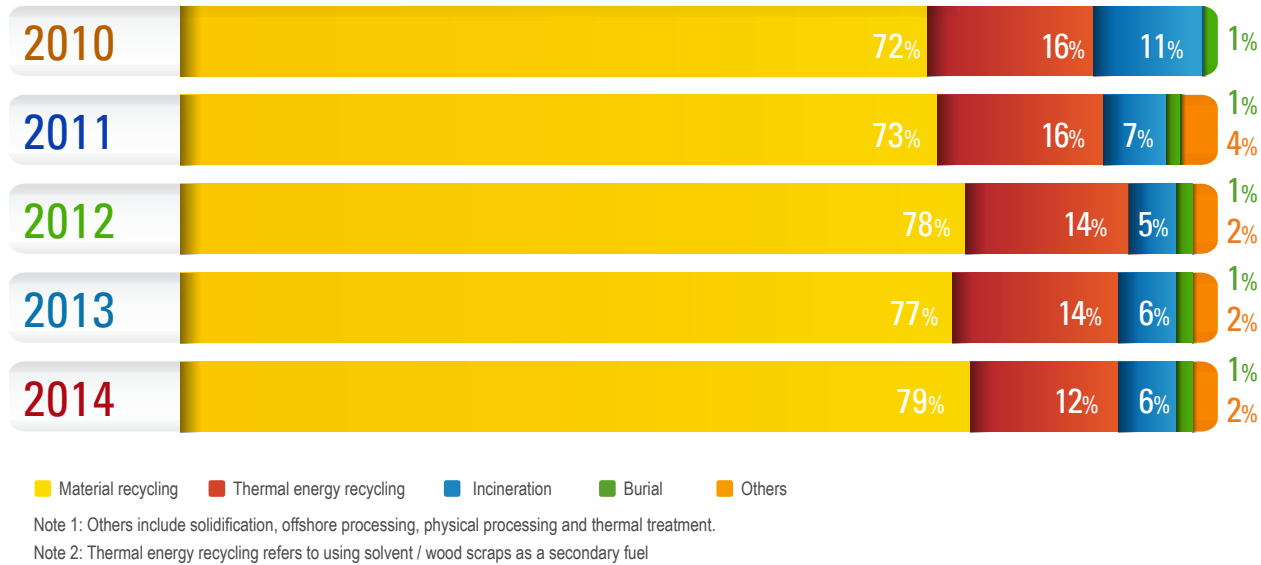
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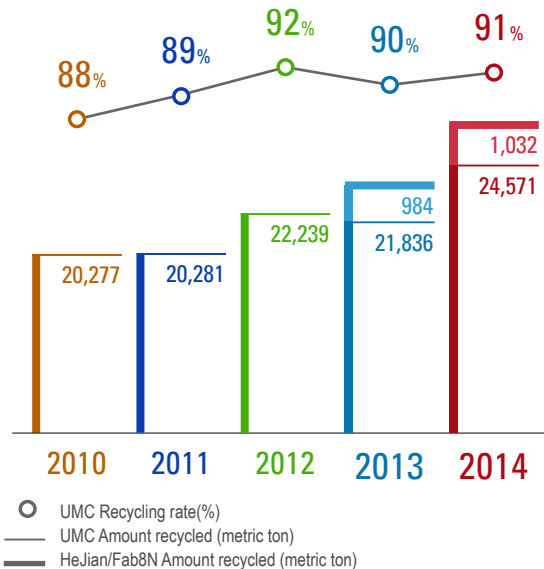
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UMC Waste Recycling Trend

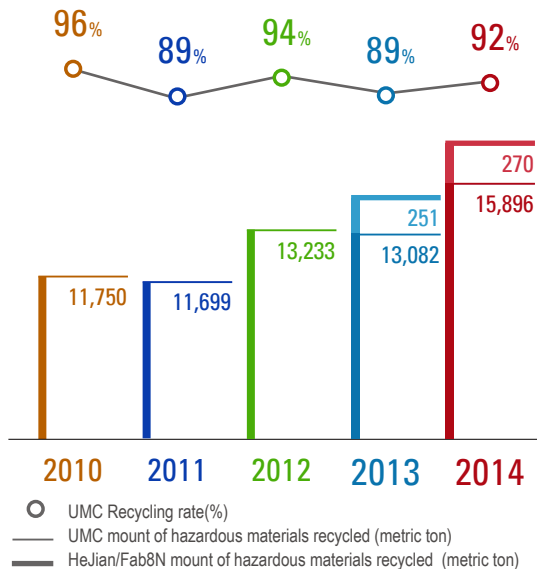


Recycling Status



Note: In 2014, the overall recycling rate of UMC and its subsidiary HJTC (8N) factory is 86%.

Hazardous material recycling status



Note: In 2014, the overall recycling rate of UMC and its subsidiary HJTC (8N) factory is 84%.

Packaging material management - collection and recycling

All shipping materials used by UMC fully comply with EU PPW (Packaging and Packaging Waste) stipulations for material containing heavy metals. All materials are supplied with inspection reports prepared by qualified, impartial laboratories, and low environmental impact materials such as recyclable materials and non-bleached cardboard cartons are used when possible. In addition, since UMC is not an end product manufacturer, with customer consent, raw material and certain product packaging are re-used for shipping products to assembly or testing factories to reduce the amount of packaging materials and waste production.

The company will continue to cooperate with other organizations. From influencing customers to learning from supplier and downstream supply chains, the company is increasingly able to use packaging that are is recyclable or contains recyclable materials. In particular, since 2014, the amount of recyclable packaging in the well-established Hsinchu 8-inch production line has increased to 129,719 kg, of which 84,728 kg contains recyclable materials, representing a recovery rate of 65%.

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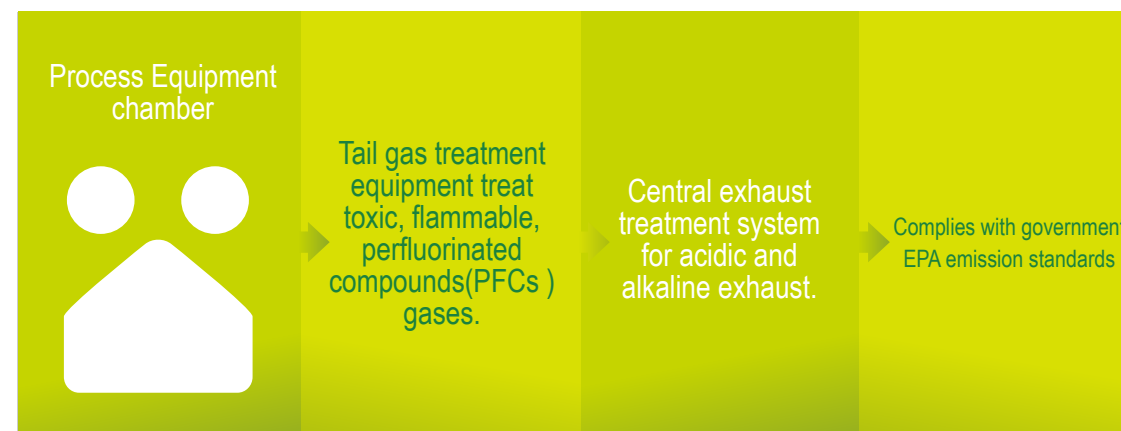
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● Air Pollution Control

UMC air pollution control strategies involves using high-performance equipment to treat exhaust gas from rational contaminants to reduce the emission of air pollutants to a level that complies with (or less than) the government's environmental stipulations. Test results over the years showed that UMC air pollutant emission is less than the emission standard set by the EPA. UMC categorizes waste gas from manufacturing processes into acidic exhaust, alkaline exhaust, volatile organic exhaust and general exhaust.

■ Air pollution control flow



Facilities for treating acidic and alkaline exhaust



Acidic and alkaline exhaust

Stage 1: Installed tail gas treatment device in machine chamber (L / S) to treat toxic, flammable, perfluorinatedPerfluorinated compounds (PFCs) and other process gases.

Stage 2: After end treatment by a central exhaust treatment system, gas is released into the atmosphere via a stack.

Facilities for treating volatile organic compound (VOC) exhaust



Volatile organic compounds

Volatile organic compounds exhaust (Solvent Exhaust) is treated using VOC Zeolite carousel wheels, which treat and release gases using low temperature adsorption and high temperature desorption.

24-hour monitoring center



UMC air pollution control facilities are installed with (N + 1) equipment so that in case of unexpected equipment failure or maintenance during routine operations, backups are immediately activated, including emergency power to operate backup equipment and effectively treat air pollutants. Uninterrupted and steady operation and advanced real-time monitoring are provided 24- hours a day all year round. The processing capability of the air pollution control equipment complies with Taiwan's Air Quality Control and Emission Standards in the Semiconductor Industry and the Stationary Pollution Source Air Pollutant Emissions Standards. In each foundry, employees are on duty around the clock to monitor for changes in the operating variables. Any amount exceeding the preset limit is immediately managed and reported to ensure the quality of air emission.

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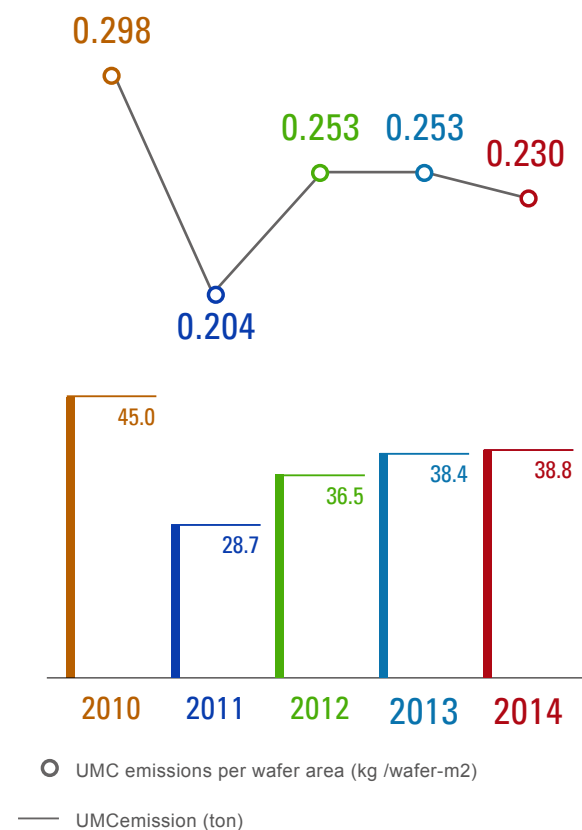
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● Total Hydrocarbon Reduction

In 2014, the efficiency of UMC's volatile organic compounds (VOC) treatment was maintained at an average of 95.01%, which exceeded the 90% legal standard. Total emission of hydrocarbon pollutants was 38.8 mt/year, which was a reduction of 738.6 mt/year.

Volatile Organic Compounds Emissions



● Other Air Pollutant Emissions

UMC uses natural gas and only a small amount of low sulfur diesel fuel. Based on regular stack inspection and air pollution expense calculation, estimated nitrogen oxide (NOx) and sulfur oxide (SOx) emissions in 2014 are listed in the table below.

SOx _(kg)	NOx _(ton)
5	71

● Toxic Chemical Substance Management

In addition to complying with legal stipulations, UMC also emphasizes hazard assessment and preventive management of chemical substances. Management focus and implementation for 2014 are shown below:



Self-imported chemicals management

Established chemical list and usage application procedure in self-imported chemicals management



Chemical hazard assessment management

The electronic management system was used to evaluate the hazardous properties of new chemical substances and the prevention and response capability of the factories. In 2014, a total of 210 chemicals were evaluated, and the response preparedness measures of all the factories were found to be capable of appropriate management.



Strengthen emergency response capacity

Actively strengthened employee emergency response capability, participated in joint toxic disaster prevention and rescue operations and exercises organized by the authorities, and participated in industrial exchanges.



Collaborated with EPA to promote the National Toxic Substance Defense Organization, and served as group leader for the northern region.

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3-1-4 Environmental Accounting

In early January 2001, UMC has already begun implementing the Environmental Accounting system each month, and became the first corporation in the nation to adopt this electronic system in the industry. To ensure data accuracy, UMC referenced the six classification principles used by the Japanese Ministry of Environment. In addition to the environmental protection financial system, UMC also instituted a financial information system for Occupational Safety and Health, which combines with the existing accounting system and uses a matrix and internal control coding to calculate the cost and expense disbursement for environment safety and health related investments to facilitate effective assessment and decision analysis of overall environmental protection and EHS management.

● Environment Safety and Health Investment

UMC is committed to environmental protection, safety and health, as evident from its considerable annual EHS funding. Through its Environmental Accounting System and calculations, records of ESH-related expenses are analyzed each month, and based on each year-end aggregate and analysis of Environmental Accounting data, UMC's ESH investment for the following year is planned.

EHS Investment in 2014

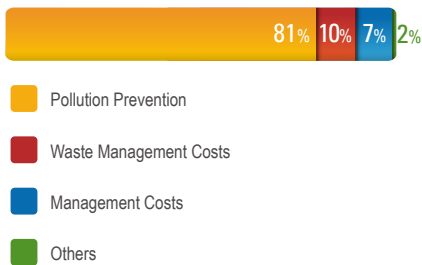
Item	Expenses (hundred million NT\$)	Proportion of total company disbursement (%)
Total EHS disbursement (including expense disbursement and capital disbursement)	45.09	4%
Total EHS disbursement	14.3	3.5%
Total environmental protection expense disbursement	9.7	1.3%
Total environmental capital disbursement	11.2	2.8%

Past EHS Expenses

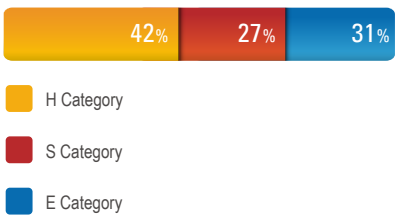
	EHS Capital Disbursement	EHS Expense Disbursement
2010	1827	2026
2011	1182	2126
2012	1467	2298
2013	1517	2570
2014	1426	3083

(million NT\$)

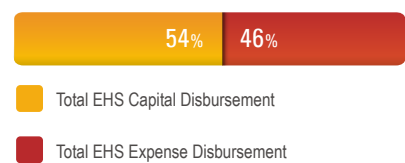
Proportion of Environmental Protection Expenses and Disbursement



Proportion of EHS Expenses



Proportion of Total EHS Capital Expense and Total Expense Disbursements



Environmental Protection Cost

Direct cost of reducing
environmental impact

Capital Disbursement
1,118,016

• Pollution prevention costs, such as air, water, soil and groundwater pollution control expenses.	Expense Disbursement 781,310
• Global environmental protection expenses, such as climate change and other global warming prevention.	5,068
• Expenses for enhancing efficiency of resource utilization.	2,467
• Industrial waste disposal, treatment and recycling expenses.	97,254

Indirect cost of reducing environmental impact

Management costs include:	Expense Disbursement
• Employee environmental education and training expenses.	29
• Management system implementation and certification expenses.	1,100
• Environment monitoring expenses.	2,025
• Human resource expenses for environmental protection.	65,114

Other environmental protection cost

• Supplier / customer upstream- downstream connection costs, such as suppliers / customers related environment protection expenses	Expense Disbursement 266
• Research and development costs, such as research expenses for reducing/ controlling environmental impact.	10,673
• Social activity costs, such as sponsoring environmental groups, communications and information for environmental promotion.	1,320
• Loss and compensation costs, such as environmental fines and litigation expenses.	0

Capital Disbursement Subtotal 1,118,016

Expense Disbursement Subtotal 966,627

Total 2,084,643

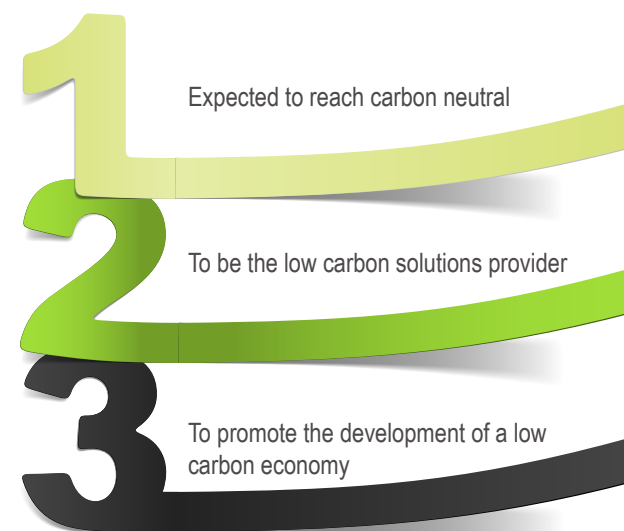
Unit: NT\$1000

3-2 Energy and Greenhouse Gas Management

3-2-1 Climate Change Policy and Low-Carbon Commitment

In the face of global climate and ecological changes, UMC is committed to its environmental protection duty as a member of the global community. In 2010, UMC led the industry by implementing the UMC Climate Change Policy as its highest guiding principle. In addition, the company formulated the UMC Low-Carbon Commitment guidelines for carbon reduction plans. UMC actively follows its policies to expand various environmental protection measures and plans. These plans are launched by the Corporate Sustainability Committee and approved by the CEO, who serves as chairman of UMC's CS Committee.

UMC Climate Change Policy



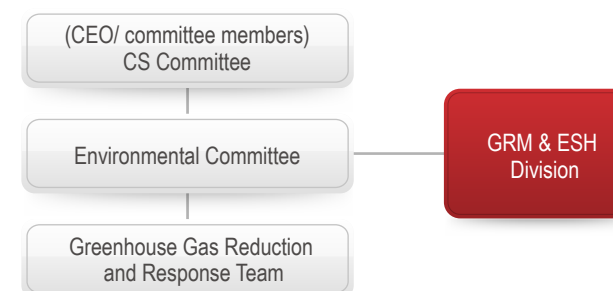
UMC Low-Carbon Commitment

- Low-carbon design process
- Energy efficiency optimization
- Installing high efficiency FCs abatement in new tools
- Adopting green building standard for new buildings.
- Carbon partnerships with customers and suppliers
- Complete the carbon footprint inventory for all fabs.
- Invest in green technology industry

3-2-2 Climate Management Organization

UMC has a dedicated Level 1 Department (GRM&ESH) responsible for collecting and identifying greenhouse gas related issues. Through the Corporate Sustainability Committee, the Environmental Committee reports annual implementation results and objects to the Executive Director and Management Committee every 6 months.

Climate Management Organizational Chart



3-2-3 Climate Challenges and Opportunities

Temperature rise in the earth's surface has caused the melting of polar ice, rising sea level and decreasing land. The frequency and intensity of abnormal climate changes such as changing ocean current patterns, changing rainfall patterns, floods, droughts and storms have increased. These climate changes caused by global warming have directly or indirectly impacted natural ecosystems, and international governments are attaching great importance to greenhouse gas control. Hence it can be expected that increasingly stringent international or governmental carbon emission control regulations will indirectly create a higher threshold for corporate business, and only low energy consumption, low greenhouse gas emissions, green products and green industry will receive community support.

UMC Climate Risks Challenges and Opportunities

Risk Factors	UMC Response
Regulations	
▶ Greenhouse gas emissions permit and reporting, cap and trade schemes.	▶ Voluntary reduced greenhouse gas energy consumption.
▶ Carbon tax, energy tax	▶ As of 2014, UMC has 3.023 million tons of reduction credits approved by the EPA.
▶ Product labeling and disclosure	▶ Continue to inventory greenhouse gas emissions and product carbon footprint
Disaster	
▶ Natural disasters resulting in job interruption	▶ Continue to improve AIU Insurance audit
▶ Building and facility damage	▶ Promote the business continuity management system (received the ISO22301 certification)
▶ Raw material supply disruptions	▶ Globalize factories and supply chains
▶ Water shortages during dry season.	▶ Expanded water recycling and reuse to reduce the stress of water demand
	▶ Use limited water resources efficiently.
Others	
▶ Green product demand by consumers, customers, investors and other stakeholders, and through the expanding influence of supply chains, energy consuming commodities are indirectly eliminated.	▶ Promoting analysis and certification of the product impact on environmental life cycle, and implement source reduction (UMC has been awarded carbon footprint / water footprint certification, and promoted the LCA project for overall carbon reduction in supply chains)
	▶ Invest in green technology industry. (as of 2014, UMC has invested NT\$6 billion)

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3-2-4 Measures for Mitigation Climate Change

Greenhouse Gas Inventory

In accordance to inventory guidelines defined by domestic and international organizations such as the ISO14064-1 and GHG Protocol, UMC established its greenhouse gas inventory standard mechanism. The company regularly inventories the greenhouse gas emissions of all its factories each year to fully determine the status of its greenhouse gases and verify the effectiveness of its reduction. At present, although there is no legally required reduction, UMC has voluntarily instituted greenhouse gas reduction for different stages, conducted annual review and strived for further improvement.

UMC's Taiwan factory greenhouse gas emissions inventory data from 2000 to 2014 passed third party inspection. In 2006, UMC established an internal management mechanism and voluntarily appoints a third party to conduct verification. In 2011, UMC's 12i factory in Singapore also conducted a yearly voluntary verification. In 2013, HTJC (8N factory), UMC's subsidiary in China, began inventorying greenhouse gas, and since has conducted a yearly voluntary verification since 2014.

UMC Greenhouse Gas Inventory Scope

Scope 1 Direct GHG emissions

- ▶ Direct GHG emissions occurring from sources that are owned or controlled by the company (i.e., sources within the organizational boundary). For example, emissions from combustion of fuel in owned or controlled vehicles.

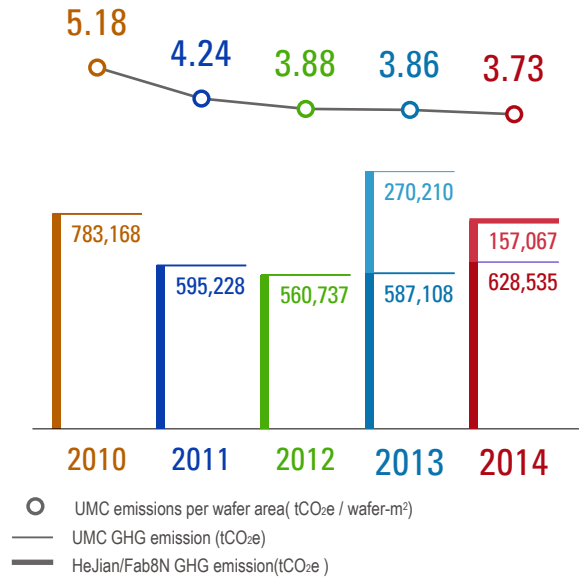
Scope 2 Energy indirect GHG emissions

- Indirect GHG emissions occurring from the generation of
- ▶ purchased electricity (heat/cool, steam and fossil fuel derived energy products) consumed by the company.

Scope 3 Other indirect GHG emissions

- ▶ Other indirect GHG emissions occurring as a consequence of the activities of the company, but generated from sources not owned or controlled by the company.

Direct (Scope 1) GHG emission and emissions per wafer area

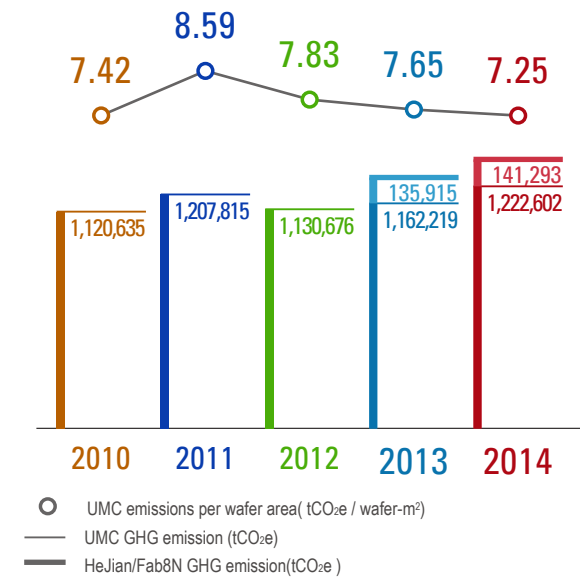


Note 1: The overall emissions per wafer area (NER) for UMC and its subsidiary HJTC (8N) factories is 4.19 tCO₂e / Wafer-m²

Note 2: The 2014 fluorinated greenhouse gas emission of UMC and its subsidiary HJTC (8N) is calculated using the IPCC tier2b method, and passed third party verification.

Note 3: The 2013 fluorinated greenhouse gas emission of UMC's subsidiary HJTC (8N) is calculated using the IPCC tier2b method, but not verified by a third party.

Scope 2 Indirect GHG emissions and emissions per wafer area



Note 1: The overall emissions per wafer area (NER) for UMC and its subsidiary HJTC (8N) factories is 7.27 tCO₂e / Wafer-m²

Note 2: The power factor of UMC's Taiwan fabs are calculated based on 0.521KgCO₂e / KWH, and passed third party verification.

Note 3: The power factor of UMC's 12i fab in Singapore is calculated based on 0.5716KgCO₂e / KWH, and passed third party verification.

Note 4: The power factor of UMC's subsidiary HJTC (8N) fab is calculated based on 0.81KgCO₂e/KWH, and passed third party verification.

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Scope 3 other indirect greenhouse gas emissions

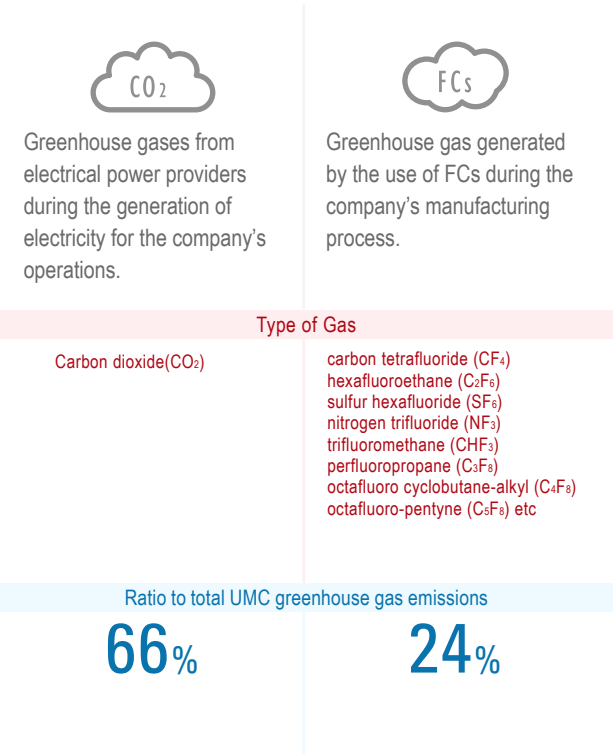
Based on carbon footprint calculation methods and WRI and WBCSD inventory techniques, UMC estimated the following major Scope 3 greenhouse gas emissions.

Purchased goods and services Upstream (cradle-to-gate) emissions of 85% (by weight) purchased goods	385,280 tCO ₂ e
Fuel-and-energy-related activities Upstream emissions of purchased fuels (diesel and NG) and electricity,	659,278 tCO ₂ e
Upstream transportation and distribution Transportation of 85% (by weight) purchased goods	16,611 tCO ₂ e
Waste generated in operations Transportation and disposal or treatment of waste.	174 tCO ₂ e
Business travel Transportation of employees for business-related activities	776 tCO ₂ e
Employee commuting Transportation of employees (in vehicles operated by the Company and employees)	11,241 tCO ₂ e
Downstream transportation and distribution Transportation of products sold by the Company	2,755 tCO ₂ e
Downstream leased assets Operation of assets owned by the Company : Crystalwise Technology Inc.	1,563 tCO ₂ e
Investments Operation of investments : Wavetek Microelectronics Corporation, Topcell Solar International Co., Ltd., and HeJian Technology (Suzhou) Co., Ltd.	360,562 tCO ₂ e

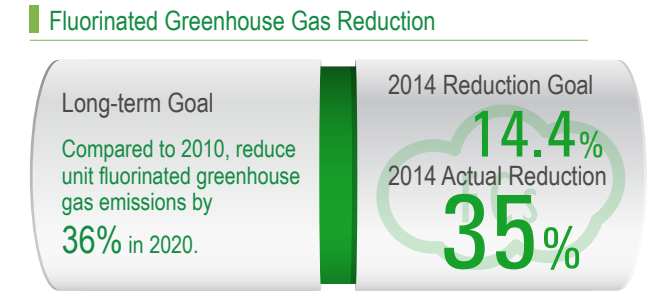
Greenhouse Gas Reduction

Results of UMC carbon footprint and greenhouse gas inventory found that carbon emissions from manufacturing is the primary source of carbon footprint, and that the main sources of the process emission are fluorinated compounds (FCs) and electrical power, which account for more than 90% of UMC overall greenhouse gas emissions. Therefore, FCs and power reduction are UMC's priority.

UMC Primary Sources of Greenhouse Gas Emissions



Fluorinated Greenhouse Gas Reduction



In addition to carbon reduction each year, UMC established the Fluorinated Greenhouse Gas Reduction Taskforce in 1999 to promote greenhouse gas reduction. Moreover, the company set greenhouse gas reduction goals for the various phases of the program, and currently, the reduction program is in Stage 3. UMC will continue to promote the FCs greenhouse gas reduction program, and in 2014, its FCs reduction was 35% less than 2010, which exceeds the 30% reduction goal set by the World Semiconductor Council for 2020 in comparison to 2010.

UMC led the industrial world by completely replacing C3F8 / C2F6 source reduction measures with C4F8. In consideration of technology, cost and benefits, UMC's FCs Reduction Taskforce is faced with the challenge of selecting a reduction method for substituting, and in 2012, the company successfully substituted C3F8 / C2F6 source reduction measures with C4F8 measures in all its fabs. In 2014, UMC's had a total reduction of 988,000 tons.

Future Reduction Practice

- LS New fabs will be installed with high efficiency FC gas LS.
- CVD machines in new fabs will use NF3 gas.
- LS Beginning 2015, all old fabs will be installed with new high efficiency FC gas LS.

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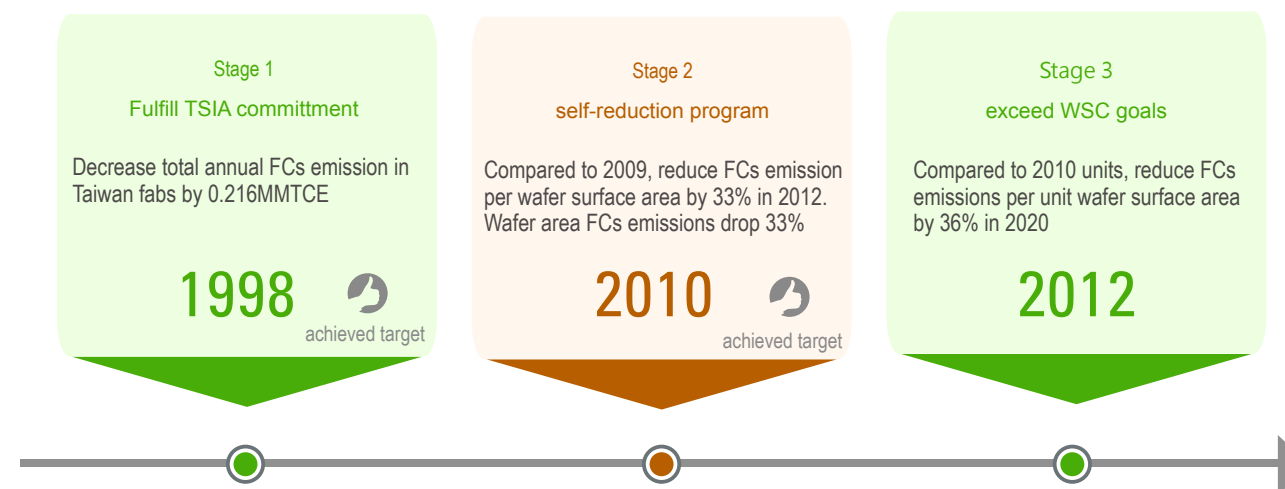
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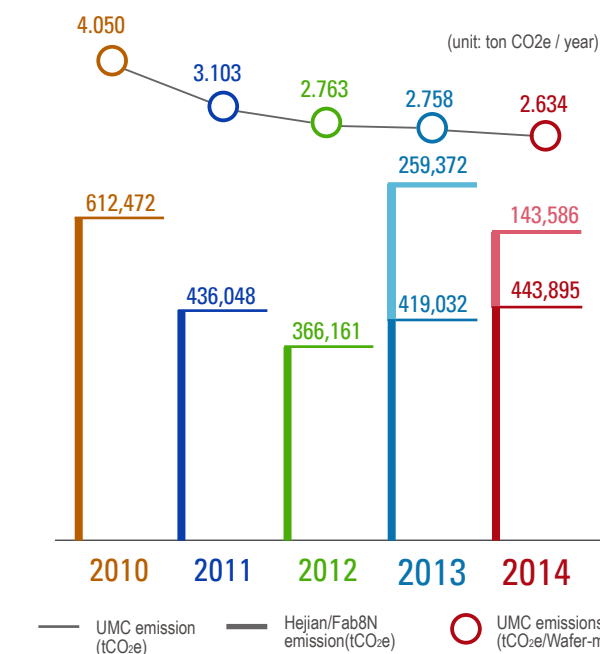
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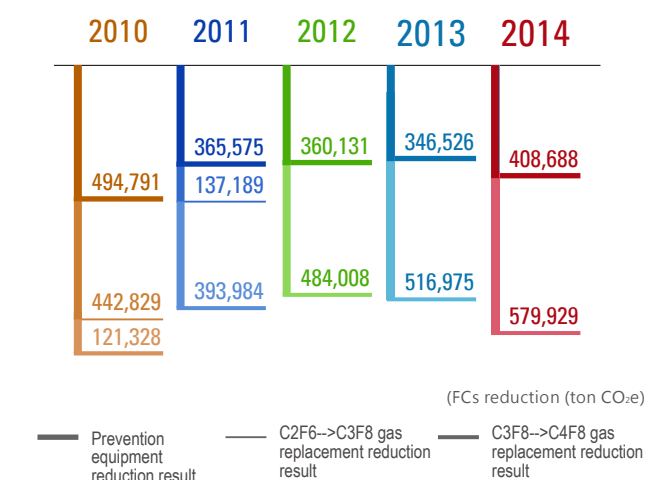
Fluorinated greenhouse gas (FCs) reduction stages and objective.



Fluorinated greenhouse gas emissions and emissions per wafer area

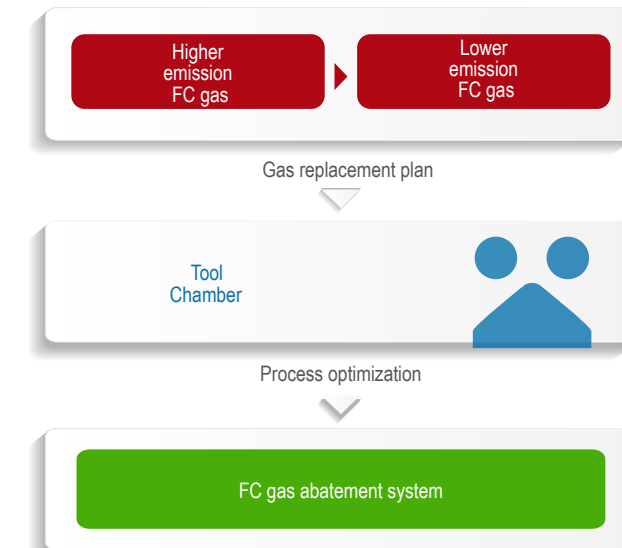


FCs reduction results

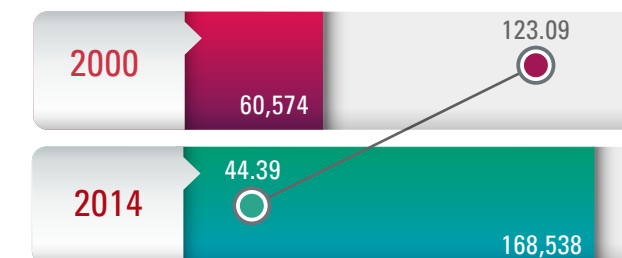


Note 1: The overall emissions per wafer area (NER) for UMC and its subsidiary HJTC (8N) factories is 3.13 tCO₂e / Wafer-m²
 Note 2: The 2014 fluorinated greenhouse gas emission of UMC and its subsidiary HJTC (8N) is calculated using the IPCC tier2b method, and passed third party verification.
 Note 3: The 2013 fluorinated greenhouse gas emission of UMC's subsidiary HJTC (8N) is calculated using the IPCC tier2b method, but not verified by a third party.

Fluorinated greenhouse gas reduction measures schematic



FCs reduction results (2000 VS 2014)



Production capacity increase **2.78** fold
 FCs emission increase by **63.9%**

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3-2-5 Carbon Disclosure and Communication

In response to international Carbon Disclosure issues, carbon emissions management and carbon emissions disclosure & communication have become important issues for UMC. In 2006, UMC was invited to participate in the international Carbon Disclosure Project (CDP), and to date, has participated for 9 consecutive years with progressive results. In 2014, UMC was named in the Climate Disclosure Leadership Index (CDLI) for its second consecutive year, where its score of 96 was the highest in Taiwan's semiconductor industry.

UMC scored 96 points



96

Communication Channels

Symposiums

Presented results of the LCA To Go study in Austria

Organized 2 sessions of education and training on carbon footprint inventory. About 110 people participated.

Organized 3 sessions of promotional activities on manufacturers' carbon footprint inventory and product life cycle assessment. About 63 people participated.

World Semiconductor Council (WSC)

UMC participates in the WSC biannual meetings on behalf of TSIA.



Taiwan Semiconductor Industry Association

Participated in TSIA and EPA greenhouse gas early action reduction program. In 2014, after third party verification, the company applied for 214,000 tons of carbon credits.



Government agencies

Disclosed greenhouse gas emission amount and reduction information on MOPS
Submit the company's annual greenhouse gas reduction implementation and outcome to government agencies for review and statistical analysis (for each factory)
Participated in the EPA's Energy Conservation Action Logo award (Fab8A)
Participated in the EPA's Science Park Low Carbon Corporation competition, and won the Excellent Award (Fab8E factory)

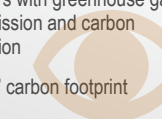
Annual Report / Webpage / Questionnaires

In addition complete yearly CSR disclosure, the company also discloses its yearly financial summary

Discloses on UMC webpage

Provide customers with greenhouse gas management/emission and carbon footprint information

Assess suppliers' carbon footprint management



3-2-6 Carbon Assets and Carbon Trading

Carbon Asset

UMC is a long-time participant in the Taiwan Semiconductor Association (TSIA) discussion on greenhouse gas emissions reduction, and also participates in reduction policies promoted by the government. When the EPA announced "greenhouse gases early reduction project and trade-in allowance principles" and "semiconductor industry greenhouse gas emission intensity announcement" in 2010 and 2011 respectively, UMC commissioned a third party inspection agency to verify its past greenhouse gas reduction outcome. At the same time, the company also collaborated with other members of the TSIA on FC gas reduction methodology for the semiconductor industry.

In 2012, the semiconductor industry's FCs emission reduction methodology that was jointly developed by UMC and other TSIA member corporations was approved by inspection agencies, and in 2013, the company applied with the EPA for review (currently pending). After government review and approval, UMC will apply for reduction credits under the trading program.

In 2014, EPA issued the company 150,000 tons of early action reduction credits, and the company applied for a new reduction quota of 214,000 tons for that year.

Carbon Trading

Together with Dragon Steel, UMC signed a trading contract in January 2014 for 2 million tons of carbon dioxide equivalent reduction credits (ie carbon rights). Upon approval by the Executive Yuan EPA, the contract became the first EPA reviewed and approved carbon rights trading since the nation first announced the carbon trading policy, and it represents an important milestone in the domestic carbon trading market. All earnings from this carbon trading will be dedicated to an environmental protection fund for promoting environmental protecting measures and fulfilling environmental sustainability.



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3-2-7 Energy Management

Energy use not only consumes the earth's resources, but also produces carbon dioxide that causes greenhouse gas emissions. To effectively reduce the environmental impact of the greenhouse effect, reducing energy consumption is the key issue for UMC's sustainable development. Currently, to conserve energy, UMC is targeting electrical power and natural gas, and promotes the implementation of energy management in its offices and public areas with promotional activities, education and training to cultivate a mindset and habit of energy conservation and greenhouse gas emission among its employees.

Vision

Enhance energy efficiency to minimize impact on the earth as a result of energy use

Organization

Through the CS Committee's company-wide carbon reduction goals and development plans, coordinate/ integrate departmental energy saving and carbon reduction strategies and programs. Hold regular committee meetings to review the implementation outcome, and continue to introduce energy conservation technologies and implement energy efficiency improvement programs in relevant facilities.

Goal

Electrical power reduction goal for 2014: Cumulative reduction of 2%
Gas reduction goal for 2014: Reduction of 3.98%

Outcome

Actual electrical power cumulative reduction in 2014 was 2.9%
Actual gas reduction in 2014 was 5.02%

Electrical Power Reduction

In 2014, UMC mainly promoted 8 major categories of electricity conservation measures, and total reduction was 29,469Mwh, which is equivalent to a reduction of 15,353 tons of CO2 emission.

In addition, renewable energy source was actively installed. In February 2014, the solar system in Singapore's 12i UMC factory began formal operation.

The 2015 energy conservation plan includes 208 comprehensive measures such as installing energy conserving production machines, replacing T8 tubes with LED lighting in clean rooms, changing online uninterruptible power system (UPS) into offline UPS, and installing energy saving cold water systems. Moreover, with a target of saving 36,989Mwh of electricity in 2015, the estimated yearly carbon dioxide reduction emission is 19,271 metric tons.

Electrical Power Conservation Measures in 2014

Conservation Measures	Implementing Fab	Estimated Outcome (Mwh)
Change online UPS to offline UPS	8A,8CD,8E,8F,8S	1,711
Interrupt dynamic UPS according to production situation	12A,12i	218
Reduce UPS	8A,8CD,8E,8F	9,074
Reduce machine emission	6A,8A,8CD,8E,8F,8S,12A,12i	912
Compress gas energy conservation	6A,8CD, 8E,8F,8S,12A,12A,12i	3,057
Cold water system energy conservation	8A,8CD,8E,8F,8S,12A	11,223
Process cooling water energy conservation	8A,8CD,8E,8F,12A,12i	950
Production machine energy conservation	6A,8A, 8CD, 8E,8F,8S,12A,12i	1,474
Others	All	851

Total Electricity Conserved in 2014 : 29,469Mwh

CO2 emission reduction equivalent : 15,353Ton

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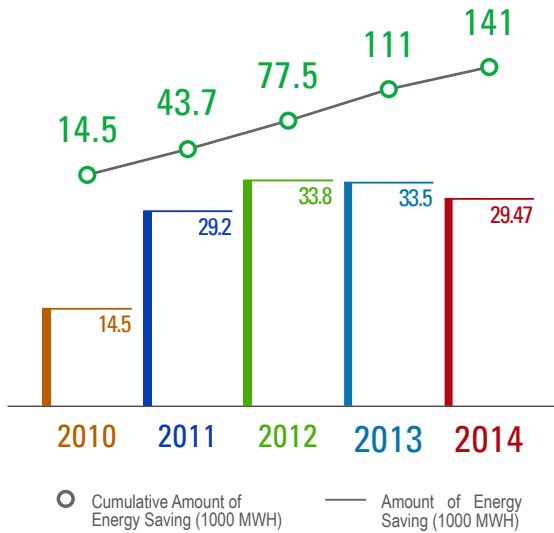
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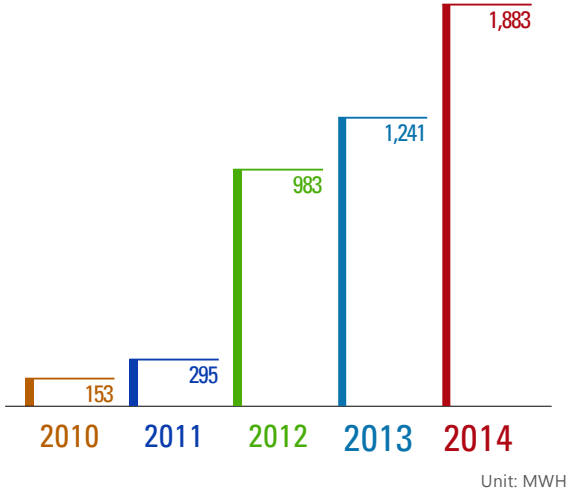
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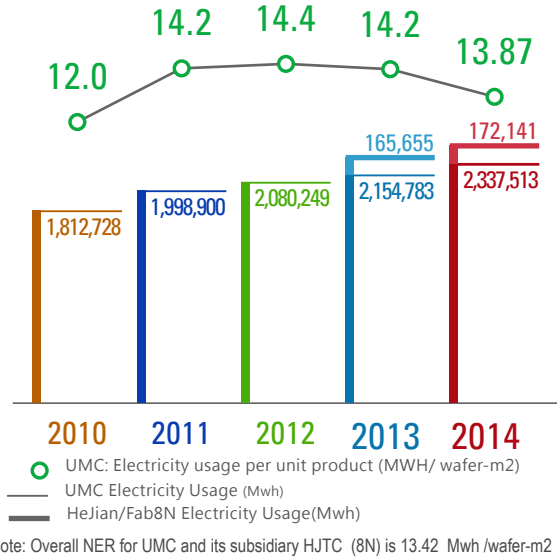
Past Energy Conservation Outcome



Past Solar Generated Electricity (MWH)



Past UMC Electricity Usage



Note: Overall NER for UMC and its subsidiary HJTC (8N) is 13.42 Mwh /wafer-m2

Energy Conservation Improvement for 2015

Implementing Fab	6A	8A	8C	8D	8E	8F	8S	12A	12i	Subsidiary HJTC(8N)
To conserve energy, change T8 lighting to Led in clean rooms	○	○	○	○	○	○	○	○	○	
Replace online UPS with offline UPS	○	○	○	○	○	○		○		
Use energy saving production machine		○	○	○	○	○	○	○	○	
Use energy saving cold water system	○	○	○	○	○	○	○	○	○	○
Use energy saving air compressor		○								
Install high temperature heat pump		○								
Install solar power generator										○

Experience Sharing



Lin Chi-huang
Senior Director of Fab 8AB

Awarded the clean production certification and green factory mark in 2012, Fab 8A became the "Taiwan's first 8-inch fab to receive this honor."

We are committed to energy management to improve energy efficiency, reduce energy costs and reduce environmental impact. On April 22, 2014, the Taiwan Green Productivity Foundation notified us that our team was selected as the 2014 Manufacturing Energy Management System Standards model. Moreover, in May 2014, we promoted the ISO 50001, and used the PDCA management model to successfully integrate relevant technologies and tools.

On December 5, 2014, Fab 8A passed ISO 50001 certification. This management system fulfills both production and energy efficiency, and we will strive to achieve the goal of 3% reduction in 3 years. In 2014, energy conservation outcome of Fab 8A was 2,793,495 kWh, and the estimated 2015 outcome of 4,918,742 kWh is expected to be successfully achieved.

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Improvement Activity

Process cooling water conservation	Fab Gownroom and Truss replaced lighting to LED	Change online UPS to offline UPS	Tools power consumption	Install energy-saving chiller to SSC (TEC) BOT
				

Natural Gas Reduction

In 2014, UMC continues to promote 7 major categories of measures for natural gas conservation, with a reduction total of 10979 Mwh, which is equivalent to 2159 tons of carbon emission reduction.

Natural Gas Conservation Measures in 2014

	Implementing Fab	Estimated Outcome(MWH)
Integrate heat pump into high temperature water purifier system	8A 8F 12i	10,029
Conduct 2014 annual survey of gas conservation	6A	7
Upgrade exhaust gas treatment furnace on machine stations	12A	253
Recycle heat from high temperature water purifier system	12A	495
Optimize operation of Boiler equipment	12A	18
Optimize operation of volatile organic waste equipment	12A	181
Recycle heat from CDA	8E	55
Total		10,979

Total gas conservation in 2014: 10,979Mwh
· CO2 emission reduction equivalent: 2,159 tons

Note1 : The gas conservation amount estimated by the energy conservation measure is a theoretical amount. The CO2 emission coefficient of the 2006 IPCC fixed and mobile resource (gas) and gas caloric value from the various local factories are also incorporated into the carbon emission calculation

Note2 : The gas carbon equivalent for Taiwan's fabs = 1.879 KgCO2/M3 / The calorific conversion coefficient for Singapore's (12i) Town Gas = 0.2021 KgCO2/KWH

Experience Sharing



M L Liao
UMC, Vice President

An energy saving proposal presentation was held on January 29, 2015. Various departments throughout the company brainstormed and presented 10 energy saving proposals that expected a savings of NT\$167.4 million per year in energy costs and a reduction of 37,100 tons in carbon emissions (approximately equivalent to CO2 absorbed by 95 Daan National Parks per year).

Although the energy saving goals in the 333 Plan and 369+ Plan could be easily met through everyone's efforts, our energy expenditure was as high as NT\$ 7.1 billion last year. Hence a 1% saving in energy could reduce expenditure by about NT\$70 million and increase company profit. Therefore, we are aiming for more than 2% in annual energy reduction, and to meet this challenge, we urge everyone to develop more creative energy conservation and introduce new industrial technologies. Moreover, employees can seek opportunities in their daily workplace to save energy, and by approaching energy conservation with the attitude that every little bit counts, we believe that we will achieve considerable results.

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Natural Gas Conservation Measures



Integrate heat pump into high temperature water purifier system



Optimize operation of VOCs equipment

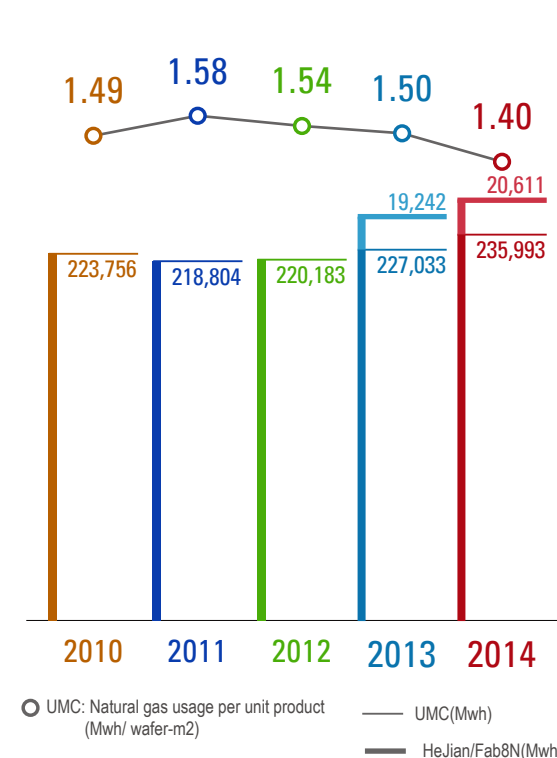


Upgrade exhaust gas treatment furnace on machine stations



Recycle heat from gas compressor

Past UMC Natural Gas Usage



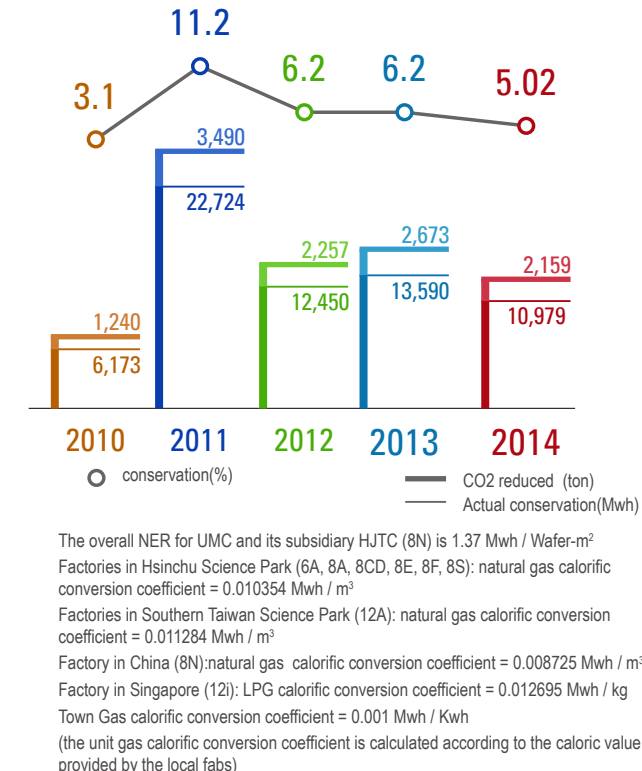
Energy Conservation for 2015

	6A	8A	8C	8D	8E	8F	8S	12A	12i
Upgrade VOC concentration	○		○	○	○				
Add heat pumps		○						○	
Upgrade L/S retrofit & VOC concentration								○	
Add high and moderate temperature heat pumps, and change VOC RTO to RCO									○

In 2015, energy conservation projects such as upgrading VOC concentration, adding high and moderate temperature heat pump, upgrading L / S retrofit & VOC concentration, replacing VOC RTO with RCO heat recovery system will be promoted.

A total of 7,390Mwh of gas is expected to be conserved, which can reduce carbon dioxide emission by 1,842,744Kg.

Past UMC Gas Conservation Outcome



3-3

Water Risk Management

Given extreme climates, water risks have become key issues facing businesses, and for the semiconductor industry, water resource risk management has become an urgent issue.

Identifying Water Risk Factors and Response



Regulations

Risk Factors

- ▶ Regulations and control for wastewater quality / water discharge quantity
- ▶ Water charges

Response

- ▶ Participate in government, unions and association seminars to share practical experience and advice
- ▶ Implement wastewater source diversion to enhance quality of wastewater
- ▶ Continue to assess new wastewater treatment technology
- ▶ Upgrade production efficiency to reduce water consumption and improve water recovery



Disaster

Risk Factors

- ▶ Heavy rainfall and flooding

Response

- ▶ Improve flood potential and risk assessments
- ▶ Improve AIU Insurance audit
- ▶ Promote Business Continuity Management System (was awarded ISO22301 certification)
- ▶ Globalize factories and supply chain

Risk Factors

- ▶ Water shortage due to dry season.

Response

- ▶ Reduce pressure of water demand by increasing water recovery and reuse
- ▶ Use limited water resources efficiently
- ▶ Evaluate and introduce new water sources



Others

Risk Factors

- ▶ Consumers, customers, investors and other stakeholders demand green products from businesses, and due to expanding influence to suppliers, water consuming commodities are indirectly eliminated.

Response

- ▶ Promote analysis and certification of life cycle of product environmental impact, and implement source reduction (UMC has been awarded water footprint certification, and continues to promote water conservation programs)

Risk Factors

- ▶ Shortage of raw materials due to disrupted supply caused by floods.

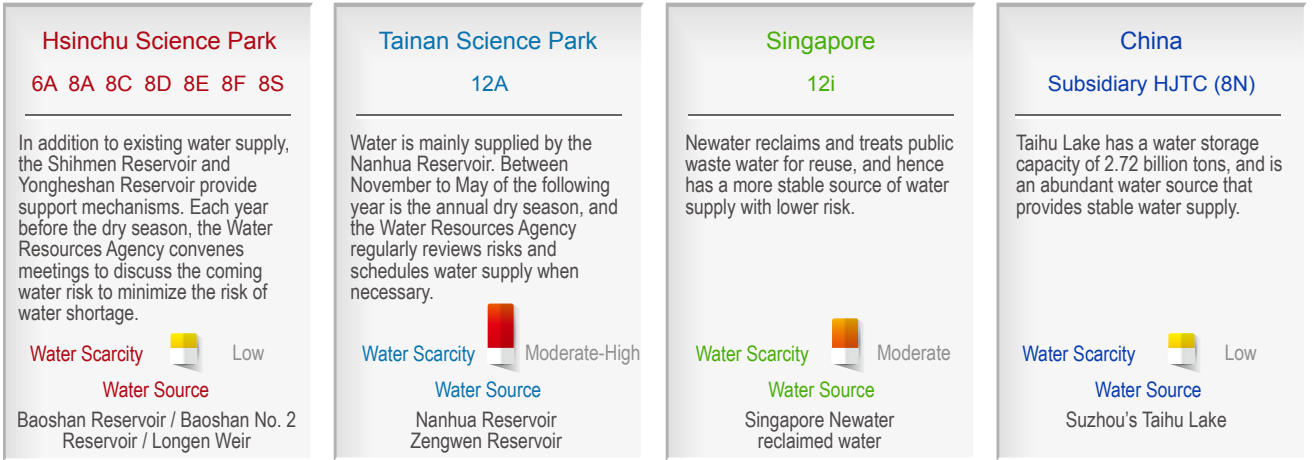
Response

- ▶ Assess suppliers' water risk

3-3-1 Factory Water Source

UMC uses water risk assessment tools developed by the World Resources Institute (WRI), and cooperates with Taiwan's water resource distribution to identify current proportion of factories located on water scarce regions and further water risk management strategies.

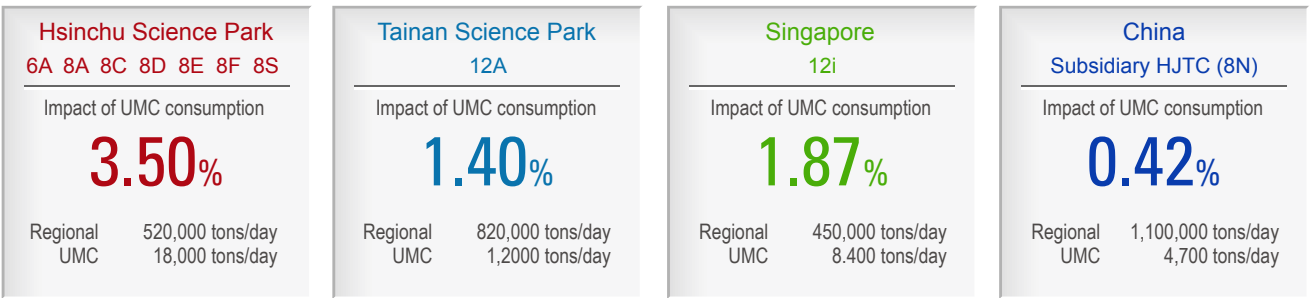
UMC's main source of water for each plant



NOTE: The WRI (Water Resource Institute) Aqueduct Tool is used to assess water risk. <http://www.wri.org/our-work/project/aqueduct/aqueduct-atlas>

Review and analysis showed that UMC fabs use less than 5% of the water in their respective regions, and hence have no significant impact on water resources

Significant impact on water resources



Note 1: Fabs in Hsinchu Science Park, Tainan Science Park, China Suzhou: provided by water company.Singapore fab: Based on PUB website information

Note 2: Water meter readings are recorded daily, and based on average monthly water usage, annual water consumption is calculated.

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3-3-2 Water Quality Risk Control

Before entering the fabs, water is first tested with pH devices and continuously monitored with a conductivity meter to ensure stable quality. Each stage of the water purification is tested with relevant devices to ensure reliable water quality.

3-3-3 Water Conservation During Manufacturing

UMC's first principle of water consumption is designing a water conserving process, followed by recovering water for reuse and highly efficient water management. To effectively reduce water resource consumption, all three principles must be integrated. In addition to conserving water, the company also actively participates in the Science Park Administration's water management indicator formulation and annual manufacturer water conservation counseling and technology exchanges. To ensure a secure water supply, the company also participates in the Water Resources Agency's water shortage contingency measures for water source stabilization and eutrophication. Impacted by global climate change, UMC strives to promote energy conservation and carbon reduction activities, and include them in its management policy. Hence water conservation and improvement activities are ongoing to provide further opportunities for company growth.

Percentage and Total Water Recycle and Reuse

Using 2012 as the base year, UMC set 6% as the 2013-2015 working target for water conservation.

In 2014, new improvement measures resulted in 441,475 tons of conserved water, which is a gain of NT\$11 million¹, and represents 3.5% of the total water consumption in 2012. Totalling the 944,738 tons of water conserved in 2013+ 2014, which is a gain of NT\$23.6 million, the cumulative water conserved represents 7.5% of the total water consumption in 2012. In 2014, the subsidiary HJTC (8N) conserved 18,700 tons of water, which is a gain of about RMB¥ 65,000.

NOTE: Gain Calculation

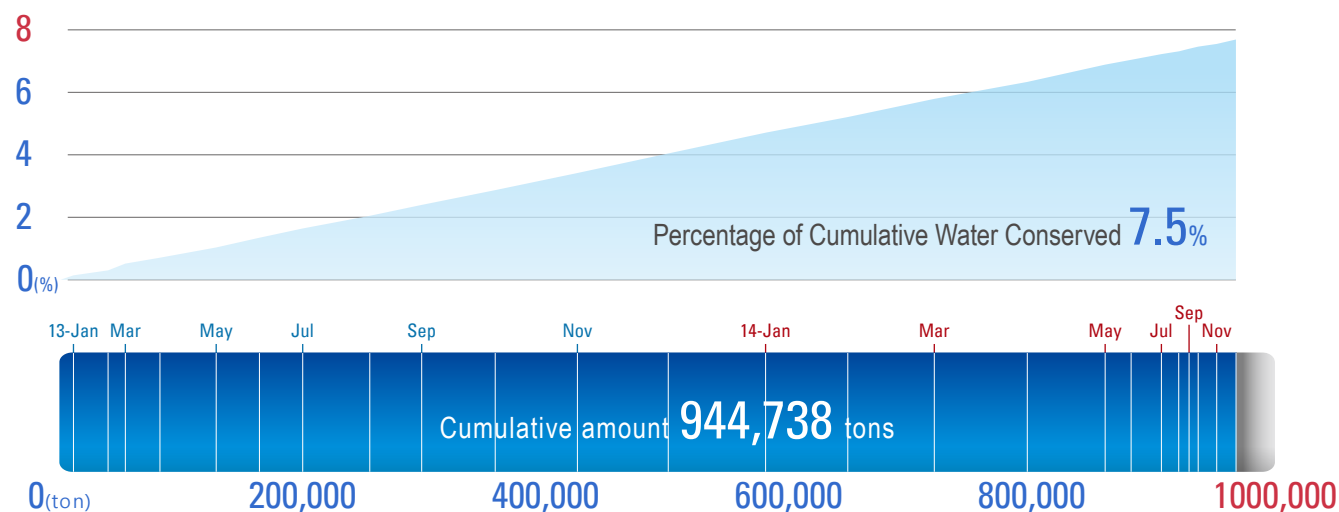
1: UMC: water charge+ wastewater charge = NT\$25/ton

2: Subsidiary HJTC: Water cost: RMB¥ 1.91 / ton Wastewater cost: RMB¥ 1.59 / ton

UMC Eight Water Conservation Measures Approach



UMC 2013-2014 Water Conservation



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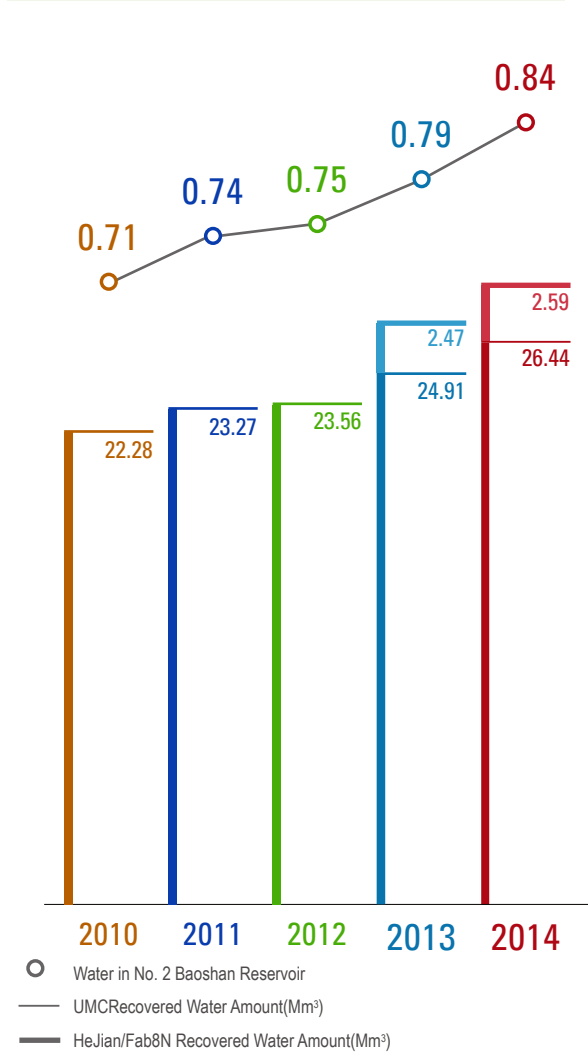
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As shown in the diagram below, in 2014, UMC company-wide recovered water that totaled 26.44 million tons, which is equivalent to conserving 0.84 of Baoshan Reservoir

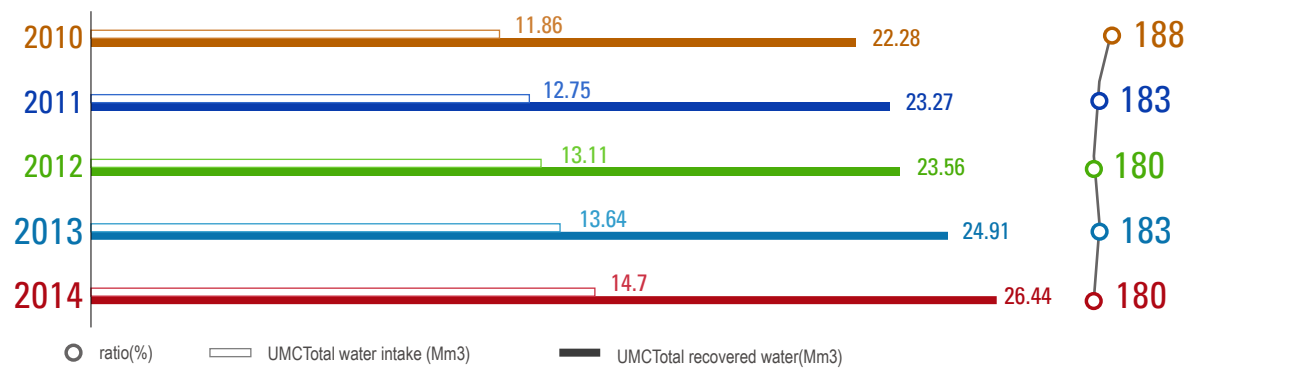
■ UMC and its subsidiary HTJC water conservation in the last 5 years



Note 1. Overall NER of UMC and its subsidiary HJTC is 0.92 of No. 2 Baoshan Reservoir
Note 2. In 2014, Fab 8N overall recovered water amounting to 2,590,000 tons, which is equivalent to 0.08 of No. 2 Baoshan Reservoir
Note3. No. 2 Baoshan Reservoir is the main water source for the Science Park. Its full water storage capacity is 31,471,800 tons. (Source: Ministry of Economic Affairs Water Resources Agency January 2015 Water Storage Report)

Due to its past promotion of water conservation, reduction and recycling measures, and its high recovery rate in the manufacturing process, UMC's current water recovery has exceeded the newly increased total water intake. Total water recovery and reuse could reach more than 180% of water intake.

■ Percentage of water recovery and reuse to total water intake



Note 1: Amount of recovered water is calculated using cumulative flowmeter or floating flowmeter
Note 2: Total water intake includes tap water + rain water + condensate. / Tap water: Water meter readings are recorded daily, and based on average monthly water usage, annual water amount is calculated. / Rain water/Condensate: Annual water amount is calculated using flowmeters and estimates.

■ New Improvement Measures and Outcomes in 2014

Water Conservation Measures	Implementing Factory	Planned Amount of Conserved Water (ton)
Recycle LDI ROR reuse	12A	57,370
Recycle waste water from acid drain at Subfab as scrubbing water for central scrubber	12i	41,310
Acid drain recovery of Ni-Solvent tool from gas /liquid separator to DIR 30%	12i	12,775
Improve Reclaim Tank discharge methodology	8N	18,700
Stop washing of CS IPA Scrubber washing	8A	9,468
Increase LDI quality for reduce Cooling tower Blow down	12_2	6,120
Extend MMF Service Time	12_2	4,065
FAB tool PCW Drain reuse	12_2	1,670
Modify 2B3T WA/SA resin ratio	8CD	1,070
Reclaim Condensate	6A	1,211
Ruse MB Rinse water	6A	1,420
Reduce cleaning of EPI RO system	8F	668

Note: Only 12 months of performance are included for the new improvement items. Only outcomes in 2014 are included in multi-year plans.

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Improvement Activity

LDI ROR Recycle and Reuse



MMF Service Time Extension



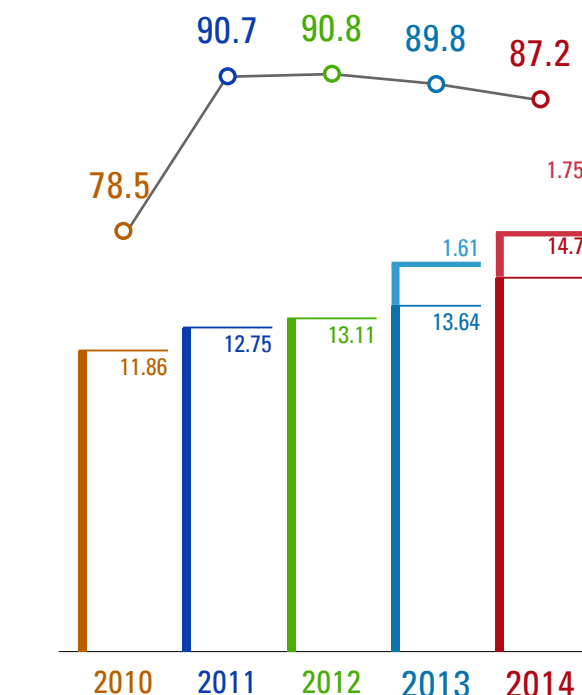
CS IPA Scrubber Discontinued Water Washing



Total Water Intake

UMC strives to improve its water conservation and increase its water efficiency and value, and reduce the environmental impact on water source, reduce water consumption replenishment, and use tap water as the primary source, supplemented by rainwater and condensate.

UMC and its subsidiary HJTC total water intake from tap water, condensate and rainwater in the last 5 years



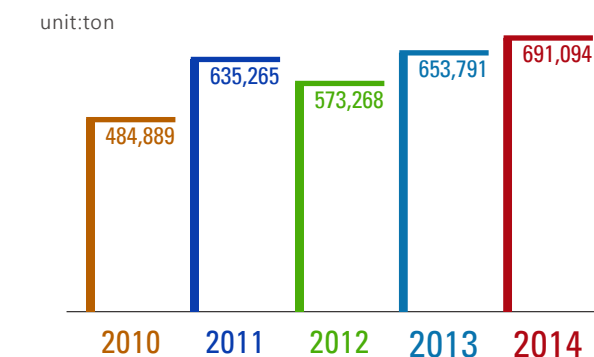
○ UMC: Water usage per unit product (m3/wafer-m2)
 — UMC(Mm3) — HeJian/Fab8N(Mm3)

Note 1: Overall NER of UMC and its subsidiary HJTC (8N) is 87.85 m3 / wafer-m2
 Note 2: 2014 UMC tap water consumption: 14,028,000 tons; condensate + rain: 670,000 tons
 Note 3: 2014 8N tap water consumption: 1,729,000 tons; condensate + rain: 22,000 tons
 Note 4: Total water intake includes tap water + rain + condensate:
 Tap water: Water meter readings are recorded daily, and based on average monthly water usage, annual water amount is calculated.
 Rain/condensate: Adopts methods of flow meter and estimation to calculate annual water amount.
 Note 5: 2014 estimated water amount is based on 2013 consumption amount X rate of production capacity increase - planned water conserved = 15.13-0.25 = 14.88 one million tons
 Note 6: 2015 estimated amount of water is based on 2014 rate of production capacity increase -planned water conserved + increased water in new fabs=18.65-0.17+0.73 = 19.21 million tons

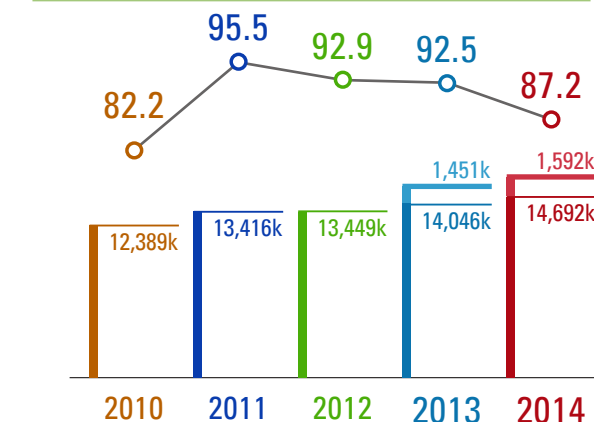
Rain Water and Condensate

Rain and condensate are precious natural water sources, but are easily subjected to seasonal climate changes, and therefore account for only 5% of total water consumption. If efficiency can be improved, the environmental impact on water sources can be reduced.

UMC rainwater and condensate recovery in the last five years



UMC and its subsidiary HJTC purified water consumption in the last 5 years.



○ UMC: Purified water usage per unit product (m3/wafer-m2)
 — UMC(Mm3) — HeJian/Fab8N(Mm3)

Note 1: Overall NER of UMC and its subsidiary HJTC (8N) is 86.96m3 / wafer-m2
 Note 2: 2014 estimated water amount is based on 2013 consumption X rate of production capacity increase - planned water conserved= 15.13-0.25 = 14.88 million tons
 Note 3: 2015 estimated water amount is based on 2014 consumption X rate of production capacity increase - planned water conserved + increased water in new factory=18.65-0.17 + 0.73= 19.21 million tons

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Water Conservation Improvement for 2015

Water Conservation Measure	Implementing Fab	Planned Amount of Conserved Water (ton)
Increase P4 LSR Supply system	12A_2	50100
W- Solvent Drain Water Reclaim to LDI	12A_2	29392
SWT (C3 Type CuSOVT) Drain Water Reclaim to LDI	12A_2	29376
Expansion LSR system	8F	15300
Stop washing of CS IPA Scrubber washing	8CD/8E	14168
Slurry w-water reuse	8E	7360
Increase makeup air unit condensate	8S	3650
Decrease Caroz-7 Sink cooling water consumption	12A_1	2555
Reclaimed Rain water	8S	730
Ultra filter- brine water reuse	8A	548

Feasible water conservation items have been improved over the years, and with fewer new methods available, water conservation is increasingly challenging. Based on 2012 water consumption, the cumulative water conservation rate for 2013-2014 is 7.5%, which fulfills the 6% water conservation goal for 2013-2015. Nevertheless, a new, challenging goal of an additional 1.4% water conservation is set for 2015.

Industrial Exchange and Counseling

In addition to actively promoting water conservation within the company, UMC began participating in yearly water conservation counseling organized by science parks in 2002, and as of 2014, the company has handled 151 cases and counseled a total of more than 80 manufacturers. The company shares its valuable water conservation experience with like industries to help reduce water demand, and using 2014 as an example, potential water conservation following counseling was 790,000 tons / year.

2014 Water Conservation Counseling



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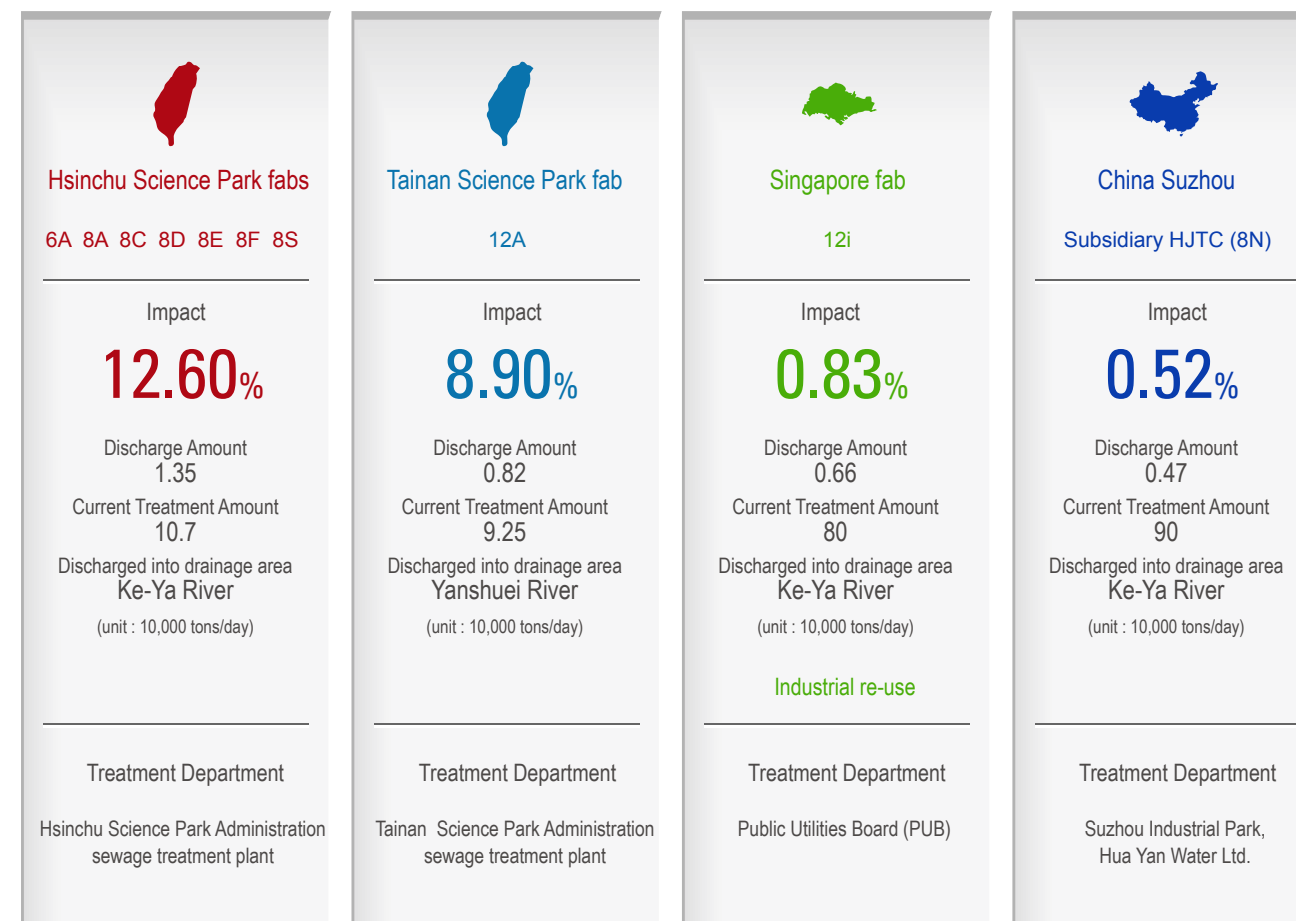
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3-3-4 Water Pollution Control

Water Pollution Control

Among process reduction, waste diversion and categorization, the priority in UMC's water pollution control strategies are process source reduction, waste liquid diversion, followed by categorization. In its new fab areas, there are up to 27 categories of wastewater diversion, which are further divided into solvent-based and high or low flash point for resource recovery or incineration while inorganic acids are reused. For multiple re-use, wastewater is categorized according to characteristics to maximize water resource efficiency and simplify wastewater composition. Finally, wastewater is treated in the fab's wastewater treatment facilities according to the control standards of the Science Park Administration before being discharged into the science park sewage systems. For real-time monitoring and response, equipment for continuous monitoring of water quality (pH, fluoride ion concentration) and water quantity are installed, and SPC management is adopted for self and early prevention to ensure that the quality of water discharged into park sewage complies with control regulations. In addition, the Science Park Administration conducts monthly unscheduled and random quality inspection of water discharged by the different companies to double check the quality of discharged water.

UMC and its subsidiary HJTC Wastewater Discharge



Calculation Method, including information source and estimation

Note 1: Treatment Amount (10,000 tons/day)

Hsinchu Science Park fab, Hsinchu Science Park fab: Hua Yan Water Ltd. sewage treatment plant data ; Singapore fab: Based on PUB website information; China Suzhou fab: Hua Yan Water Ltd. sewage treatment plant data

Note 2: Discharge Amount (10,000 tons/day)

Hsinchu Science Park fab, Tainan Science Park fab: Water meter readings are recorded daily, and based on average monthly water usage, annual water consumption is calculated. Singapore fab: Based on daily record & accumulation; China Suzhou fab: Water meter readings are recorded daily, and based on average monthly water usage, annual water consumption is calculated.

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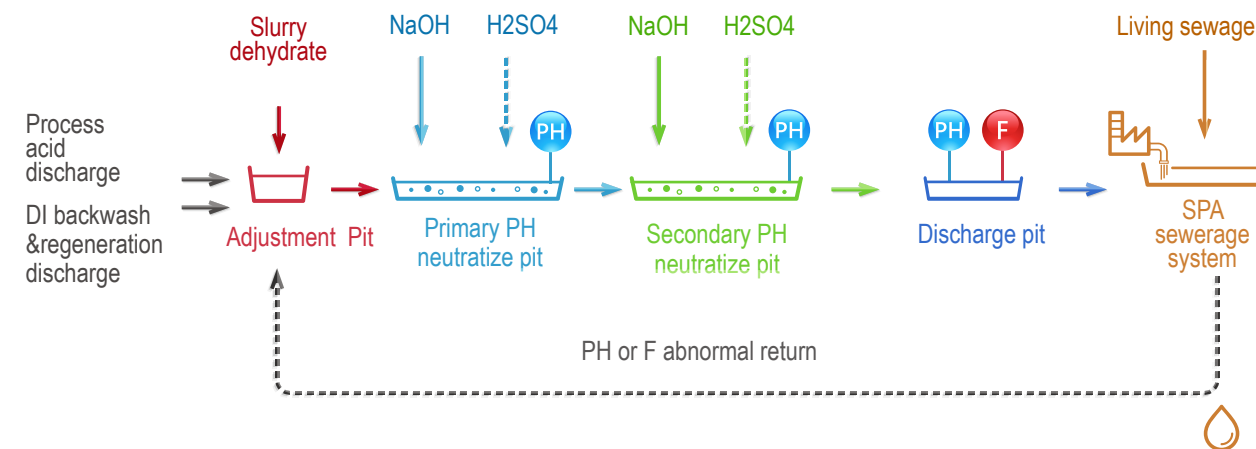
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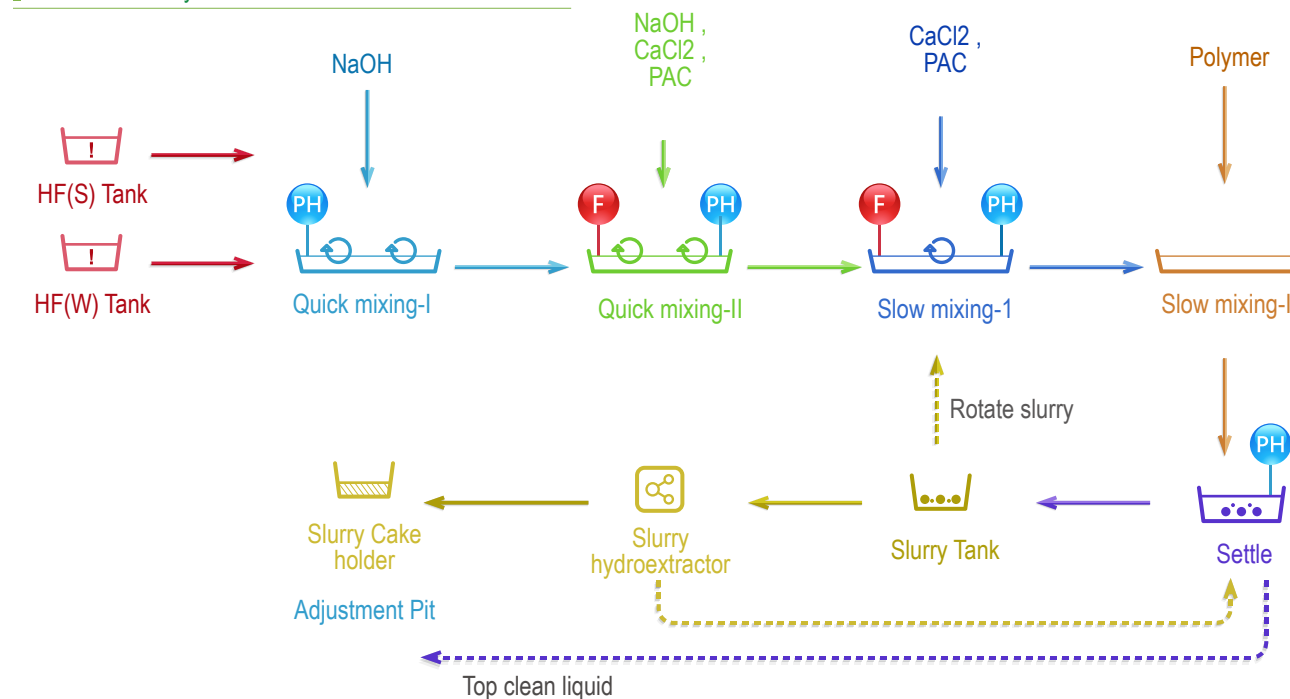
● Sewage Treatment

Reducing process source is the first priority in UMC's water pollution prevention strategy, followed by waste liquid diversion, then categorization. The new fab areas have up to 27 categories of wastewater diversion. Wastewater is recovered or incinerated according to high or low flash points while inorganic acids are reused. For multiple re-use, wastewater is categorized according to characteristics to maximize water resource efficiency and simplify wastewater composition. Finally, wastewater is treated in the fab's wastewater treatment facilities according to the control standards of the Science Park Administration before being discharged into the science park sewage systems.

Neutralization system flow sheet



HF Treatment System Flow Sheet



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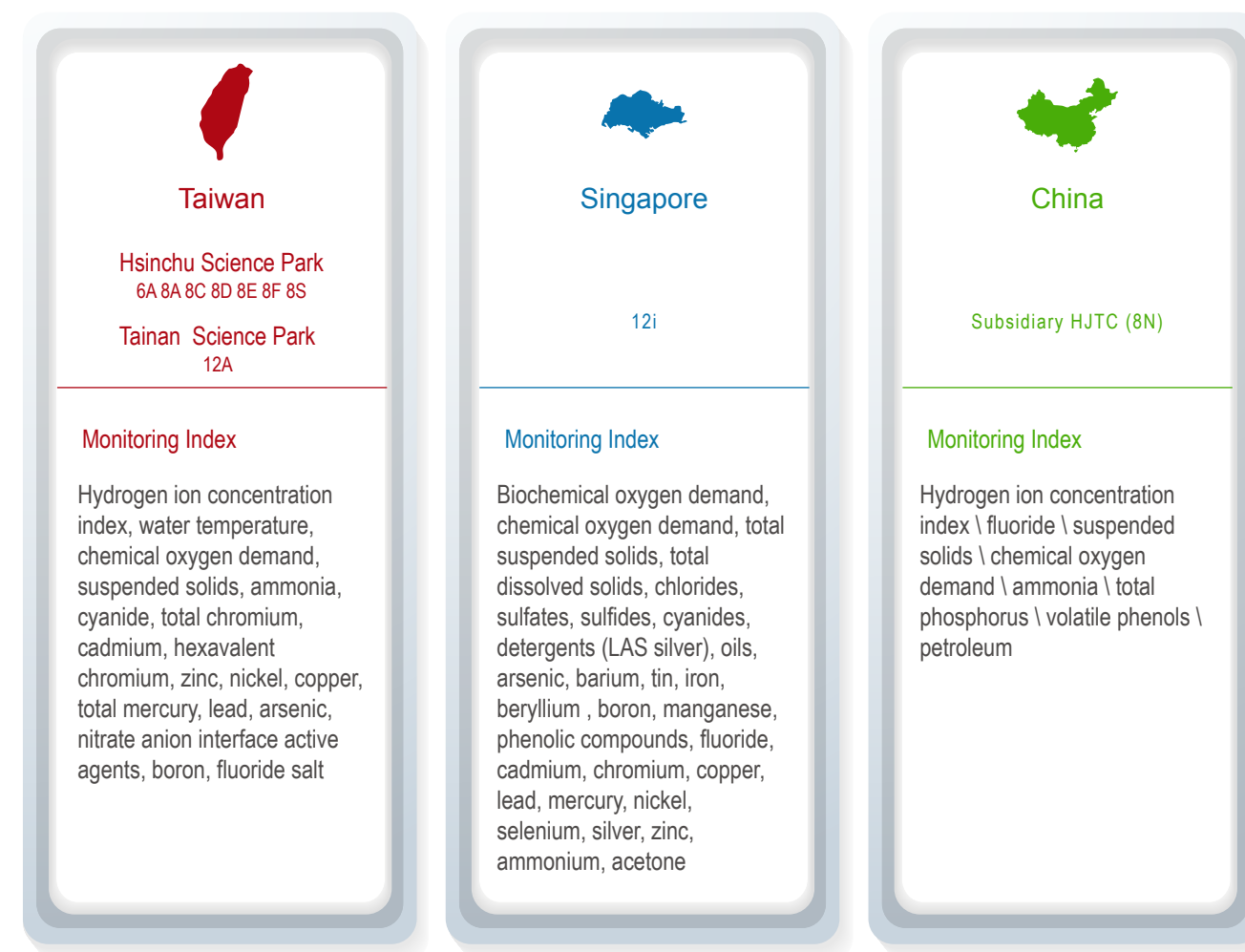
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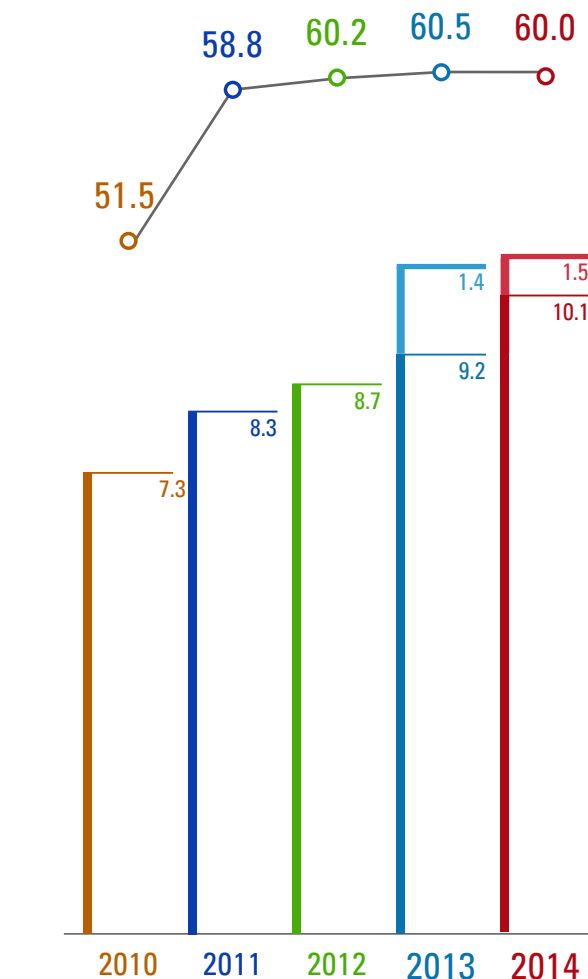
Wastewater Discharge

For real-time monitoring and response, equipment for continuous monitoring of water quality (pH, fluoride ion concentration) and water quantity are installed, and SPC management is adopted for self and early prevention to ensure that the quality of water discharged into park sewage complies with control regulations. In addition, the Science Park Administration conducts monthly unscheduled and random quality inspection of the water discharged by different companies to double check the quality of discharged water.

In addition, each factory also regularly subcontracts wastewater tests for long-term monitoring of wastewater quality to ensure that the quality of wastewater from each plant complies with local effluent standards.



Wastewater amount and discharge per unit wafer surface area



○ UMC: Waste water discharge per unit product (m³/wafer-m²)

— Wastewater amount (Mm³)

— HeJian/Fab8N Wastewater amount (Mm³)

Note: The 2014 overall NER for UMC and its subsidiary HJTC was 61.8 m³ / Wafer-m²

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3-3-5 Ammonia Wastewater Improvement

Ammonia wastewater improvement

In response to the additional Science Park Administration Sewage Management item for ammonia and tetramethylammonium hydroxide (TMAH) control, UMC in 2013 successfully implemented the source reduction of nitrogenous contaminants in all its Hsinchu Science Park fabs. To maintain a low ammonia concentration in its wastewater and reduce hazard, UMC promoted the following projects in 2014

- Continue to promote the second phase of the Ammonia Source Reduction
- Assess and build ammonia wastewater treatment equipment

2014 Additional ammonia reduction measures and outcome

Ammonia Reduction (Kg-NH3-N/day)	
Install ammonia treatment system 12A	
400	
Process source reduction 12A, Hsinchu Science Park	
97	
Treat high ammonia concentration 8S	
29	
Total	
526	

Second phase of the Ammonia Source Reduction

This project primarily aims to reduce the concentration of ammonia used in manufacturing and reduce cleaning time. Before being formally implemented, the measures require a complex process change and long-term observation and verification to ensure that products are not impacted. Therefore, the promotion period has been extended to 1.5 years (from January 2014 to June 2015), and the reduction scope extended to Fab 12A in Tainan Science Park. Using 2012 consumption as the benchmark amount, 2014 outcome showed that ammonia reduction for the Hsinchu Science Park and Tainan Science Park fabs are 32% and 9%, respectively. At the end of the project in June 2015, reduction for the Hsinchu Science Park and Tainan Science Park fabs are expected to be 35% and 20%, respectively.

Proportion of Ammonia Reduction

Hsinchu Science Park	Tainan Science Park
2012 (before improvement)	
100%	100%
2013 (after Stage 1 improvement)	
71%	100%
2014 (Stage 2 improvement in progress)	
68%	91%
June 2015 (after expected Stage 2 improvement)	
65%	80%

Note: In 2013, the fabs in Tainan Science Park did not execute the Stage 1

Assess and construct ammonia wastewater treatment facilities.

Since discharged wastewater from Fab 12A has a higher ammonia concentration, in addition to promoting ammonia source reduction in 2014, assessment and construction plans for ammonia wastewater treatment facility were completed. When operation begins in 2015, the fab is expected to meet the Science Park Administration Sewage Management standards for discharged wastewater.

Project Benefits

Economic Benefit

Annual operating cost is reduced by about NT\$39 million in cost of nitrogen raw materials. After 2017, wastewater charges paid to the Science Park Administration can be reduced by about NT\$ 161 million per year.

Environmental Benefit

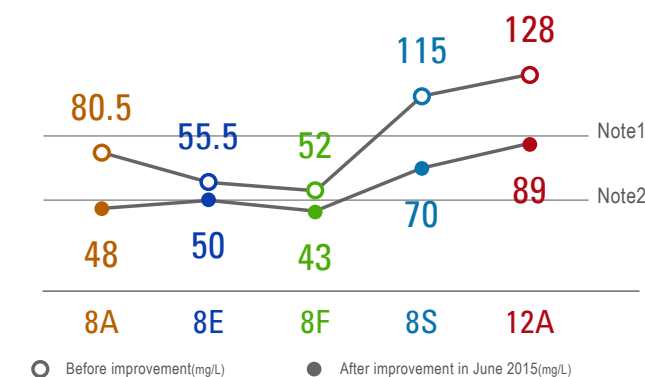
Through ammonia source reduction, ammonia concentration in the wastewater is reduced by 10% to 40%.

Note: Includes gains from the Stage 1 reduction in 2014.

Cumulative Gain As of June 2015

Economic Benefit	Raw Material	Saved NT\$ 39 million / year
	Wastewater Charges	Saved NT\$ 161 million / year
Environmental Benefit	10% to 40% reduction in wastewater ammonia concentration	

Ammonia Concentration in Discharged Water



Note1: Tainan Science Park 90mg/L control standard

Note2: Hsinchu Science Park 50mg/L control standard 50mg/L

3-4

Green Product

As a global citizen, UMC must assume its duty and join with suppliers and customers to pursue green products. With today's rising environmental consciousness, the company is professionally committed to providing customers and consumers with more advanced, energy efficient and environmentally friendly products, and strives to reduce resource consumption and unnecessary pollution in its production. As an intermediate producer and trusted partner, and given customer demand for more advanced designs and widespread daily applications in changing products such as computers, communications and consumer electronics and industries, UMC fulfills its contribution and commitment to progress through its products. While pursuing profit and development, UMC also expects to become the nation's green model for sustainable business and a blessing to the people.

To ensure compliance with international environmental regulations such as the EU Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment Directives (EU RoHS), and meet customer demand for hazardous substance control, UMC has led the industry in implementing third-party verification of hazardous substance management and regular impartial third-party product testing for harmful content to prove product safety and non-toxicity. In addition, to further fulfill its green product responsibility, UMC has also completed carbon footprint and water footprint verifications to reduce the environmental impact of manufacturing.

UMC green product considerations

- Environmental impact of product use and maintenance**
Developed wafer products with lower carbon emissions and energy consumption.
- Environmental impact of products**
Installed a variety of effective pollution control equipment in production base.
- Environmental impact of raw materials**
Assessed environmental impact of raw materials
- Environmental impact of parts procurement**
Implemented green procurement.
- Reusable design for dismantling assembled product / component**
Maintained unity in wafer raw materials and products.
- Recyclable design for residual material**
Maintained unity in wafer raw materials and products.
- Reduction of hazardous substances**
Promoted clean production
- Weight reduction**
Continue to research and develop advanced processes.
- Use of recycled components**
Promoted recycling.

3-4-1 Hazardous Substance Management

Through the QC 080000 Hazardous Substance Management System, UMC ensures that its products not only comply with the EU list of controlled substances (such as the EU RoHS) and global chemical regulations and standards, but also meet customer needs. Several years ago, UMC established the inter-departmental Hazardous Substances Process Management committee (HSPM committee) to enhance the effectiveness of green product management.

Hazardous Substance Free Policy

By instilling employee awareness and ensuring control and technological upgrades in design and production, the company produces Hazardous Substances Free Control products that meet regulations and customer demands, thereby fulfilling its duty as a global citizen to protect the environment and human health and safety.

Hazardous Substance Free Goals

- No products were disposed of as a result of regulation violation or customer demand.
- Zero VOC and zero violation.

UMC Hazardous Substances Management



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UMC Response to International Hazardous Substances Control

EU Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment

EU Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment Directives (EU RoHS)

EU RoHS

Halogen-free Requirement

For halogen-free products, customers generally require <900ppm in respective bromine levels and chlorine levels, and a total level of <1,500ppm. UMC products meet the above requirements.

<1,500ppm

Perfluorooctane sulfonic acid (PFOS)

In the first quarter of 2015, UMC has abolished using raw materials containing PFOS in processing.

PFOS

EU Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals. (EU REACH)

UMC products meet the Substance of Very High Concern (SVHC) requirement announced by the EU REACH hazardous substance and bullet in updates.

EU REACH

EU Waste of electrical and electronic equipment (WEEE)

This directive targets electrical and electronic end-products such as computers and mobile phones to regulate their waste recovery. UMC semiconductor wafer products are non-end products, and hence is not directly subjected to this regulation. The semiconductor element in an end product becomes an end user waste material, and the end product industry is responsible for its recycling.

WEEE

UMC Hazardous Substances Management

Established a list of controlled hazardous substances

Controlled substances are listed according to international environmental regulations and major customer demand. In response to international regulations, product range are gradually modified and expanded, and the list of controlled hazardous substances gradually increased. As of 2014, UMC has compiled a list of more than 200 controlled chemical substances.

Established a procedure for procuring green raw materials

- The electronic procurement system is an important UMC system for implementing the management of green procurement. Prior to shipping, suppliers upload the test reports of each batch of goods onto this system so that UMC can determine in advance its compliance with regulations and respond accordingly.
- Controlled hazardous substances are included in material testing. Any raw material that violates controlled provisions is disqualified and returned. In addition, suppliers are requested to immediately propose corrective and prevent measures to avoid recurrence.
- Vendor guarantee contract required: Third party test reports must be submitted when necessary to ensure that their products comply with environmental regulations.

Constructed a new system for evaluating raw materials

To effectively manage new materials used in newly developed manufacturing, UMC has constructed a sound process for evaluating new materials to determine if they are banned/ controlled toxic or hazardous substances and fully determine their impact on environmental safety and health.

Certification of hazardous material management system and product testing

- Several years ago, UMC established the inter-department Hazardous Substances Process Management committee (HSPM committee) to enhance the effectiveness of green product management
- In 2006, UMC led global semiconductor manufacturers in completing 3rd party verification of the Hazardous Substance Process Management (HSPM), and became the world's first foundry to achieved international QC080000 IECQ HSPM certification for semiconductor manufacturers. Furthermore, its subsidiary HJTC (8N) fab also completed 3rd party verification at the end of 2014.
- To effectively manage new materials used in newly developed manufacturing, UMC has constructed a sound process for evaluating new materials to determine if they are banned/ controlled toxic or hazardous substances and fully determine their impact on environmental safety and health.

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3-4-2 Life Cycle Assessment (LCA)

Since 2005, UMC has fully implemented LCA in all its fabs. Comprehensive cradle-to-gate (UMC shipment) inventoried items includes energy, raw materials and environmental pollutant emissions. Using the Simapro software, results of the entire supply chain and manufacturing inventory are analyzed for environmental impact. Attention is kept on the environmental impact of the company's products, and improvements in management of the environmental management system are made accordingly.

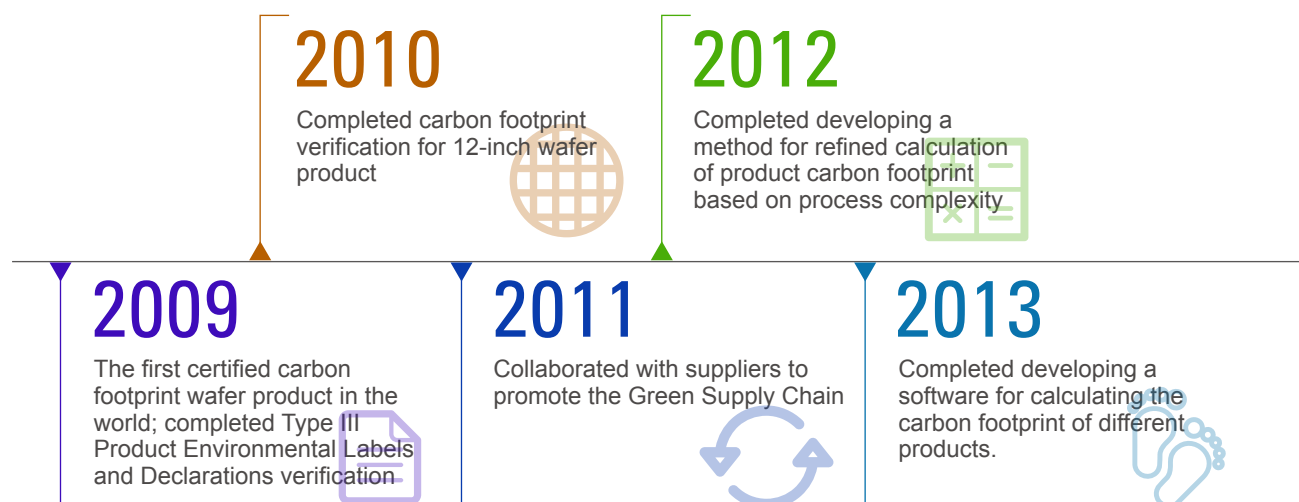
Diagram of Semiconductor Product



3-4-3 Carbon Footprint

As an upstream industry, providing customers with quality environmentally friendly products that comply with environmental protection regulations has always been one of the most important UMC operational philosophies. UMC strives to implement a comprehensive carbon management plan. In addition to its internal greenhouse gas emissions inventory and verification, the company also promotes the carbon footprint inventory program. In 2014, the carbon footprint was promoted according to the UMC LCA-to-go Project implementation content.

Carbon Footprint



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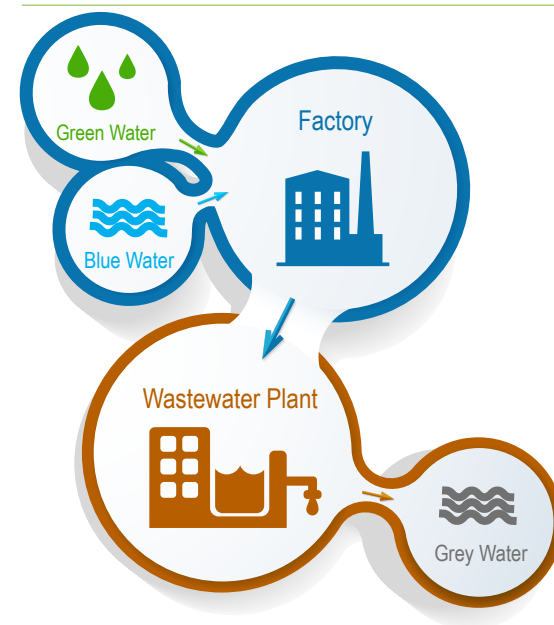
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3-4-4 Water Footprint

UMC has long since realized that water is an important natural resource, particularly in Taiwan where topography varies greatly, rainfall concentrates in the mountains, population is large, and industries and businesses are densely congregated. UMC abides by the Business Water Footprint Accounting standards developed by the international non-profit organization Water Footprint Network. In 2010, the company led the industry in completing the water footprint verification for 8-inch and 12-inch fabs, and found that its facilities were using more water in direct processing than in indirect supply chain, and using more blue water source than gray water source. Hence in its future fab constructions, UMC will take into serious account the results of its water footprint inventory. Based on the results of supply chain water impact, the company also collaborates with suppliers to improve the overall water source efficiency of the supply chain to conserve Earth's water.

Water Footprint

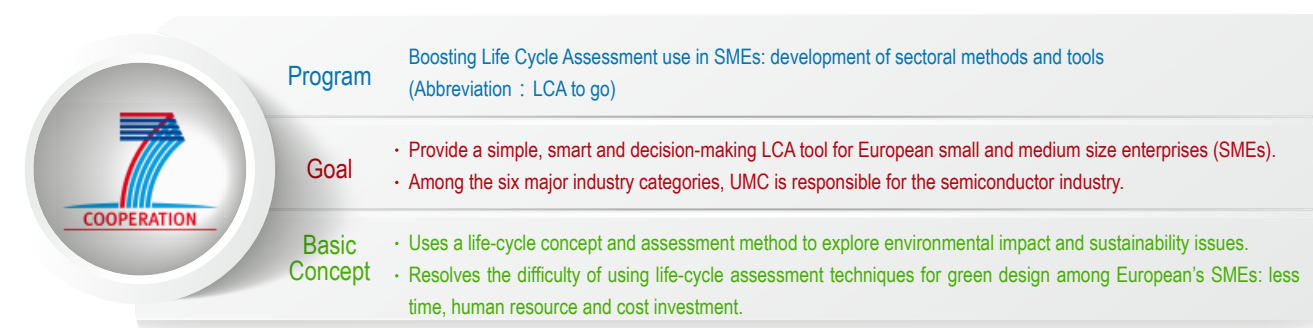


Green Water: Rain and condensates are water sources that can be directly used.
Blue Water: Surface or underground fresh water source
Gray Water: Dilute contaminated production gray water to a level exceeding water quality standard

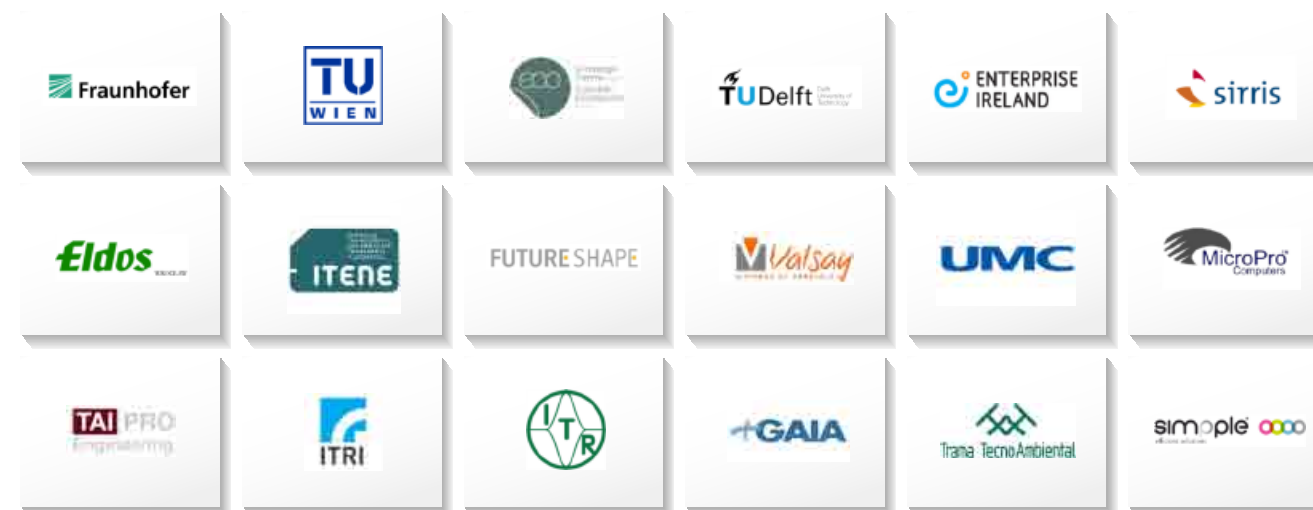
3-4-5 LCA to go project

Program Background

In 2010, the company participated in the EU Seventh Framework Programme (FP7) as an official member of the Industrial Technology Research Institute of Taiwan to jointly research and develop approaches and tools for a Simplified Life Cycle Assessment (SLCA) for six major industries. This program is referred to as LCA-to-go, and like buying a cup of coffee at a convenience store, it is simple, fast and immediately usable.



LCA to go Participating Members



18 industrial, academic and research entities from 9 European countries.

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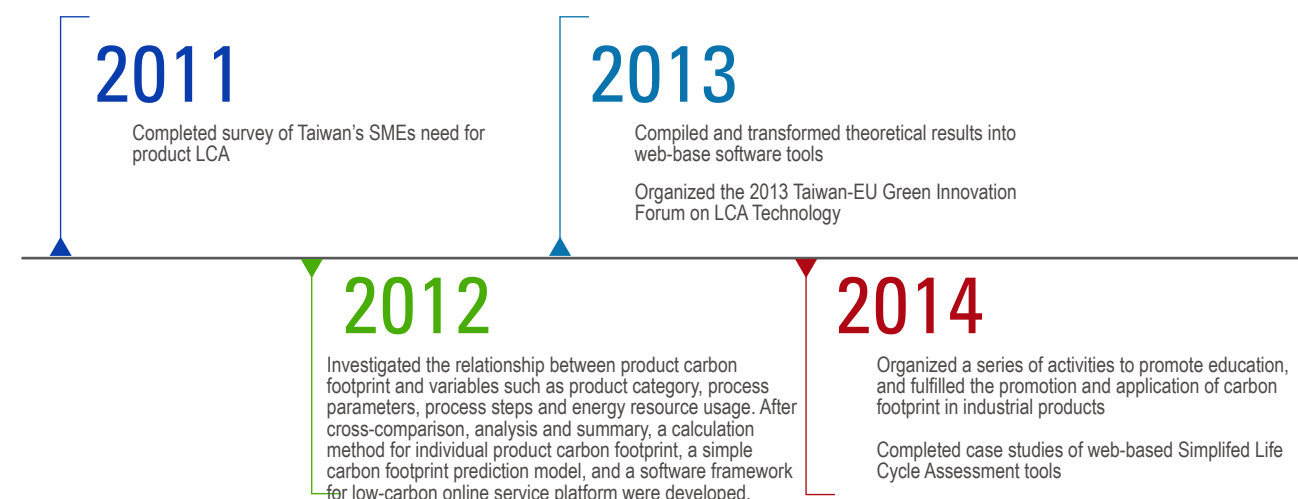
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Content of UMC's LCA to go Project

The project was introduced into the country through the Ministry of Economics science and technology research and development collaboration projects. Through the Wide Application of LCA Among SMEs Program sponsored by special grants from the EU multilateral cooperation programs for industrial R&D, the company collaborated with domestic academia to develop a quick and easy LCA model that is applicable to semiconductor industries worldwide. At the same time, the project also cultivates masters and doctorate level talents, helps suppliers inventory carbon footprint, and offers educational and training activities.

Content of UMC's LCA-to-go Project Implementation



UMC's LCA to go Project Outcome

Establish LCA methodology that is suitable for SMEs

Completed the simplified LCA model for the semiconductor industry. Front-end process variables such as product features, wafer size, diameter size and the number of layers, and back-end process variables such as packaging technology, special machines and equipment, and the use of special raw materials (such as gold binding) are used to help analyze and identify key factors. For developing the sLCA, a simplified and reliable carbon footprint calculation method.



Industrial efficiency

Shortened calculation time by at least 50% to promote greenhouse gas reduction policy to downstream customers, and satisfied their cost reduction need.
Promoted standardization of IC product carbon footprint calculation (including the use of common standard in Europe and Taiwan), thereby laying a foundation for future green design and carbon emission reduction.



Simple and easy to use low-carbon services platform

Completed the product life cycle carbon inventory information service platform (i.e. the LCA service platform), and the product life cycle carbon information simplified calculation service platform (i.e. the sLCA service platform).
Developed web-based software tools to help inventorying departments simplify carbon information disclosure and enhance operational accuracy and efficiency.



Benefits of material carbon reduction

Provided real-time, customized and low-carbon service. Reciprocated green design and green procurement, and achieved carbon reduction during the product manufacturing stage.
Led energy conservation technology and service management needs, and those impacted included the energy service industry, green energy and new energy industries, and energy and ICT industries.



Promotion Outcome

Used the carbon footprint inventory case studies and sLCA outcome to promote product LCA to SMEs. A total of 4 seminar sessions, 2 briefings and 1 outcome presentation were conducted.



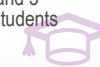
Education and Training

Provided product carbon footprint inventory education and training for suppliers. Eleven businesses participated in the case study, inventory software instruction and software practice, totaling 113 people.



Personnel training

Published a total of 8 papers in domestic and foreign journals and seminars. A total of 1 doctorate student and 3 masters program students participated.

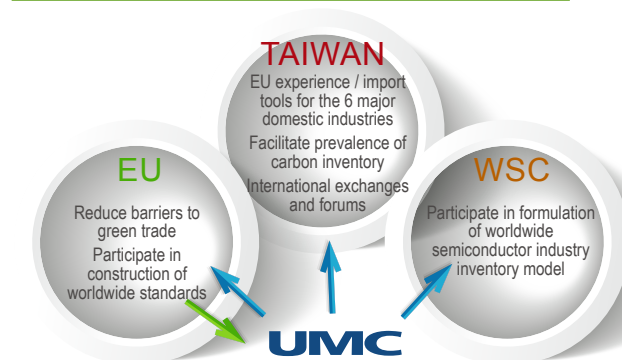


Industrial Survey

Completed survey of Taiwan's SMEs need for product LCA.



UMC LCA-to-go plan - Benefit Diagram



Customized Product Carbon Footprint Calculation Tool



3-5

Green Concept

Industrial Safety and Environmental Protection Month

In 2014, the company organized the UMC Industrial Safety and Environmental Protection Month. The theme was Green Movement to motivate each employee to take action. Events focused on Musculoskeletal Health and Pain Prevention, with many fun musculoskeletal outreach activities to help employees stay healthy and safe from harm.

On April 22, the Eco-echo Ecological Conservation Hope Project was launched. The event opened with UMC's CSR film, followed by the CEO Po Wen Yen announcing the designation of the first government approved early action carbon reduction trading credit of NT\$30 million awarded early in the year to the Environmental Conservation Fund. Subsequently in 2014, together with the Wilderness Association, a long term outreach and Taiwan's ecological protection project for NT\$3 million donation for 3 years was launched.

On the day of the event, a carbon neutralization concert was held to celebrate Earth Day and kick-off the Industrial Safety and Environmental Protection Month.

2014 Industrial Safety and Environmental Protection Month.



VIDEO UMC's CSR film

4/22 Earth Day's UMC Eco Echo Ecological Conservation Hope Project opening ceremony + CSR movie premiere



The Eco Echo Ecological Conservation Hope Project was launched with the UMC's CSR promotional video. The Chief Executive, Level 1 executives, guests and the Wilderness Association were invited to witness the ceremony. About 70 people participated in the activities, which centered on carbon neutralization although the company's total carbon emission was only about 250 kg. The carbon rights awarded by the early action greenhouse gas reduction project was redeemed and logged onto the EPA carbon neutralization management platform.



Green Market and Seminar



The green market in the various factories attracted 600 people, and the seminar was fully signed up by 40 people.



Environmental Seminar



Green market



Organic cotton seminar

Environmental Challenge Contest



Lively, exciting and fun contests were held to increase employee knowledge of environmental protection. A total of 80 people participated.



Musculoskeletal Pain Health Station



Helped employees become aware of workplace musculoskeletal pain risks resulting from repetitious work, excessive exertion and incorrect postures. More than 10,000 people participated in activity and more than 10,000 questionnaires were collected.

Ecotour



The Hsinchu Science Park and Tainan Science Park factories each organized the 2nd set of activities for ecological awareness and environmental protection. A total of 180 people participated.



The Battle of Pain



The activity was well received, and 154 cases were found. A total of NT\$30,500 was awarded, and winning departments shared their effectiveness on the exchange platform.

Handmade Green Soap



The Southern Taiwan Science Park organized 4 sessions of the activities. Each session was limited to 40 people, and a total of 160 people participated.



Musculoskeletal Pain Prevention Seminar



An occupational physician and therapist were invited to lecture on prevention and relief, respectively. The seminars were well received, with a total of 100 employees from the Hsinchu Park and Southern Taiwan Science Park attending.



ERT Fun Competition



A fun competition was held in the Hsinchu Science Park and Tainan Science Park fabsto increase understanding and effectiveness of ERT training. A total of 180 people participated.



Musculoskeletal Pain and I Series



Instilled in employees correct knowledge of musculoskeletal pain to cultivate preventive awareness in employees' daily work.

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Sustainable Development-Environment

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4-1 Labor Rights

- Human Rights
- Labor-Management Communication

4-2 Recruitment and Cultivation

- Human Resource
- Wages and Benefits
- Education and Training
- Cultivating Prospective Talents

4-3 Health and Safety Workplace

- Healthy Workplace
- Safe Work Environment
- UMC Fire Brigade

4-4 Community Service

- Community Service Participation
- Promote UMC volunteer culture
- UMC Science and Culture Foundation
- UMC Fire Brigade and Community Service



95% Satisfaction

Healthy Workplace

On the average, 95% satisfaction with health promotion activities such as health seminar, relaxation series and health check activities.

In 2014, the company won CommonWealth Magazine's "Corporate Citizenship Award" and the Ministry of Labor's first "Healthy Living" work-life balance award. Moreover, Fab 6A in Hsinchu Science Park and UT fabs won the Ministry of Health and Welfare's "Self-approving Certificate of Healthy Workplace".



0 Labor Dispute

Positive Labor Relations

Actively promoted harmonious labor relations to reduce the likelihood of labor conflict. In 2014, there was no official case of labor dispute



93% overall

Education and Training

93.3% satisfaction with the course

A total of 9,169 classes were offered, and 277,005 participants attended. Overall satisfaction was 93.3%, and satisfaction with lecturers and teaching materials were 93.2% and 93.1%, respectively.



Community Service

Donated more than NT\$23 million to charity

In 2014, the total volunteer hour was 13,442 hours and 10,441 people benefitted.



Safe Work Environment

0 Major Occupation Hazard

Compared to 2013, accidents were reduced by 15%, representing a reduction of NT\$380,000 in property loss.



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Sustainable Development - Society

Major Material Social Issues

Three Categories of Material Social Issues in 2014: (1) Occupational Safety and Health (2) Employee Communication (3) Training and Education

● * Reached ○ Not reached

Material Social	Indicator	2014 Goal		Goal Achievement	2015 Goal
Occupational Safety and Health	Number of incidents company-wide	0 major incident	0 major incident	● 0 major incident and 12 minor incidents across the compan	0 major incident ≤ 11 minor incidents
	Pass the OHSAS 18001 Management System Certification	Pass external annual certifications		● Passed the annual OHSAS 18001 Management System Certification, and won the National Industrial Safety and Health Award for the second time.	Pass the annual OHSAS 18001 Management System Certification
Employee Communication	Organizational identity and cohesion	85% achievement in employee identification and cohesion		● Achieved 86.2% employee identification and cohesion	Implement corporate cohesion and identity
	Strengthen diversity of communication mechanisms to ensure harmonious labor relations	100% achievement in communication		● Achieved the annual goals for various occupational health indicators. Won the Ministry of Labor's Work-Life Balance Award, LOHAS Family Award and LOHAS Health Award. Won CommonWealth Magazine's Corporate Citizenship Award for 3 consecutive years, and listed in DJSI for 7 consecutive years.	Strengthen diversity of communication mechanisms to
	Ensure compliance with the spirit and standards of international human rights	100% achievement EICC labor/code of conduct training		● Established the EICC special task group for quarterly audit of ethics violation	Ensure compliance with the spirit and standards of international human rights
	Implement responsible and customer-oriented behaviors to fulfill organizational mission	100% achievement in the formulation of team cooperation incentive mechanism		● Completed the standardized incentives mechanism Implemented the Responsibility and 7 Habits programs. The 7-Habits program is ongoing (96.3% of managers and 94.3% of employees have completed the 7-habits training)	Continue to strengthen the implementation of core values and training
Training and Education	Quality Improvement Team (QIT)	90% achievement in KM reading		● Achieved 105 % in KM reading	Achieve 90 % in KM reading
	Knowledge Management (KM)	70% achievement in writing penetration 70% achievement in writing penetration 12% achievement in Samsung KM file*		● Achieved 105 % in KM reading Achieved 103% in writing penetration Achieved 12.5% in Samsung KM file *	Achieved 70% in writing penetration Achieved 70% in writing penetration 12% in Samsung KM file *
	Potential Talent Training Program	100% Course completion rate 100% Action plan completion rate		● Course completion rate 100% Action plan completion rate 100%	Talent pool coverage increase 5%

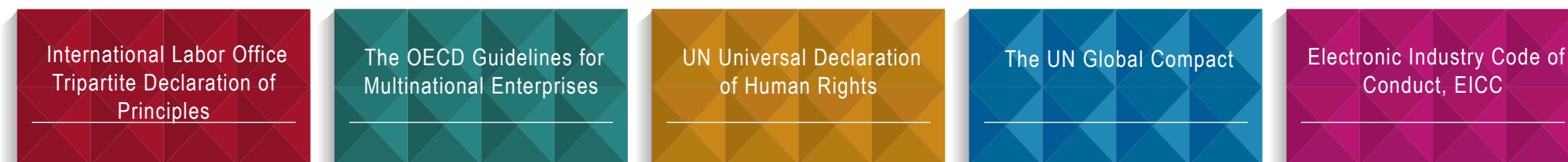
*Samsung KM file: Refers to KM file with large contribution and approved for inter-department sharing

4-1

Labor Rights

4-1-1 Human Rights

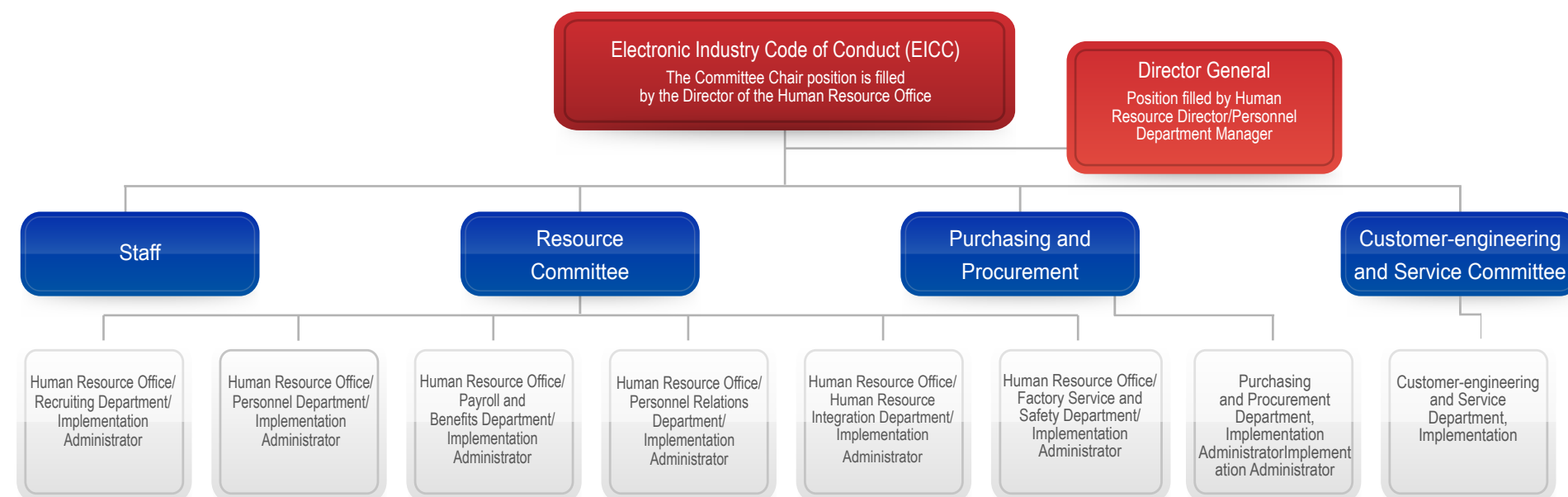
UMC supports and respects international labor and human rights regulations



● EICC Committee

To ensure a safe working environment and the basic labor rights of supply chain enterprises in the global electronics industry, UMC established the EICC Committee in 2013 to address issues pertaining to labor, health and safety, environment, ethics and management systems. The EICC Committee defines the tasks, authority and responsibilities of its members, develops relevant policies and performance goals, follows up on implementation, and conducts regular assessments and reviews.

UMC EICC management system



Note: Please refer to the ISO & OHSAS 18001 14001 management systems and the UMC Environmental Safety and Health Management Committee operations for environment, health and safety.

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After establishing the EICC management system, UMC began accepting third-party requests for client reviews, and also initiated annual internal reviews to thoroughly implement the regulations of the EICC and ensure that labor rights are protected. Our current annual risk assessment is conducted in Singapore and Taiwan, and will extend to the operating base of other subsidiaries in the future. To enhance employee awareness of relevant EICC guidelines, UMC has incorporated the EICC guidelines into new staff education and training. We also conduct annual on-line training and self-test programs for our entire staff, and as of 2014, our Taiwan and Singapore bases have completed the training and tests.

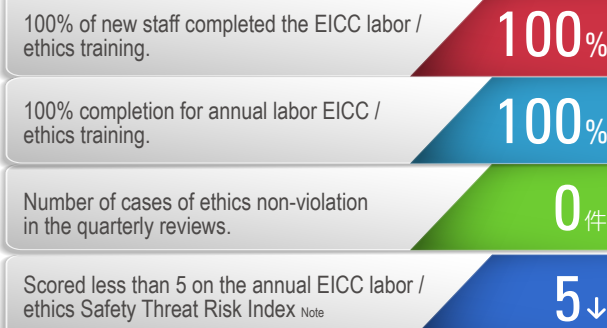
EICC Mission

EICC Committee Tasks

- ▶ Promote EICC labor, business ethics and management system.
- ▶ Develop and approve policies and performance goals for labor, business ethics and management system.
- ▶ Ensure that labor, business ethics and management systems comply with local EICC regulations.
- ▶ Discuss and approve priorities for EICC labor, business ethics and management system implementation plans.
- ▶ Track and assist in implementation of EICC labor, business ethics and management system plans.
- ▶ Regularly assess and review EICC labor, business ethics and management system committee reports.

EICC

2014 EICC Implementation Outcome



Note : Safety Threat Risk Index=Consequence Level (1-5) X Likelihood Level(1-5); the higher the index, the greater the risk.

Human Rights Promotion

UMC places great emphasis on promoting EICC labor and business ethics policies. Through the company employee handbook and regular employee compliance inspections, the core content of labor, business ethics, child labor, labor relations, forced labor, working hours and fairness principles are emphasized. To protect labor rights and ensure that each employee receives fair humane treatment and respect, the "Complaints and Disciplinary Measures for Workplace Sexual Harassment Prevention" is compiled to provide a complaint channel and safeguard the rights and interests of women employees. In 2014, 100% of employees received a total of 7,077 hours of training in human rights.

UMC processes major job changes according to relevant provisions in Taiwan's Labor Standards Act, Singapore's Employment Act and China's Labor Contract Law. According to Taiwan's Labor Standards Law, to terminate a labor contract, an employer must provide advance notice: (1) 10 days notice for employees who had worked continuously for more than three months but less than one year; (2) 20 days notice for employees who had worked continuously for 1-3 years; and (3) 30 notice for employees who had worked continuously for 3 or more years.

In 2014, there was no case of human rights issues with UMC's operations and its subsidiary HJTC, which are subject to required review by the local government.

UMC emphasis on core labor rights



Labor

Prohibition of forced labor and child labor, guaranteed working hours, wages and benefits, protection of human rights, non-discrimination and freedom to form associations.



Business Ethics

Honest operation, no improper gains, open information, intellectual property rights, fair trade, advertising, competition, anonymity, no conflict minerals, confidentiality, and no retaliation.



Child Labor

UMC policy explicitly declares that children under the age of 16 may not be hired, and any act that may involve child labor is prohibited.



Labor Relations

Each UMC employee labor contract with the company is in accordance with local regulations.



Forced Labor

The employer-employee contract is signed according to labor laws. The contract is based on the premise that the employer-employee relationship is mutually consensual, with no forced labor or illegal human trafficking, and opposition to slavery.



Work Hours

All overtime is voluntary, and the company stipulates against overworking. The attendance system is set up for initiating reminders, and regular reviews and monitoring are also conducted. In addition, the company attends labor committee meetings at various factories to educate supervisors and employees.



Fairness

UMC prohibits any overt or covert act of workplace sexual harassment and discrimination. Hiring, evaluation and promotion will not be based on race, gender, age, marital status, political affiliation or religious beliefs, and the same principles apply to cooperation with vendors.

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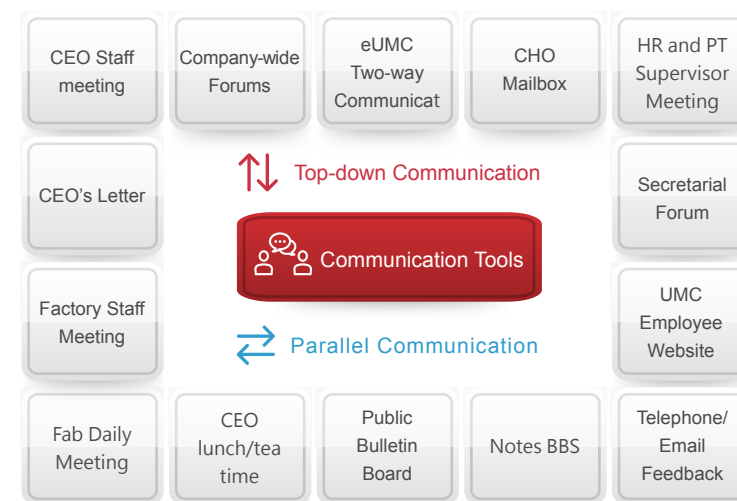
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4-1-2 Employer-employee Communication

UMC communicates and effectively resolves issues with its employees through channels such as labor-management meetings, department meetings, forums, employee suggestion boxes and various complaint mechanisms. In addition, based on the rights conferred by local laws, employees have the freedom to form associations per their decision, and the company does not interfere or intervene.

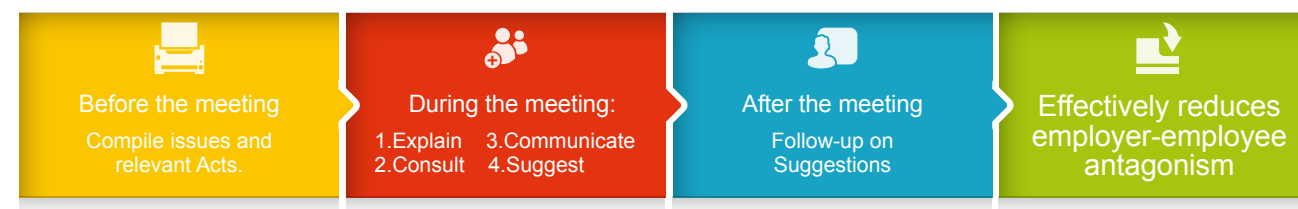
Important UMC communication and complaint channels:



UMC Communication Meetings



● Labor-management Meetings



To create harmonious employer-employee relations and safeguard the interests of UMC employees, fixed quarterly workers meetings are held at each factory location. Based on the needs of different international factory sites, guidelines and operational rules of the factories are adjusted according to local conditions.

UMC adopts a model of two-way interactive communication and on-site consultation and assistance. Before a meeting, initiative is taken to compile and interpret laws that are relevant to the issues, and the laws are individually explained to both employers and employees. At the same time, the Human Resource Department designates employees and management who are familiar with the relevant laws to form inter-departmental and cross-functional consultation teams to assist with on-site consultation for employers and employees and facilitate resolutions during the meeting. Specific recommendations for adjusting company policies or issues to facilitate employer-employee communication are followed up by the consultation teams accordingly, and referred to relevant departments in the company or committees for further implementation and follow-up. In addition to reducing the likelihood of employer-employee antagonism, such an active approach facilitates the establishment of a harmonious employer-employee relationship.

● Promoting and establishing senior management's communication meetings, employee forums and communication/ complaint platforms

UMC has always valued employee benefits and welfare, and actively nurtures talent, implements labor laws, and protects employee rights to create a bright and pleasant work environment. Through channels such as staff meetings, department meetings, forums (senior management's forums and staff forums) and suggestion boxes, communication between employees and the company and effective problem solving are fully accomplished.

In recent years, UMC has been more active in making changes and adjustments to the senior management's forums to allow both UMC employees and others to become familiar with the company's operational policies and performance. The Chief Executive personally presides over company-wide forums, and after each quarterly legal briefing, conducts international and inter-regional interactive communication meetings with employees in 6 regions. In addition, the chairperson of each operation team is asked to discuss key employee issues with the employees in their unit in personal face-to-face meetings, so that the employees can concretely grasp the overall development of the company. The top executive at each fab also cooperates with this mechanism, where a communication meeting is convened at the factory as soon as possible after each company-wide forum to share the overall operational performance and key factory and regional developments with all the employees.

In addition to company-wide forums, with the support of the board chairperson and chief executive director, large and small forums with the board chairperson and chief executive director are held, where the management and employee representatives from each fab have the opportunity to meet with the highest level executives for face to face communication and discussion about issues such as the company's vision and operational strategies. At the same time, through channels such as the board chairperson/chief executive director newsletters or formal letters to employees and emails, the board chairperson and chief executive director update employees on the company's overall operational direction and expectations.

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Sustainable Development - Society

UMC integrates platforms for global communication and information by introducing eUMC 5.0, a newly revised communication integration platform interface for global employee information website portals, in its Taiwan's headquarters and international subsidiaries to provide important messages and a delivery platform in real-time to its employees worldwide. The revised eUMC 6.0 system was introduced in 2014, and officially launched online in 2015.

To optimize and expand the advantages of real-time communication, UMC integrated and established the Communication Area—a platform dedicated to employee communication. The site content includes the CHO Mailbox, fraud and sexual harassment complaints, e-Suggestions for feedback, company-wide information forum, BBS message boards, IT information service mailbox, industrial safety mailbox, all kinds of forums, and UMC's website so that the various communication channels in the various operational bases can be integrated into a single platform for effective communication and promoting harmonious employer-employee relations. Among the various communication channels, the e-Suggestion feedback platform is most frequently used, and in 2014, 311 employee comments were received with 100% of the feedback responded to and closed.

UMC had no formal labor complaints in 2014.



"UMCWe Website" is an external website (internet) platform freely accessible to employees. Through this interactive communication platform, families, prospective employees, integrated benefits, associations and participating businesses are linked to strengthen the interaction between the organization and employees.



The innovative internal employee welfare platform continued operating in 2014, and integrated many internal communication platforms. In addition to providing real-time communication on employee welfare issues, it also extends key communications to families by incorporating them into its community, so that they may also participate and share in key information on company benefits.

● Comprehensive Mechanism and Channels for Complaints and Employee Assistance

In addition to the above mentioned channels, UMC also established the following mechanisms and channels for employee complaints to ensure full communication and effective problem solving between UMC and its employees. The employees also have the legal right to form associations, and the company does not interfere with or intervene in these associations.

In addition to establishing comprehensive communication channels and platforms, UMC reinforced and enhanced its communication in 2012 to strengthen the delivery and implementation of company-wide communication and important messages. Through comprehensive monitoring and clear mechanisms, the integrity and depth of messages and communication are ensured, and the effectiveness of communication among employees worldwide is enhanced. In 2014, more than 119 official and large scale forums were conducted, and important operational issues were effectively communicated. Through the diverse and comprehensive communication mechanisms provided by UMC, employee voices were effectively understood and issues managed. Therefore, although the national law stipulated that employees have the right to form unions, UMC employees have yet to demand unions.

Comprehensive Mechanism and Channels for Complaints and Employee Assistance



4-2

Recruitment and Cultivation

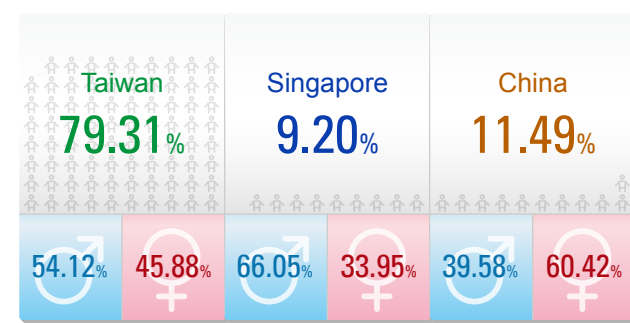
4-2-1 Human Resource

Human Resource Distribution

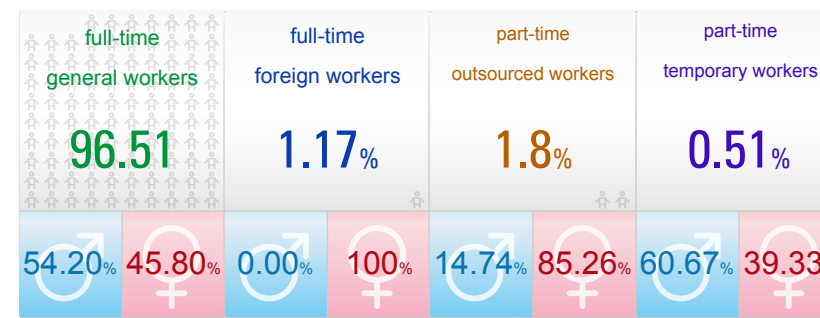
As of 2014, UMC had a total of 17,310 employees, including those at UMC China subsidiary HJTC. Of these employees, 97.68% are full-time, 0.51% are contract based, and 1.80% are temporary employees. The full time employees consist of 1,647 directors, 8,085 engineers, 472 managers, 6,693 technicians, and 12 administrative personnel. Based on their employment terms, 97.68% of all UMC employees are full-time employees, and 2.32% are part-time employees, including contract and outsourced employees. Part-time workers are hired to temporarily fill retained vacancies due to maternal and childcare leave. In terms of regional distribution, 80% of UMC employees are affiliated with our major operation base in Taiwan. In terms of age, about 80% of UMC employees are between 21-40 years old.

By the end of 2014, UMC's headquarters in Taiwan had a total of 75 aboriginal employees. In terms of gender, 21.33% are males and 78.67% are females. In terms of age, 52.00% are between 20-30 years old, 41.33% are 31-40 years old, and 6.67% are 41-50 years old.

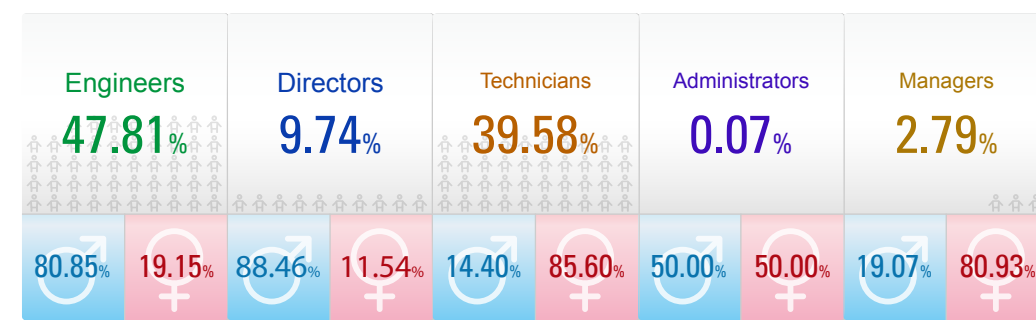
Full-time employees—region and gender



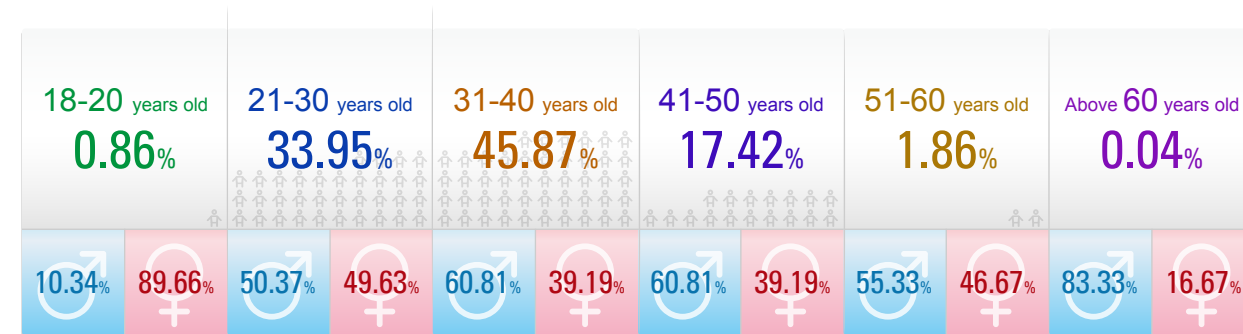
All Employees—Terms of employment and gender



Full-time employees—Position and gender



Full-time employees—region and gender



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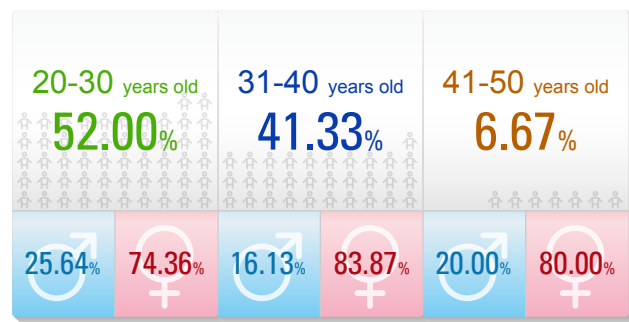
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Full-time employees—aboriginal and gender



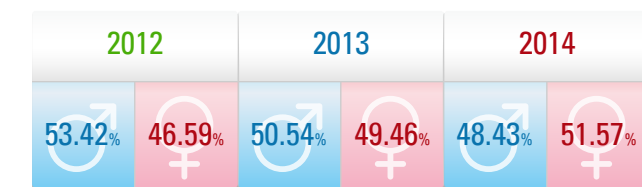
New Employees

In 2014, the company hired a total of about 4,082 new employees. Over the last 3 years, the hiring rate is 22.0%, and the gender, region and age distributions are as shown below:

Hiring rate



New Full-time Employees—Gender



New Full-time Employees—Region

Taiwan	Singapore	China
2012		
93.37%	6.64%	0.00%
2013		
68.23%	7.51%	24.26%
2014		
71.80%	5.81%	22.39%

New Full-time Employees—Age

17-20 years old	21-30 years old	31-40 years old	41-50 years old	51-60 years old	Above 60 years old
2012					
4.92%	65.44%	26.95%	2.60%	0.09%	0.00%
2013					
5.67%	68.71%	23.17%	2.32%	0.09%	0.03%
2014					
3.09%	71.85%	22.88%	1.96%	0.02%	0.02%

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Sustainable Development - Society

Local Employment

To fulfill social responsibility and create sufficient jobs for local residents, the staff at the UMC headquarters in Taiwan comprised of 98.2% local employees as of 2014, and among these, 99.3% of the high level management is locally hired. Since Singapore is ethnically diverse, 21.9% of the employees are hired locally, and 36.4% of the high level management is locally hired, while in the semiconductor wafer factory in China, 98.2% of the staff is local. In the Taiwan headquarters, local hiring for high level management increased by 0.1% in 2013, while in Singapore, local hiring for high level management increased by 6.4% in 2013.

Proportion of locally hired high level managers in 2012-2014

Taiwan	Singapore
2012	
98.2%	22.2%
2013	
99.2%	30.0%
2014	
99.3%	36.4%

Note: High level directors are defined as Level 1 directors (including deputy directors) and above.

Note: Locally hired referred to employees who are nationals of the main operating location/region

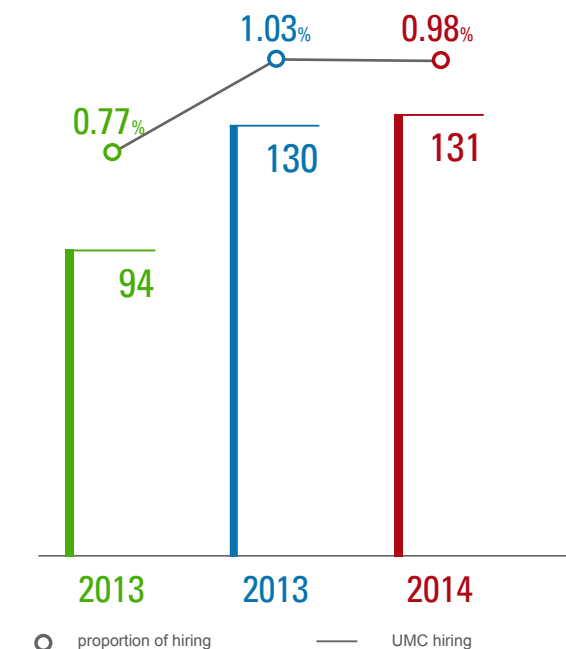
Full-time Employees-Country

Taiwan	China	SE Asia (not including Singapore)	Singapore	America
Taiwan				
98.23%	0.03%	1.70%	0.01%	0.03%
Singapore				
10.48%	46.43%	21.16%	21.93%	
China				
1.75%	98.20%			0.05%

Employment of People with Disabilities

The UMC headquarters in Taiwan supports the employment of people with disabilities, and has established channels for hiring people with disabilities. Through the Student Ambassador Project, people with disabilities such as physical handicap, visual impairment, hearing impairment, functional loss in vital organs and chromosomal abnormalities are hired. By the end of 2014, the UMC headquarters in Taiwan has employed a total of 131 employees with disabilities, and in the last 3 years, the number of disability hiring has continued to increase. From 2013, 3 more people in excess of quota were hired, which is a 0.26% increase compared to 2012. In terms of Taiwan's hiring laws, the company continues to actively evaluate its internal job expansion and strives toward hiring people with disabilities.

UMC Disability Hiring



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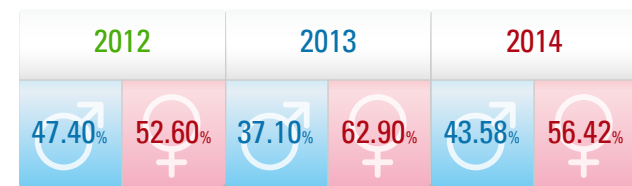
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Employee Turnover Rate

In 2013, the HJTC semiconductor wafer fab factory in China was added as a subsidiary of UMC. In 2012-2014, the UMC employee turnover rate was 15.0% due to the higher turnover rate of its direct labor in China (including the 18.1% turnover rate in the semiconductor wafer fab factory in China). When UMC employees apply for resignation, they are individually interviewed by the director and Human Resource Department to understand their reason for resignation. In addition, through assessment of their individual expertise and offers of adjustment in work content, workplace location or internal transfer, attempts are made to retain employees. The UMC Human Resource Department also keeps regular contact with resigned employees, and opportunities are provided for those who wish to return to their employment.

Full-time Employee Resignation—Gender



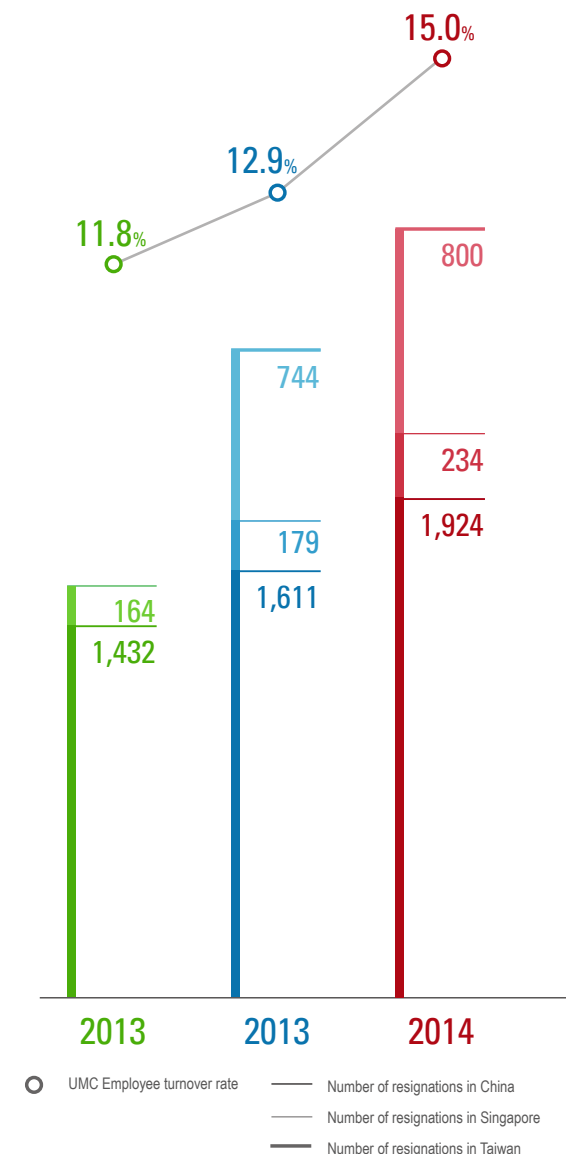
Full-time Employee Resignation—Region

Taiwan	Singapore	China
2012		
87.57%	12.44%	
2013		
61.30%	9.16%	29.54%
2014		
65.04%	7.91%	27.05%

Full-time Employee Resignation—Age

17-20 years old	21-30 years old	31-40 years old	41-50 years old	51-60 years old
2012				
2.23%	54.23%	37.74%	5.37%	0.43%
2013				
3.82%	62.94%	29.39%	3.63%	0.22%
2014				
2.67%	62.20%	30.39%	4.46%	0.28%

Employee Turnover Rate



Note: Annual employee turnover rate refers to the total number of employees who resigned/total number of existing employees (Sum of employees at the end of each month/12)

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4-2-2 Wages and Benefits

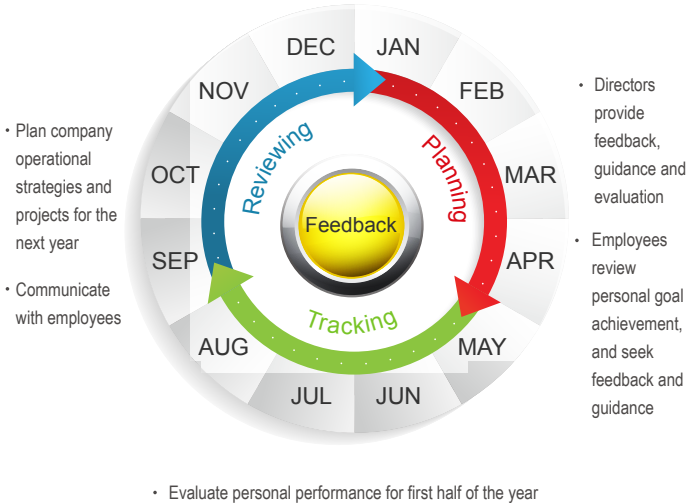
UMC has always regarded its employees as an important asset, and hopes that by providing a competitive overall wage and benefit package, excellent talents will be attracted to join the UMC team and work together to achieve operational goals and contribute to the profits of UMC profits.

● Performance-Oriented Remuneration System

To fulfill company operational plans ,department and individual goals, and determine employee work performance for promotion , employee training development and payroll,the company conducts an annual company-wide evaluation (regardless of gender).The focus of the evaluation includes past and future work review and goals, and work attitude and competency improvements.Based on evaluation of current job responsibility, capability and values required for future career plans, employees and their directors share the commitment to prioritize key developments and jointly formulate development plans. Employees who performed poorly are guided through key improvement plans to enhance their performance.

■ Performance Management Cycle

- Evaluate individual annual performance at year's end
- Plan individual performance and development goals for the new year



UMC employee salary is based on educational background, work performance and market value. No employee will be discriminated against because of their gender, race, religious beliefs, political stance or marital status. UMC employees in Taiwan enjoy salaries that are higher than the lowest wage stipulated by the Labor Standards Act. In order to make sure UMC provides salaries that are market-competitive, UMC participants the compensation survey conducted by well-known global consulting company. On the other hand, for attracting, retaining and motivating talented employees, UMC develop and implement an appropriate and well-balanced compensation framework, including salary increases, incentive bonuses, profit sharing bonuses and equity compensation (stock option plans and treasury stock), etc., which is according to individual's performance, responsibility and potential.

Note: For the employee bonuses appropriated from the earnings distribution prescribed by the Company's articles of incorporation, the Company shall deduct the due taxes, cover the loss, and lodge 10% legal surplus reserve from the annual final earnings and add the undistributed earnings of the previous year before setting aside the amount for the employee bonuses, in which the appropriation rate shall not be lower than 5%.

■ The basic salary and remuneration ratio plan for female to male employees

		Basic Salary		Remuneration	
		Male	Female	Male	Female
Taiwan	High Level Directors Note 1	1	0.99	1	1.02
	Mid Level Directors	1	1.05	1	1.10
	Specialist	1	1.01	1	1.09
	Direct Labor	1	1.03	1	1.07
Singapore	High Level Directors Note2	0	0	0	0
	Mid Level Directors	1	1.02	1	1.01
	Specialist	1	1.02	1	1.13
	Direct Labor	1	1.08	1	1.09

Note 1: The average salary and remuneration for high/mid level directors and specialists are based on the standard for engineers.
 Note 2: Currently, there are no high level female directors in Singapore.
 Note 3: : Employee salary for the subsidiary HJTC semiconductor wafer fab in China are decided based on their education and work experience, performance and market value, regardless of gender.Subjected to the limitation of existing data, the basic salary and remuneration ratio for female to male employees in different categories will be disclosed in future.

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● Superior leave of absence system

■ UMC offers a comprehensive and superior leave policy

1

New employees are given 1-2 days of special leave. In addition, employees are given flexible leave and reminded to take time off to ensure that employees use their flexible leave for a balanced work and life. Special leave for contracted employees are given according to the Labor Standards Acts.

2

UMC actively encourages its employees to participate in public service. The company has established the "UMC Science and Culture Foundation", and employees can use volunteer leave during their work hours to participate in the company's charitable activities.

3

In cooperation with government policy and orientation, the company provides a one day leave for aboriginal employees to participate in their respective annual tribal rite. To ensure a friendly workplace for pregnant employees and their spouse, pregnant employees are given 5 days of paid leave for prenatal care while male employees are also given 5 days of paid paternity leave to accompany their pregnant spouse.

In addition, in terms of overseas semiconductor wafer fabstories, the HJTC subsidiary in China offers better paid annual leave than required by local regulations for workers. Employees of less than 3 years are given 7 regular working days of annual leave; employees who have worked for 3 years but less than 5 years are given 10 days; employees who have worked for 5 years but less than 10 years are given 14 days; and employees who have worked for more than 10 years are given 1 extra day for every year, up to a maximum of 30 days. The 14 days of leave given to first year employees in the UMC factory in Singapore is superior to the Singapore government regulations which stipulates a minimum of a 7-day leave. Contract or temporary employees who have worked for more than three months are given leave in proportion to their employment.

Comprehensive Insurance and Retirement Policy

UMC provides social insurance that is consistent with local laws and regulations to ensure the basic rights and interests of employees. In accordance with the law, the company headquarters in Taiwan also provides labor insurance (including Employment Insurance) and national health insurance. In addition, UMC provides employees with additional group insurance, including life insurance, major illness insurance, health insurance, accident insurance, cancer insurance, and travel insurance for overseas business trips to ensure work and life security for its employees. The company also provides a selection of group insurance for employee families so that employees can freely focus on their work. Furthermore, the company regularly posts e-newsletters on insurance benefits, and introduces information on insurance and compensation rights so that employees are clearly aware of their actual insurance content and benefits.

Retirement Benefits Plan

UMC complies with relevant retirement laws and policies to protect employee retirement benefits. In Taiwan, the Labor Standards Act stipulates that an employee's pension calculation is based on the employee's number of years of service and approved average salary at retirement. Accordingly, UMC contributes 2% of total salary towards pension into the Oversight Committee's Labor Pension Fund account in the Bank of Taiwan. As of the end of 2014, the fair value of the plan asset is NT\$1,625,082,000, and in accordance with relevant provisions, NT\$113,414,000 was designated for pension expenses.

The Labor Pension Acts has been implemented since 2005, and is a defined contribution plan for retirement benefits. Employees have the option of applying the Labor Standards Acts pension regulations or applying its pension regulations but retaining seniority attained prior to the Acts. In accordance to the above provision, 6% of an employee's monthly salary is contributed to the Bureau of Labor Insurance individual retirement account to adequately protect the retirement benefits of employees. In 2014, the company has contributed NT\$546,702,000 toward pension funds, and in the Singapore subsidiary, the contribution for pension expense in 2014 was NT\$205,240,000, as according to local provisions.

When employees apply for retirement, the company not only provides pension application service, but also awards a medal to show appreciation for their long term effort and contribution. In addition, they are also awarded the "UMC Lifetime Membership" which offers a selection of healthful and interesting activities for retirement living.

■ Pension contributions in different regional factories.

Taiwan		Singapore	China
Pension Plan/Provisions			
Labor Standards Acts	Labor Pension FAct	CPF	Endowment Insurance
Proportion of remuneration contributed			
2%	6%	7.5% - 17%	20%
Proportion of employee contribution to pension plan			
0%	0% - 6%	5% - 20%	8%
Proportion of employee contribution to pension plan			
100%	100%	47%	98.36%

note 1 : Singapore CPF: The government's Central Provident Fund Board policies are applicable to Singapore's citizens and permanent residents

note 2 : : Endowment Insurance : According to the regulation of SIP Provident Fund Management Center only employees with Chinese nationals must join in the insurance, for employees with other nationalities are not required.

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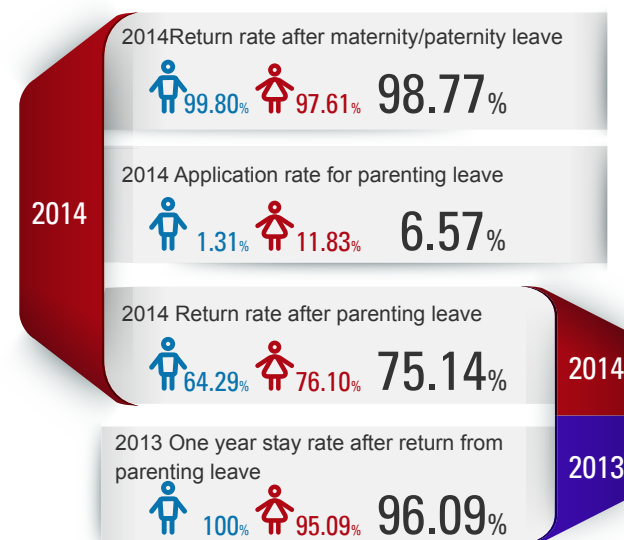
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● Parenting Leave

In 2014, a total of 461 female employees applied for maternity leave. Of these, 97.61% returned to their original positions after their leave while those who did not return voluntarily resigned to take care of family needs. In addition, 511 male employees applied for paternity leave in accordance to the Act of Gender Equality in Employment, and of these, 99.8% returned to their original positions after their leave.

According to the Act of Gender Equality in Employment, employees may apply for parenting leave without pay. When their contract expired in 2014, a total of 121 female employees returned to their positions, indicating a return rate of 76.10% after parenting leave. Nine male employees returned to their positions, indicating a return rate of 64.29% after parenting leave. The work situation of those who returned after parenting leave was observed, while those who did not return after their unpaid parenting leave expired had continuing family needs that required them to voluntarily resign. From 2013-2014, 95.69% of female employees and 100% of male employees that took unpaid parenting leave returned to work.

■ 2014 Maternity Leave/Parenting Leave



■ 4-2-3 Education and Training

● UMC Comprehensive Learning Environment

In UMC, education and training is not limited to classroom instruction or promotion of training courses. Through the integration and use of company resources, employees are provided with a full learning environment.

In terms of technical skill training, complete technical skill training curriculum is offered. For managerial training, different training programs are designed for different levels of directors. For language, language proficiency tests and courses are offered according to job descriptions and positions. In terms of departmental and inter-departmental On-the-Job Training (OJT), the Education and Training Committee's downward education and training orientation allows department directors and their employees to fully participate in the planning, implementation and learning assessment. Moreover, the diversity of self-learning and development channels, such as e-Learning, creates an atmosphere of mutual peer learning, development and team cooperation, thereby forming a comprehensive environment for learning, sharing and innovation.



In 2014, UMC organized up to 9,169 training courses, with a total number of 578,203.3 training (persons) hours and 277,005 participants. The total cost of training was NT\$ 45,472,798, and satisfaction level with the various courses was more than 90%, gradually increasing with each year.

■ Course satisfaction

2012	2013	2014
Number of courses		
8,665	9,050	9,169
Total number of participants		
260,944	279,326	277,005
Overall Satisfaction		
91.8	92.9	93.3
Satisfaction with Instructor		
92.0	92.8	93.3
Satisfaction with teaching materials		
91.8	92.8	93.2
Beneficial to work		
91.7	92.9	93.1

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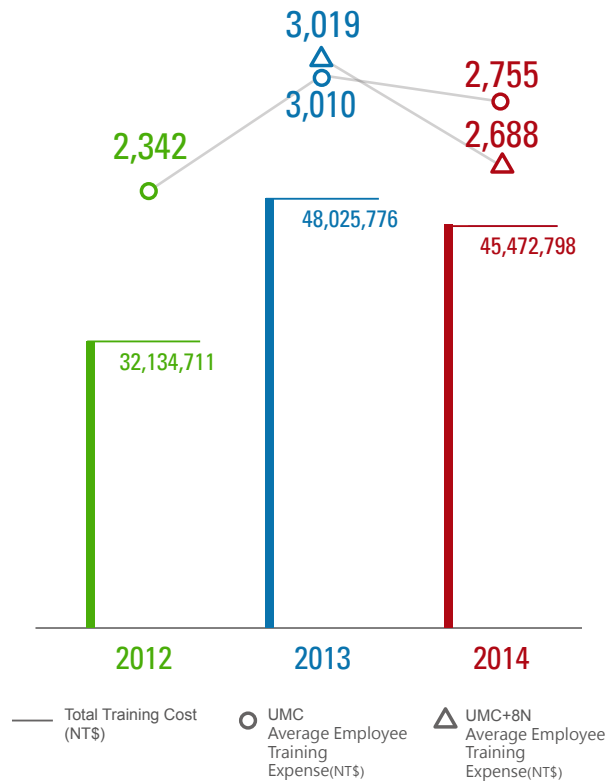
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Average Employee Training Expense



2012	2013	2014
Total Training Cost (NT\$)		
32,134,711	48,025,776	45,472,798
Number of Employees (persons)		
13,630	15,953	16,909
Training cost per employee(NT\$)		
2,358	3,010	2,688

In terms of average education and training hours for the various job levels, comprehensive education and training are provided for different categories of job responsibilities and levels of employees.

Average training hours for various job levels

Management Level	Indirect Labor (non-Management Level)	Direct Labor
Training Time(hours)		
38,030	334,755	219,197
Number of Participants (Persons)		
1,643	8,631	6,635
Average training time (hours)		
23.1	38.8	33.0

In terms of gender, UMC upholds gender equality by offering equal education and training. Our mission is to provide technical skill training for all levels of positions and competencies. However, given that most of our direct labor employees are female and our curriculum includes more technical courses such as machine operations, their average education and training hours are higher than that of male employees.

Average Gender Equality Training Time

Male Employees	Female Employees
Training Time(Hours)	
233,414	358,568
Number of Participants (Persons)	
9,054	7,855
Average Training Time(Hours)	
25.8	45.6

Other types of courses for continuing personnel cultivation and training are based on company guidelines and operational plans.

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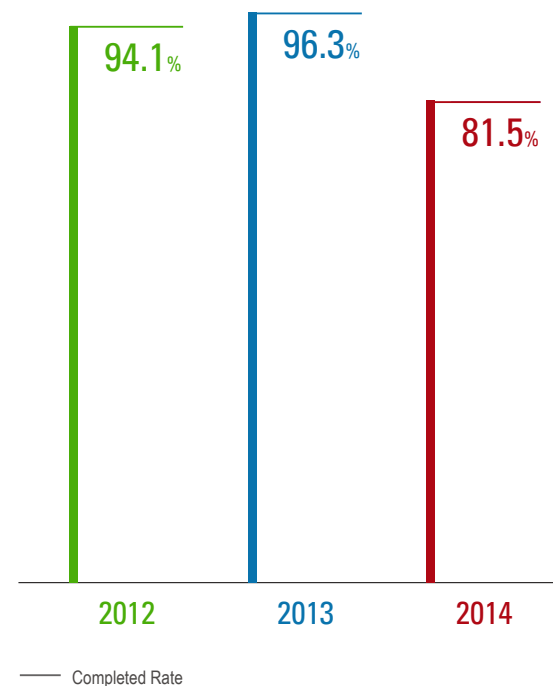
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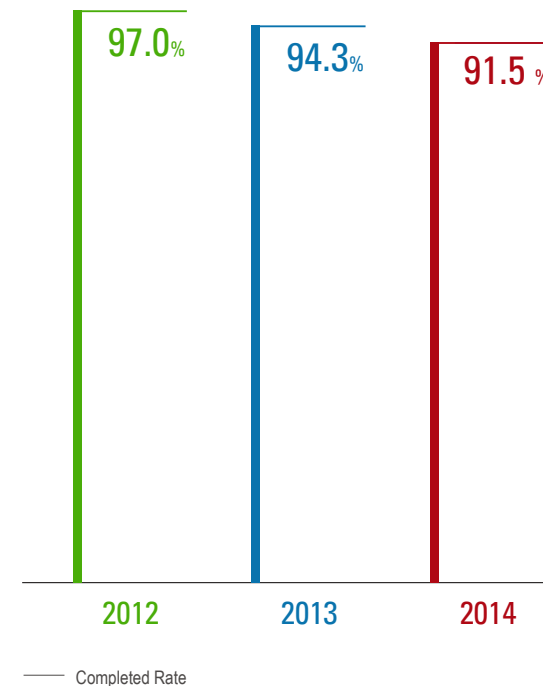
Development Programs for Various Levels of Directors

In terms of personnel training and development, UMC defines the managerial competency required for the various levels of managers. Core and professional competencies are also defined for general employees so that they clearly understand the required core competencies for each level of job responsibility. In the curriculum framework for internal training, all corresponding developmental courses are designed according to the competency model. In addition to required training to help employees achieve job performance, employees can also prepare for their career planning and development by participating in other training courses based on their personal needs and future development plans. Furthermore, to fulfill the company's core values, the philosophy and spirit of "accountability" is thoroughly instilled. In 2011, UMC introduced a course on the "The 7 Habits of Highly Effective for Managers", and in 2012, the course was extended to include "The 7 Habits of Highly Effective for Employees." Moreover, from 2013 to 2014, the courses continued to broaden and deepen, and the "The 7 Highly Effective Habits" became the common language among UMC managers and employees. All managers and employees newly promoted or hired in 2014 are expected to complete the course in the first quarter of 2015.

"The 7 Habits of Highly Effective People for Manager" Completed Rate in 2012~2014



"The 7 Habits of Highly Effective People for Employee" Completed Rate in 2012~2014



Leadership Development Web

Leadership Development Web



Summary of competencies

類型	職能名稱
R Result	著重結果
O Others	與他人互動
I Individual	個人潛能
L Leadership	團隊領導技巧
Please click on the "check mark" bottom of the competency name to read more.	
O	建立互信關係 Building Trust
O	策略性顧客關係 Customer Orientation
O	策略性夥伴關係 Developing Strategic Relationships
I	驅動結果 Driving for Results
L	願景領導 Selling the Vision
L	變革領導 Change Leadership
L	培育組織人才 Building Organizational Talent
L	領導團隊成功 Team Development
R	制定策略方向 Establishing Strategic Direction
R	企業家精神 Entrepreneurship
R	營運決策能力 Operational Decision Making

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Technical Skill Courses for Engineers

UMC fully realizes that outstanding technicians are the key to enhancing advanced technology and sustaining a company's growth. Therefore, based on the professional needs and competency inventory of the various engineering departments, technical skill training curriculum are planned, and through a solid system of professional training, the overall professional standard of our engineers and quality of engineering manufacturing are enhanced. In 2012, the company developed the learning passport system to formulate a learning blueprint that is consistent with the developmental needs of the organization, and create a learning platform that is humanized and functional. To effectively track personnel development, the use of this system has been promoted and taught since 2013. Furthermore, based on the job need of each employee, a learning map is charted, and through the training system's monitoring and statistical analysis, the required training course and hours for each employee is determined to create specific and effective training.

Technical Skill Inventory and Learning Curriculum Planning



Convenient e-Learning Platform

In addition to the various professional skills and management courses, UMC has set up an e-Learning learning platform to provide employees with a convenient and easy environment for spontaneous learning. Information channels allows for convenient lesson preview and review, and together with effective and diverse in-class learning, the cultivation of knowledge and skills is steady and in-depth, thereby sustaining learning interest and exploration of new knowledge.

Technical Skill Inventory System



Personal Learning Passport

Learning Platform



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4-2-4 Cultivating Prospective Talents

To fulfill the ideal of promoting semiconductor research and technical development, and strengthening UMC global competitiveness by providing the corporation with a source of outstanding and quality talents, UMC is committed to maintaining forward-looking collegiate relationships. In 2014, UMC focused on 2 major orientations in its collegiate relationships: (1) Positioning outstanding R&D talents, and (2) In-depth development of talents from technical colleges. In addition, university-industry collaboration and prospective talent programs are two major directions of development.

UMC continued strengthening its university-industry collaboration in 2014. In addition to offering professional semiconductor practice classes in key schools, other university-industry collaborations are being planned. Moreover, UMC sponsors full-time instructors for the Masters Program in Nano-Integrated-Circuit Engineering at National Cheng Kung University. Furthermore, by restructuring its university-industry collaboration model in 2014, the UMC university-industry program was organized to present a comprehensive university-industry collaboration blueprint.

In terms of cultivating collegiate talents, the Prospective Talent Program (PTP) was expanded to nurture more collegiate talents. Through a series of activities and courses, close interaction is maintained with prospective collegiate talents to promote their identification with UMC. By establishing a close relationship and pre-appointments, the program effectively connects UMC with target talents. At the same time, the PTP also effectively markets the corporate image of UMC and exerts considerable influence on campuses and communities, thereby reserving in advance future R & D personnel for UMC.

2014 PTP Awards Ceremony Group Photo



Deepening Technical University—Engineering Industry Collaboration



Professional guidance

In its technical university-industry collaboration, UMC schedules practicing lecturers to share their experience to help minimize the gap between academics and practice. In addition, the program also conducts career planning seminars for a number of technical and vocational colleges to offer career planning advice to students.



Senior internship program

This program offers 1-year internships for students going into their senior year in collaborating colleges. In addition to facilitating the absorption of theoretical knowledge, the program trains students in actual industrial setting, thereby increasing their competitiveness. From 2013-2014, 31 interns were accepted.



Southern technical colleges-industry collaboration: Stage 1 prospective talent cultivation internship.

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UMC Prospective Talent Program methods

Domestic and overseas summer internship programs

In 2013~2014, UMC continued to select outstanding talents for domestic and overseas internship at key UMC fabs. During the internship, the interns are instructed by designated mentors so that through actual practice and participation in current UMC projects, prospective talents may experience workplace culture. At the same time, this program effectively allows for closer interaction between prospective collegiate talents and UMC teams, thereby enabling mutual learning and growth through the close exchanges.

Collegiate talent development programs

Exclusively designated for students, this program offers forums, internships and corporate mentoring to help students gain awareness and sensitivity toward the semiconductor industry. In addition, participation in UMC benefit events allows students to visit the factory and opportunities to advance their understanding of UMC's global operations, corporate culture and a healthy workplace.



2014 Southern Taiwan's Cheng Kung University Electrical Engineering Camp visiting UMC

Visit by faculty and student from target departments

In 2014, about 600-650 faculty and students from target schools visited UMC so that students could gain an early understanding of the semiconductor industry work environment. Interaction and exchanges with employees also allow students to better understand the direction of their future learning and employability.

Collegiate career planning forum/Instructor program

UMC has conducted career planning seminars and career coaching programs in its recent collaboration with key schools. Based on professional insight of future trends and career instructor's assessment of student characteristics and knowledge, career plans are recommended to help students find suitable career paths. In addition, practical resume writing advice is offered to help new graduates highlight and market themselves, and capture the attention of companies and executives.

4-3

Healthy and Safe Workplace

4-3-1 Healthy Workplace

● Comprehensive health care program

In the spirit of the Six Elements Of a Healthy Work Environment implemented in 2010-2013, the 2014 total health management plan shaped the workplace quality by consolidating employee cohesiveness and committing to 3 major directions, namely, creating a safe working environment, protecting employee health, and balancing work and living. UMC expects to create a positive organizational climate, create corporate vitality, and integrate public service and community involvement. It is hoped that by deepening the concept of workplace health and employee satisfaction, outside recognition can be achieved, thereby strengthening the recruitment and retention of talented people, and achieving the goal of improving overall individual and business performance.

Comprehensive health care program



Worry-free workplace: focus on workplace safety

UMC consistently attaches great importance to employee benefits and welfare, and strives to nurture talent, implement labor laws, and protect employee rights. In addition to effectively maintaining harmonious labor relations, the company also promotes international human rights by aiming to create a safe and worry-free working environment. Plans and implementation of labor issues such as employee benefits measures, continuing education, training and retirement policies are equivalent to or better than those stipulated by the Labor Act. Moreover, by establishing a management mechanism and safe working environment, workplace risk factors are eliminated to create an all-round "Safe UMC".

Preventing Burnout

To ensure employee health and prevent employee physical and mental burnout, UMC adopts a positive and proactive approach, and collaborates with the health management system to eliminate factors that may lead to burnout. UMC integrates with the Occupational Safety and Law Act to discuss and develop relevant programs with its house doctor, and cooperates with doctor's instructions, offers health education, and organizes physical and spiritual health lectures to protect employee health. In addition, the company's automated system, which provides effective work hours control and burnout prevention mechanism, sets a more stringent upper limit on overtime than legally stipulated. When employees approach the company's overtime upper limit, the alert mechanism is activated and simultaneously informs and reminds the employees and their department director to schedule reasonable human resources and work hours to ensure work balance and prevent burnout.

Proactive vacation management mechanism

To truly achieve balance between work and life, UMC has implemented a proactive leave management mechanism. In addition to promotional activities to remind employees to arrange for vacations, directors are required to schedule vacation times for their subordinates. Furthermore, the attendance system is set to initiate reminders, and directors and employees are regularly educated during factory meetings. An exclusive incentive package is also offered by the UMC Park Activity Center. Each employee's labor contract with UMC is in compliance with local regulations, and states that overtime is voluntary. Moreover, company regulations prohibit exceeding overtime limit.

Zero Smoking Pollution Measures

Before the governmental smoking ban, UMC had already instituted a smoking ban program in its fabs. In addition to prohibiting indoor smoking and designating outdoor smoking areas, new employees are educated on the hazards of smoking, and tobacco control is specified in work regulations to ensure that employees are protected from second hand smoke in their workplace.

Measures for safe workplace

Establish a culture of gender equality Measures for gender equality are consistent with or exceed those stipulated by the Labor Standards Act. Positive actions are implemented for employee selection, hiring, education and leave.	Measures for nighttime job safety for female employees Night time car service, parking lot escort, roadside assistance, emergency buttons, other emergency assistance, day and night time shuttle, 24-hour employee hotline, and night time emergency response mechanism	Assistance for pregnant women and special needs Priority meal order, designated parking space, cleaning and disinfection notification, no night shift, child raising allowance (for both male and female employees), breastfeeding room, eligibility to pre-apply for maternity leave after 3 months of pregnancy.	Flextime for work and vacation to balance work and family Work flextime, and employees of less than 1 year are offered special leave or vacation flextime In accordance to Act of Gender Equality in Employment, both female and male employees may apply for unpaid parental leave without duress.	Comprehensive mechanism for sexual harassment prevention Reporting and Disciplinary Measures for Workplace Sexual Harassment, mechanism for investigating complaint, procedure for selecting team members, confidential complaint channel, education and training, and internal security service for providing assistance are established.
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Note: UMC complies with government regulations such as the Labor Standards Act, Act of Gender Equality in Employment, and Sexual Harassment Prevention Act in its personnel policies, and also promotes related measures.

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Healthy Workplace: Protecting Employee Health



For years, UMC has upheld the spirit of "Reciprocating to Society", and comprehensively implemented a healthy workplace by promoting a series of programs each year. In 2014, the programs are oriented toward employees' body, soul, mind and diet. The theme of health and

beautiful world was used to create an atmosphere of new and healthy living to encourage employees to adopt good habits for living and achieve optimum physical and mental health.

A happy workplace environment and healthy employees are essential to a happy corporation. To ensure employee health and enhance employee risk self-management, the 2014 Health Management, Health Promotion, Health Seminar and Employee Counseling Service events were oriented around the themes of "No Obesity", "No Apathy", "No Inactivity" and "No Salt" to safeguard employee health.

Establishing Health Mindset, Caring for Employee



UMC provide annual physical examinations with items that exceed legal stipulations. Its Self Health Management Program is tailored made for employees. Case managers follow up on health examination results by tracking abnormalities, such as making referral appointments, following up regularly and

providing health education, maintaining complete records of employee health indicators, and analyzing and classifying health examination results for management. Special operations employees are included in the cases for follow-up. In addition, health promotion activities targeting commonly seen abnormalities are conducted to provide relevant care and ensure employee health. Furthermore, UMC employs doctors to provide employees with health counseling services as well as preventive services such as special examination and out-of-pocket vaccination to help employees take a proactive approach to a healthy lifestyle. In addition, UMC also actively cares for the dependents of employees by offering annual family health examination and massage services as ensuring the health of employees and their families creates benefits and harmony for both society and families.

Maternal Health Care

UMC attaches great importance to breastfeeding, and to create a safe and warm nursing environment, breastfeeding rooms are situated in fabs for female employees. In 2014, the company's FAB8A, FAB8B, FAB8C, FAB8D and FAB8E fabs won the "Excellent Breastfeeding Room Award" from the Hsinchu City Health Bureau.

Integrated Mechanisms for Employee Care



To provide timely employee assistance, UMC offers comprehensive care mechanisms such as counseling and employee support, injury and illness care, and a healthcare consultation platform to service the family, work and interpersonal needs of employees. Employees are provided with friendly and practical care, and counseling is available when needed to ensure high work productivity and employee stability. UMC's integrated mechanisms for employee care had a very early beginning, and in recent years, even more effort was invested into integrating and reconstructing the care mechanisms for physical and mental health, and post-injury return to work. The company hopes that by providing the most comprehensive measures and methods of support, a duress free workplace may be created for employees.

In addition to collaborating with dedicated professionals who are familiar with the company's Employee Assistance Program (EAP), UMC is also committed to promoting the EAP. The company has established the " UMC Spiritual Healthy Living " page, an employee webpage for mental health chat and support on its internal site, and also posts the latest information on the company homepage for employees to easily access and use.

In 2003, UMC introduced the "Employee Assistance Program" (EAP) to provide free counseling service to help employees relieve physical and psychological stress. Individual counseling and confidentiality mechanisms are provided to help employees resolve physical and psychological issues. Each employee has access to 6 free sessions per year, paid for by the company, and for those with special needs, additional assistance is provided by the company's professional counseling group. In 2011 – 2014, service was provided to 536 employees. To fully provide relevant information, the company has designated a "Healthy Living" webpage on its internal site, and provides friendly channels such as the Banner, its internal homepage, and cell phone Apps for convenient enquiry by employees. UMC also offers seed instructor training program for employee care, and through courses such as "Management and Assistance of Employee Mental Health" to enhance the awareness and sensitivity of directors toward employees with mental health issues.

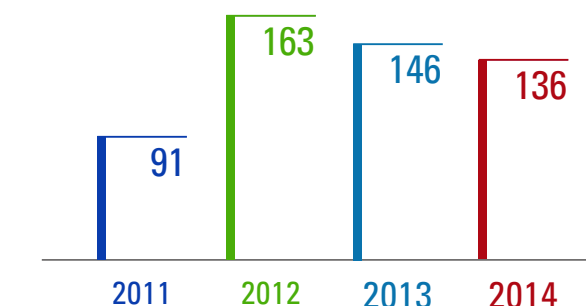
UMC "Spiritual Healthy Living"webpage



Excellent Breastfeeding Room Award



Number of employees receiving assistance



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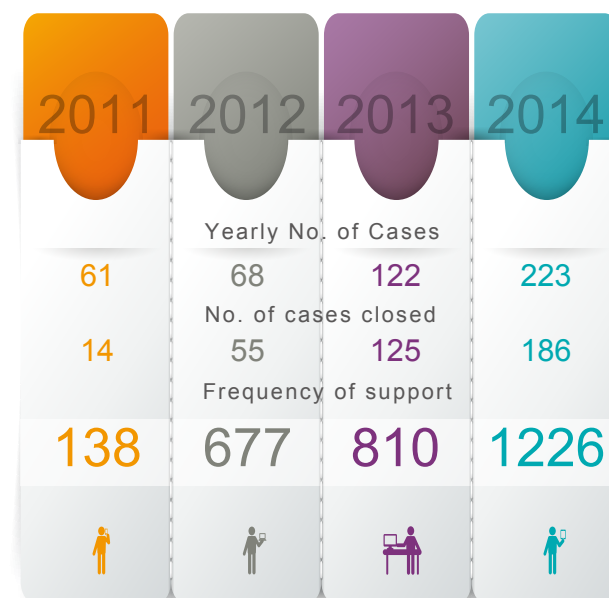
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Injury and Illness Care

Employee physical, psychological and traffic incidents are followed up by telephone and e-mail contacts from a nurse from the health center, and appointments with house doctors are arranged if necessary. Continuing care and psychological support is provided to help employees return to work as soon as possible, and psychological support is strengthened for unclosed cases from 2011—2014. In terms of return to work following physical or psychological injuries and illnesses, support mechanism and case management procedures are formulated, and with the assistance of house doctors and nurses, relevant department directors, and personnel and legal departments, recovery/work distribution is facilitated to return physically or psychologically disabled employees to the workplace.

Number of injury/illness cases and frequency of support provided



Fully Implementing a Healthy Workplace

The overall satisfaction level for the health promoting activities organized by the UMC Health Center in 2014 was 95%. Events such as the annual health examination and vision test attracted a high number of participants, indicating wide peer support and reception. The company's workplace health promotion is well received by the public. In 2014, the company won CommonWealth Magazine's "Corporate Citizenship Award" and the Ministry of Labor's first "Healthy Living" work-life balance award. Moreover, Fab 6A in Hsinchu Science Park and UT fabs won the Ministry of Health and Welfare's "Self-approving Certificate of Healthy Workplace". In addition, Hsinchu and Southern Taiwan Science Parks were hailed by the Ministry of the Interior as "Excellent Agencies of Blood Donation", and UMC Fabs Fab8AB, Fab8C, Fab8D, and Fab8E won the "Excellent Breastfeeding Room" award, indicating the success of UMC's diligence in creating a healthy workplace. UMC will continue to uphold the "Love and Healthy Living" honor, which was awarded in 2014. The total numbers of participants in health promotion activities is 18,673.

health promotion activities, and examples of activities



Reciprocating the Community

UMC spares no effort in social welfare participation. The company has brought in massage services by the visually impaired in its Hsinchu Science Park and Tainan Science Park fabs, which not only provides employment opportunities for people with disability, but also enhances employee physical and mental health through professional and safe massages. Moreover, UMC employees also respond enthusiastically to blood drives, and organize 2-5 blood donation activities each year to donate life saving blood. In 2014, more than 10 blood drives were held, where more than 1,400 eagerly participated and donated 2,100 bags of blood. Since 2011, more than 6,500 employees have participated in the blood drive, and donated a total of 8,793 bags of blood.



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LOHAS Workplace: Emphasis on Work-Life

UMC believes that employees are its most important asset, and that having healthy and happy employees is key to high productivity in a corporation. In addition to providing a safe and healthy working environment, an employee oriented LOHAS workplace that integrates benefits, vitality and public service is created. Through a diversity of activities, creativity and vitality are nurtured in the work and lives of employees.

Inter-factory activities to build team cohesion

In 2014, a series of events were planned for the company anniversary celebration. Two months of "Cohesion and Brainstorming" team building competitions were planned, and activities included team races such as motor-sensory Olympics and survival war games to instill cohesion and vitality. It is hoped that through these friendly inter-factory competitions, employee cohesion can be enhanced and internal friction can be effectively reduced to create a highly cohesive team.

Family Cohesion

UMC emphasizes work-life balance, and in addition to focusing on employees, UMC also reaches out to their families. In its various themed events, UMC plans activities that are appropriate for employee families, such as the 2014 "Panda in UMC" family activity, a monthly movie selected by employees for after work family movie time in the fab, and art festivals that are open to employee families. UMC hopes to support employees as well as their families to relieve employee stress and ensure their physical and mental health. At the same time, employee families may also become involved with UMC, get to know UMC and continue to support the employees in their diligent contributions toward the company.

Kaleidoscope of Motor-sensory Olympics



Club Activities



UMC Club events

- UMC clubs can generally be classified into 6 types, namely ball games, sports, public service, music and dance, arts, and business investment.
- Through the club assessment system, clubs with excellent performance receive subsidy for their operating expenses.

2014 Performance



Twice a year,
15 clubs are
subsidized each



24
clubs (Taiwan)



2,412
club members



UMC Recreational
Center (Hsinchu /
Tainan / Jinshan)

- Several hundred million dollars were allocated to construct the 5-star UMC Recreational Center, a comprehensive sports and recreational facility for the exclusive use of UMC employees.
- UMC Park dormitories in the Southern Taiwan Science Park have a complete recreational area.
- Each fab (6A, 8E, 8F, 8S, 12A) is equipped with fitness equipment to offer employees the best recreational environment.

2014 Performance

200K

The UMC Recreational Center
is used by 200K people
(employees and their families)



The UMC Recreational Center
is used by an average of 555
people per day.



Inter-factory
competitions and
Fitness Festival

- A wide range of activities and sports competitions are organized to promote an active culture of exercise from within.

2014 Performance



33
teams participated in the competitions



Diversity of
employee activities

- regular Easy Travel, Family Day, and Art Festival.
- In 2014, the UMC Family Day theme was "Panda in UMC", and was held respectively in the factories in Hsinchu Science Park and Southern Taiwan Science Park.

2014 Performance



614
people participated in
the One-day tour



8400
people called to register
for the Panda in UMC event



1555
people participated in
the Art Festival

Note 1: Does not include one-time or temporary club members

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Exclusive UMC Culture

With the hope that all employees can enjoy their work without duress, UMC is committed to providing employees with complete and quality living environment such as food, clothing, housing, transportation, education and recreation. At the same time, it also integrates the cultural characteristics of UMC and promotes learning, arts, living and public awareness from within. In addition, employee involvement and image promotion not only impacts employees, but also outside stakeholders.

In 2014, we continued to improve UMC's icecream APP benefits information platform, further employee welfare, support employee after hours, improve measures for human resource management and formulate complete education and training policies to create a comprehensive employee friendly workplace that satisfies "employee safety, healthy teams, and LOHAS corporation" criteria.

UMC IceCream APP

Food	Clothing	Accommodation	Transportation	Recreation
				
Each UMC fab has its own cafeteria serving a diverse menu. The cafeteria is integrated with a café and convenience store to form a combined dining room.	New UMC employees are also eligible for the exclusive UMC benefits package Except for clothing requirements in special areas (e.g.: Cleanroom) or for special tasks (eg: switchboard and reception), attire for other employees is comfortable and casual clothing.	Direct and indirect labor are eligible to live in comfortable and fully furnished employee dormitories.	Free shuttle and on-site transportation are scheduled at designated stops for convenient and quick connections.	The UMC Recreational Centers(Hsinchu / Tainan) provide multi-purpose stadiums that promote the concept of a healthy workplace. A diversity of events (eg: Family Day, cultural events, movies) are organized each year to enhance employee quality of life.

Health Promotion Activity Photos



feast. From July to August 2014, a myriad of arts and cultural events such as movies, book exhibition, photography exhibition, building blocks exhibition, art performances, interactive parent-child activities and lectures by noted people were organized to encourage employees to experience a wide range of arts and include art in their lives. At the same time, it is hoped that the quality of life of employees could be enhanced, thereby fulfilling the ideal of Work-Life Balance for UMC employees.

The 2014 event planning fully demonstrates the UMC core value of "customer (employee) orientation". Based on the satisfaction survey and program recommendations of previous years, employee feedback was incorporated into the UMC 2014 "Amazing Art" plans. The rich and exciting content was well received by employees. A total of 47 UMC 2014 "Amazing Art" art and cultural activities were held, and about 1,555 people participated in the festivities.

2014 Art and Cultural Festival



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4-3-2 Safe Work Environment

● Safety and Health Policies



● Safety and Health Organization

UMC in Taiwan has a company-wide safety and health committee, chaired by the Deputy General Manager. The Board comprises a total of 9 labor representatives elected from respective fabs, who account for 36% of the 25-member committee. Each fab also has its respective safety and health committee. In the Singapore fab, the safety and health committee is set up in accordance to local regulations, and in compliance with the law, its number of employee representatives is greater than the number of director representatives. Although China has no safety and health committee stipulation, the company's subsidiary HJTC has established a safety and health committee that meets every quarter.

■ UMC's company-wide environmental safety and health committee members



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Tasks reviewed by UMC company-wide Environmental Safety and Health Committee during each quarterly



● Create a corporate culture of occupational safety for all employees

Any safety and health risks could result in major economic or social loss for a company, and undermine its competitiveness. UMC builds its safety and health management on inherent safety, and actively establishes a corporate culture of mutual assistance to create "occupational safety for all". It is hoped that the result of safety and health management promotion can be reflected in the operating outcome.

Key items that were promoted in the 2014 "occupational safety for all" included impact and compliance assessment of the Occupational Safety and Health Act and its 41 auxiliary provisions enacted in 2014 to ensure that UMC complies with legal requirements. The "Not Missing Any of the 3 Points" major clean-up plan included compliance with SOP and no short-cuts. In accordance to "non-routine operations" regulations, risk assessment using failure mode and outcome analysis was conducted, and abnormalities were managed using the "Stop → Look → Listen" principle.

● Occupational Disease Management

Founded on care and responsibility toward employees, our strategy for industrial health management comprises of a health risk classification management system which exceeds that stipulated by the Labor Health Protection Act. From general and special operations to early discovery of groups at risk of propensity for early onset, a healthier and more comfortable working environment is created by continuing with an approach that improves both the front and back ends of health care.

For groups with propensity for early onset, an occupational health system comprising of a team of on-site physician, HR Health Center, and Risk Management and Environmental Safety personnel is established to determine cause and formulate improvement strategies. As of the end of 2014, a total of three cases were managed.

In Taiwan, China and Singapore, local laws require special health inspection for items such as noise, ionizing radiation, dust and specific chemicals. In accordance to this health inspection classification, no Class 4 violations have been reported.

● Communication on Labor Safety and Health Issues

According to the Occupational Safety and Health Act for Safety and Health Labor Representatives, employees have the right to elect peer representatives to participate in tasks such as attending quarterly Safety Committee meetings, revising job safety and health regulations, investigating employee incidents, and monitoring the work environment, as well as make joint decisions pertaining to safety and health issues.

Employee discipline for violations and election method for labor representatives are also discussed at employee meetings. Any demands pertaining to safety and health issues are also discussed at employee meetings to reach consensus.

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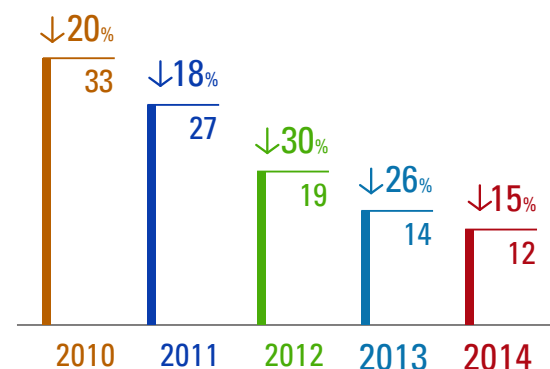
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● Incident Management

UMC strives to reduce the number of industrial accidents, and aims to reduce the number of non-minor accidents by 15% (as compared to 2013). To effectively achieve accident management goals, the causes of accidents are analyzed at different times throughout the year and countermeasures are proposed. A series of activities, such as the "Not Missing Any of the 3 Points" major clean-up plan, was effective in preventing the recurrence of accidents. The 2014 Occupational Safety for All events successfully achieved our goal of reducing the number of non-minor accidents. The company has developed a 10-year accident management goal, and analysis in 2014 showed that in the 12 accidents that occurred, there were 3 incidences of employee fall/collision/cuts; 3 incidences of chemical spills; 3 incidences of overheating and smoke; 2 incidences of water leakage; and 1 incidence of drops from a high place. In addition, the company has also formulated a 10-year accident management plan, and expects the number of accidents to decrease by 75% in 2020 as compared to 2011, as well as continuing to strive toward the goal of zero-accidents.

■ Number of non-minor incidents



Note 1: The target number of non-minor accidents in 2015 is 11.

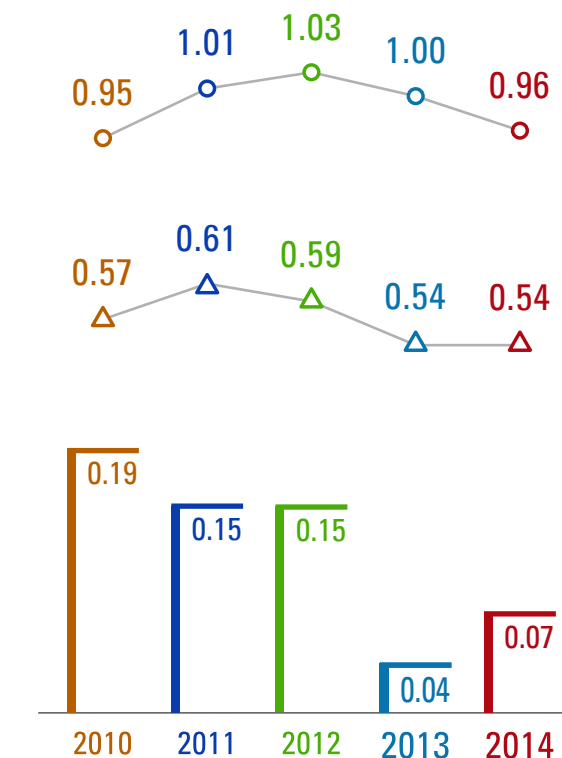
Note 2: UMC scores and classifies accidents according to injuries cause by people, production impact, financial loss and involvement of chemical substances, range of impact, fire, or problems due to employee behavior. Not all accidents result in human injury.

Note 3: The base year for calculating the rate of accident reduction is defined as the year before.

● Occupational Disaster Management

In 2014, the Disabling Frequency Rate (FR) for UMC was 0.07, and its Disabling Severity Rate (SR) was 2.26, and both values are far below the average value for semiconductor industries. UMC will continue to promote disaster reduction, and strive toward the goal of zero disaster.

■ Disabling Frequency Rate (FR)

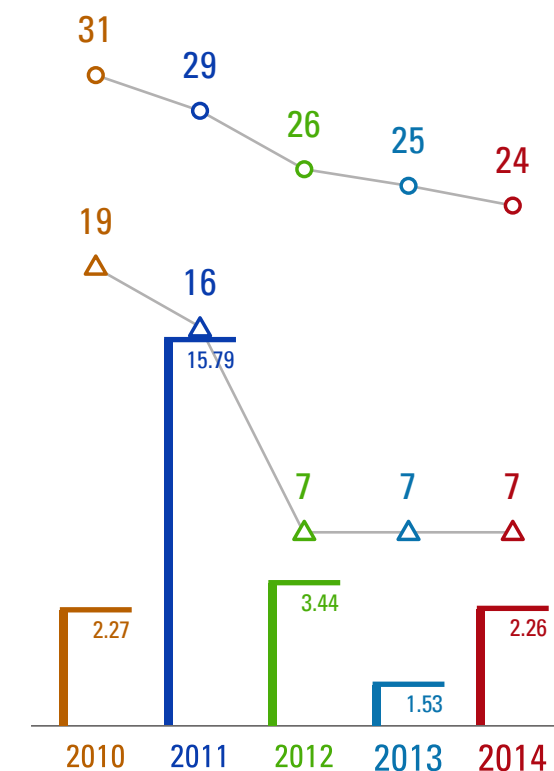


○ National electronic component

△ National semiconductor

— UMC

■ Disabling Severity Rate (FR)



○ National electronic component

△ National semiconductor

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2014 Relevant Index

Taiwan					Singapore					China				
Male		Female		Total	Male		Female		Total	Male		Female		Total
UMC	Contractor	UMC	Contractor		UMC	Contractor	UMC	Contractor		Subsidiary HJTC	Contractor	Subsidiary HJTC	Contractor	
No. of people with disabling injuries														
1	0	1	0	2	0	1	0	0	1	1	0	1	0	2
No. of lost days due to disability														
16	0	50	0	66	0	45	0	0	45	11	0	5	0	16
No. of reportable injuries														
1	0	3	0	4	0	1	0	0	1	1	0	1	0	2
No. of work related deaths														
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Occupational Disease Rate (ODR)														
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total No. of Work Hours														
25,540,887					3,688,864					3,580,460				
Injury Rate (IR)														
0.008	0.000	0.023	0.000	0.031	0.000	0.054	0.000	0.000	0.54	0.056	0.000	0.056	0.000	0.112
Lost Day Rate (LDR)														
0.125	0.000	0.392	0.000	0.517	0.000	2.440	0.000	0.000	2.440	0.614	0.000	0.279	0.000	0.894
Absenteeism														
0.46%		1.54%		0.94%	1.12%		2.09%		1.50%	0.93%		3.83%		2.71%

Note: There were no third party illnesses, injuries, disabilities or deaths caused by UMC and HJTC operations.

Third party

Refers to non-employees or contracted personnel

Number of people with disabling injuries

Refers to the number of deaths, permanent disability, permanent loss of partial function or temporary full disability due to occupational injuries.

Number of lost days due to disability

Refers to the total number of days lost as the result of injury from a single accident. Calculated as the number of days when the injured person is temporarily (or permanently) unable to resume work, but excludes the day of injury or the day when work is resumed. Includes the number of days elapsed (including Sundays, holidays or company rest days) and the number of inability to work days following return to work as a result of the injury

Number of reportable injuries

Refers to the number of work related injuries that resulted in death, job loss, impairment or transfer, emergency treatment or more, loss of consciousness, or major diagnosis by a physician.

Total number of work hours:

Refers to the actual work hours of all workers in the current term.

FR

FR = Number of people with disabling injuries x1,000,000 / Total number of work hours [per million work hours].

SR

SR = Number of lost day due to disability x1,000,000 / Total number of work hours [per million work hours].

ODR

ODR = Total number of occupational diseases x200,000 / Total number of work hours [per 200,000 work hours].

IR

IR = Number of reportable injuries x200,000 / Total number of work hours [per 200,000 work hours]

LDR

LDR = Number of lost day due to disabling injuries x200,000 / Total number of work hours [per 200,000 work hours].

Absenteeism

Total hours of employee personal leave, occupation injury leave and sick leave / Total number of work hours.

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● Contractor Management

Contractor management is a very important part of safety and health management in UMC. Each cooperating vendor signs the "Environmental Safety and Health Contract" with the company, and is informed of matters such as the work environment, risk factors and safety and health regulations. In addition, existing safety and health management mechanisms such as incident reporting and investigation, inspections and work observation are also applicable to specific contractors. Through the company-wide monitoring mechanism, any unsafe practice or condition found on the part of a contractor is reported to the appropriate director or relevant personnel through the various safety and health management mechanisms for systematic follow-up and improvement.

To enhance the effectiveness and implementation of construction management, the company has a systematic construction permit application, and prior to any construction work within the factory, a construction permit must be obtained.

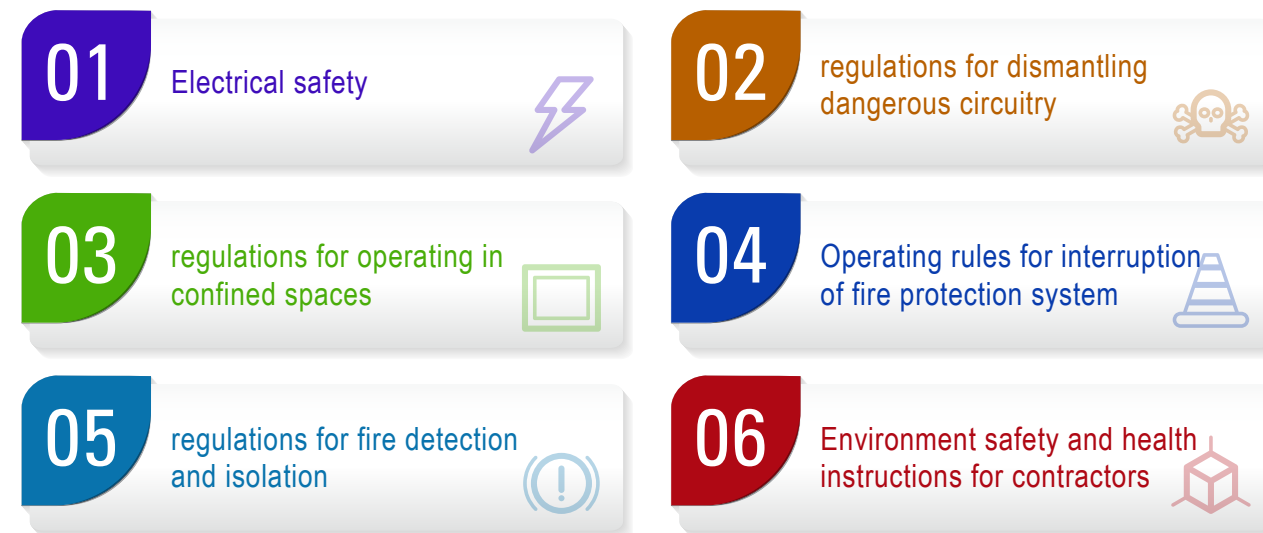
UMC requires all contractors to undergo the UMC Environmental Safety and Health Education and Training for Contractors to inform them of potential risks and regulations so that the contractors realize the company commitment to their lives and safety. Company overseers must also complete the Overseer Education and Training program to fully understand supervisory responsibilities, tasks and competency before assuming the position.

In addition, to manage contractor entry into the fab and the various construction work within the fab, and also to prevent occupational disaster, a comprehensive contractor management standards is developed. The standards include environmental safety and health management regulations for contractors, environmental safety and health instructions for contractors, regulations for operating in confined spaces, regulations for electrical safety, regulations for dismantling dangerous circuitry, and regulations for fire detection and isolation for follow-up training and requirement criteria.

Contractor Management



Environmental safety and health management regulations for contractors



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4-3-3 UMC Fire Brigade

In view of the gases, diverse and complex chemicals, and large confined dust-free spaces in semiconductor fabs, fire-fighting and disaster rescue are different from traditional methods and considerably more risky. On April 1999, UMC established a high technology fire brigade under the management of the Risk Management and Environmental Safety Department. It is the only fire brigade belonging to a corporation in the Taiwan's domestic electronics industry.

Members of the fire brigade rotate every two years, The April 2013-April 2015 team is the 8th Brigade, and comprises of 14 full-time members and 106 members from the Task Group. Most members have a master's degree, and it is the highest quality fire brigade in the nation. Each new member must receive professional training in disaster rescue, including professional simulated training in fire rescue.

Professional Simulated Training in Fire Rescue



Fire Simulation Room Training



Protective Clothing Wearing Training



Fire Hose Equipment Training

Professional Skills Training

The brigade conducts education and training for all company employees. Since 2013, firefighting training for all employees has changed from once every three years to training completion within five years. 20% of all factory employees are trained each year, and 100% complete training within 5 years. All UMC employees must undergo fire safety and fire-fighting training to ensure that the concepts of fire prevention, fire safety and disaster response are deeply ingrained in each employee.

Trainees	Item/Year	2010	2011	2012	2013	2014
Employees	Fire training for new employees	1874	1010	1976	1512	2914
Employees	Fire training for all employees	1674	2640	2977	345	822
Employees	Unannounced evacuation drill	7673	7686	8110	9152	9169
Employees	First aid training	520	575	553	550	800
ERT	Rescue/Support training	2194	2118	2374	2578	2153
ERT	Commander training	121	133	148	15	6
Fire Brigade/ERT	Fire Simulation Room Training	325	325	325	280	292
Fire Brigade	Monthly UMC Fire Brigade Training	735	787	870	860	685

(Number of Participants)

Professional Skill Training



Emergency response training



Fire training for all employees



Fire safety training for new employees



Fire escape training



Fire Fighting Training



Chemical Hazard Rescue

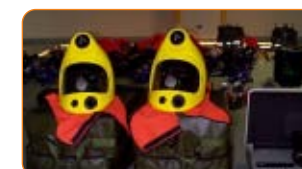
Advanced Disaster Rescue Equipment



Chemical Fire Truck



Emergency Response Containment Vessels



Infra-red Thermograph Helmet



Personal Alert Safety System



Heat and Chemical Protecting Coat



Mobile Water Spray System

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Community Service

4-4-1 Community Service Participation



Upholding the core philosophy of "people orientation and social prosperity," UMC fulfills its social responsibility through LOHAS (Lifestyle of Health and Sustainability) operations. The company realizes that the success of an enterprise depends not only on its own efforts, but also on the support of a peaceful society for it to flourish and grow in vitality. Therefore, in addition to business growth, UMC is also committed to reciprocating to society. In 2014, service hours contributed by various UMC public service clubs, volunteer groups and the UMC Science and Culture Foundation has increased, indicating a growth in UMC volunteer resources and effort. Services were provided throughout the nation, and 10,441 people benefitted from the outreach.

Furthermore, UMC allocates funds for Community Service events every year, and in 2014, donated more than NT\$23 million to charity. In the "8/1" Gas Explosion incident in Southern Taiwan in 2014, UMC promptly ensured the safety of its employees and their families, and donated NT\$5 million to help victims rebuild their homes. In addition, the Foundation appealed to employees, and raised more than NT\$3.3 million in donations.

UMC Community Service participation and number of beneficiaries

2012	2013	2014
Charitable Donations		
More than NT\$ 18 million	More than NT\$ 18 million	More than NT\$23 million
No. of beneficiaries		
More than 8,651 people	More than 7,340 people	More than 10,441 people
Total employee volunteer hours note1		
More than 4,609 hours note2	More than 8,528 hours note2	More than 13,442 hours note2

note1. Includes volunteer leave and holiday service hours

note2. Only includes volunteer hours for activities representing the Foundation, and does not include other volunteer activities

● Cultivating Prospective Management Talents

In addition to cultivating high-tech personnel, UMC leads the industry in cultivating potential management talent. In 2010, a "UMC Operation and Management Thesis Awards" was established. Since 2011, the company has invested NT\$3 million into the "UMC Operation and Management Thesis Awards" to further cultivate prospective management talents in academia and promote industry and academia exchanges. It is hoped that the integration of management practice and theory can contribute to business sustainability.

● UMC Community Service Department

The UMC Science and Culture Foundation and the UMC LOHAS Education Foundation are UMC's two major foundations. In addition, UMC has also instituted the UMC Fire Brigade. All social involvement and actions are mutually supporting, forming the major force behind UMC's social citizenship in caring for the disadvantaged. Through the integration of UMC resources, UMC employees contribute diligently to society to create a more secure and warmer community.



Ministry of Education's "Social Education Public Service" group award

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Sustainable Development - Society

From the CEO

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Sustainable Development - Society

Three major UMC departments for promoting



Since 1996
UMC Science and Culture Foundation

- ▶ Develop education for the disadvantage - "Spreading the Seeds of Hope Project"
- ▶ Life education - "Love Storyteller Club"
- ▶ Personnel cultivation - "Math Training Camp"
- ▶ IC Voice "Be Reasonable" parent education program by Teacher Hong Lan



Since 2009
UMC LOHAS Education Foundation

- ▶ Promote sports - Open the UMC Park Activity Center to disadvantaged groups
Provide UMC tours to university students
- ▶ Education for the disadvantaged - Provide basic literacy skill training for new residents (foreign spouses) and



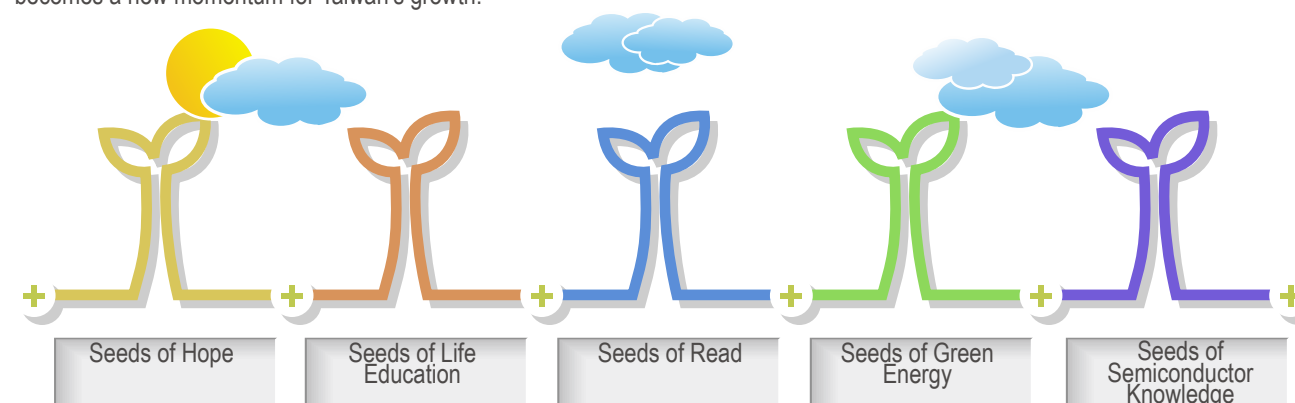
Since 1999
UMC Fire Brigade

- ▶ Assist in industrial park and community disaster rescue
- ▶ Promote fire safety in elementary schools

● Community Service Project - "Spreading the Seeds of Hope"

UMC is committed to enhancing the education of school children from disadvantaged families, and has continued implementing the "Spreading the Seeds of Hope" educational assistance for school children from disadvantaged families" project. It is hoped that corporate strength can be used to remedy the unbalance in educational resources. To date, the company has allocated NT\$145 million to tutoring programs for school children from disadvantaged families, and with the support of UMC, more than 5,000 school children have continued in their studies, thereby fulfilling the mission of the "Spreading the Seeds of Hope".

In 2014, in addition to investing in the "Seeds of Hope" educational assistance project for disadvantaged school children, the program also focused on cultivating "Life Education", "Reading Promotion", "Green Energy" and "Basic Science and Technology Talent" to promote a new wave of nurturing that is founded on spiritual, learning, environmental and basic technological perspectives. In addition, the company also realizes that corporate social responsibility cannot be fulfilled only by the company itself, but should involve the joint efforts of employees. It is only through practical personal involvement that individual efforts can unite into a significant strength that becomes a new momentum for Taiwan's growth.



● "Seeds of Hope"—Educational Assistance for Children from Disadvantaged Families

The UMC Science and Culture Foundation sponsors tutoring for schoolchildren, and volunteers provide reading and character building activities to achieve all-round education. Since its inception, the "Seeds of Hope" program has established tutoring centers in Hsinchu and Tainan to provide long-term remedial tutoring to children from disadvantaged families and cultivate proper values and learning attitudes.

To further unite the strengths of UMC employees and their families, UMC established a volunteer team for employees and their families in 2005, and with the resources of UMC Science and Culture Foundation and UMC Candlelight Club, this team assists students from disadvantaged families.

Through yearly events such as camps or visitations and holiday fundraising activities, and continuing corporate support, it is hoped that children lacking educational resources can develop confidence. The company will continue to encourage like-minded, enthusiastic educators and corporations to join the program.

● Seed of Life Education—Promoting Life Education

UMC formulated a Life Education volunteer course, and called on employees and their families to join the volunteer team to help disadvantaged youths toward positive society and discover their personal strengths. The Life Education volunteer course encourages participation by employees and their families. After formal training and certification, volunteers regularly visit school children in aboriginal villages and at-risk youths in Hsinchu and Nantou to help them understand the meaning of life and growth.

In addition to promoting life education, the UMC "Love Storyteller Club" also gives public performances in remote areas and the

Typhoon Morakot Disaster areas. The Ministry of Justice has also invited the club to perform in Chengjheng High School so that despite the limited educational resources, parolees can also enjoy a rich spiritual feast. Such involvement also inspires UMC volunteers to reflect on their own lives and cherish their blessings.

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● "Seed of Read"—National Reading Movement



To promote the National Reading Movement, UMC employees formed the "Me 2 We Reading Club" to instill the joy of reading in the company and train volunteers for storytelling. Through storytelling skills, employees not only share their joy of reading, but also enhance the quality of parent-child reading. In addition to

parent-child sharing, UMC employees stepped beyond their family relationship to promote reading activities in the Seeds of Hope tutoring classes and elementary schools in remote areas.



「Me to We」 Reading Club

● "Seed of Green Energy" – Promoting environmental education and cultivating green energy technology talents



In view of the growing severity of global warming, environmental issues have become a responsibility for everyone. In addition to striving to become a low-carbon supply chain and green energy industry in its operations, UMC diligently supports environmental activities and promotes environmental education.

● "Semiconductor Seeds"—Cultivating High Technology Talents in Taiwan



To fulfill the mission of "Cultivating High Technology Talents in Taiwan", the company continues to invest in talent cultivation and further improves and establishes internal capabilities. It is hoped that through early contact, seed semiconductor talents in Taiwan can be nurtured as early as high school. UMC offers professional semiconductor processing classes taught by various UMC experts so that young students can further their semiconductor knowledge and skills while in school, and subsequently follow closely with talents in the field for matching careers, thereby contributing to the cultivation of Taiwan's semiconductor talents.

In addition, through the National Science Council, UMC has developed sophisticated and cooperative programs, and collaborates with the National Cheng Kung University, Tsing Hua University, National Chung Cheng University and National Chiao Tung University on advanced technology research and development projects such as materials for advanced integrated circuits, micro sensors and actuators, and components for embedded sensor processing core. In addition, relevant patents were obtained, thereby achieving maximum theoretical and practical balance in university-industry collaboration.

Semiconductor seeds—summary of outcomes

Conducted a professional semiconductor course in its university-industry collaboration with National Cheng Kung University, National Central University and Chung Yuan Christian University.

Collaborated with Kuang-Fu High School to begin nurturing semiconductor seed talent at the high school level and effectively enhance talent cultivation in Taiwan.



2014 UMC Prospective Talent Program (PTP) Certificate Award Ceremony

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2014 Seed of Semiconductor Knowledge Outcome

University-Industry Collaboration

National Central University
Chung Yuan Christian University

Offered practical courses on semiconductor manufacturing, and in 2014, about 160 students attended the course.



University-Industry Collaboration programs

Cooperated with Kuang Fu High School on school and industry collaboration, and had 32 participants in the collaboration programs in 2014.



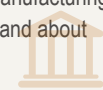
National Cheng Kung University
semiconductor course

National Cheng Kung University semiconductor course



National Cheng Kung University Nano Era Course

Offered an introductory course on semiconductor manufacturing in the nano era at National Cheng Kung University, and about 126 students attended the course in 2014.



Government collaboration

Develop programs for substitute military service

In 2014, 126 outstanding talents were recruited for substitute military service. The company also received the Excellent Personnel Department awarded by the Ministry of the Interior National Conscription Agency.



Strengthen schools



Equipment internship program

Collaborated with National Tsing Hua University, Southern Taiwan University of Science and Technology, National Chin-Yi University of Technology, National United University, National Kaoshiung University of Applied Science, National Formosa University and National Kaoshiung First University of Science and Technology, and in 2013-2014, a total of 31 interns were accepted.



Summer internship program

Offered a number of intern opportunities during the summer break, and in 2013-2014, a total of 35 interns were recruited.



Corporation visit

Arranged for schools to visit the company, and in 2014, about 616 participants from National Cheng Kung University, National Central University and National Tsing Hua University participated in the visitation.



Outstanding technology talent

Continued the outstanding technology talent cultivation program in 2014 in the hope of nurturing excellent research talents. Scholarships and grants were offered to 5 outstanding masters and doctorate students, and to date, more than NT\$35 million have been distributed.



School ambassador for disability

Employed students with disability for work study, strengthened campus recruitment, and encouraged disadvantaged students to pursue learning. Since the program was instituted at the end of 2013, work study opportunities were given to 33 students with disability, and to date, 18 students are working.



Career counseling and planning

Collaborated with the National Cheng Kung University Career Guidance Group to offer guidance on resume writing. In 2014, 3 career guidance sessions were conducted, and 20 students participated in the counseling.



National Cheng Kung University career guidance program

Continued with the National Cheng Kung University Career Guidance Program in 2014, and provided career guidance to 12 students. The career development guidance and assistance helped the company maintain a positive relationship with National Cheng Kung University, and enhanced marketing and talent recruitment.



Prospective Talent Program

Advanced contact and appointment with prospective campus talent not only enhanced connection and interaction with targeted talents, but through gradual development of the PTP, the image and influence of UMC are also expanded. Prospective talents have been recruited since 2013, and in 2014, membership reached 558.

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UMC Spreading the Seeds of Hope—Programs Description

Seeds of Hope	Seeds of Life Education	Seeds of Read	Seeds of Green Energy	Seeds of Semiconductor Knowledge
Content				
Tutoring Reading lessons Character building lessons Long-term outreach Holiday activities	Organize Life Education volunteer teams Regularly visit youths in remote areas and at-risk youths	Reading seminar Reading promotion	Organized environmental protection activities	Professional University-Industry Semiconductor courses Innovative development projects Other University-Industry collaborations Strengthen university programs
2014 Outcome				
Provided 800 hours of tutoring Sponsored the Nantou Karate Association Helped 150 disadvantaged school children	Organized 3 sessions of Life Education volunteer training, and 135 participants completed the training Established the Miracle Home “Mobile Movie Theater” and conducted 3 outreach events Sponsored the “Be Reasonable” IC program by Teacher Hong Lan Outreach event at Chengjheng High School for more than 200 students. Mountaineering Club storytelling volunteers conducted 19 outreaches to school children in rural areas 13 public performances and lessons by the Ukelele Club	Organized 12 hours of reading seminars to train storytelling volunteers Tell stories to school children in remote areas Sponsored the Mandarin Daily News for schools with limited resources to promote reading 129 people participated in the reading seminar Organized 42 reading events in remote elementary schools, and about 840 people participated.	Allocated more than NT\$30 million to the Eco-echo Ecology Conservation Project Collaborated with The Society of Wilderness, donated NT\$3 million to the Ecology Conservation Project funds over 3 years Promoted green concepts through lectures and green market activities	Jointly conducted professional university-industry semiconductor courses with 3 universities Developed numerous innovative research projects with local universities, and obtained relevant patents Offered relevant professional university-industry courses. A total of 318 students participated.
Impact				
Volunteers helped instill proper perspectives in school children to prevent deviant behaviors, and helped them overcome poverty through good education Sponsored the Nantou Karate Association, and helped children develop confidence and discover their strengths through karate.	Regular visits to youths in remote areas helped them understand the significance of life and growth through life education Interaction with the children in the half-way house helped them develop proper values	Through the activities, instilled an interest in reading in school children	Educate employees and students on the importance of environmental protection. Widely promote environmental protection so that it becomes a personal responsibility and living standard	Cultivated seed talents in semiconductors and helped students acquire more in-depth knowledge and skills in semiconductors while still in school

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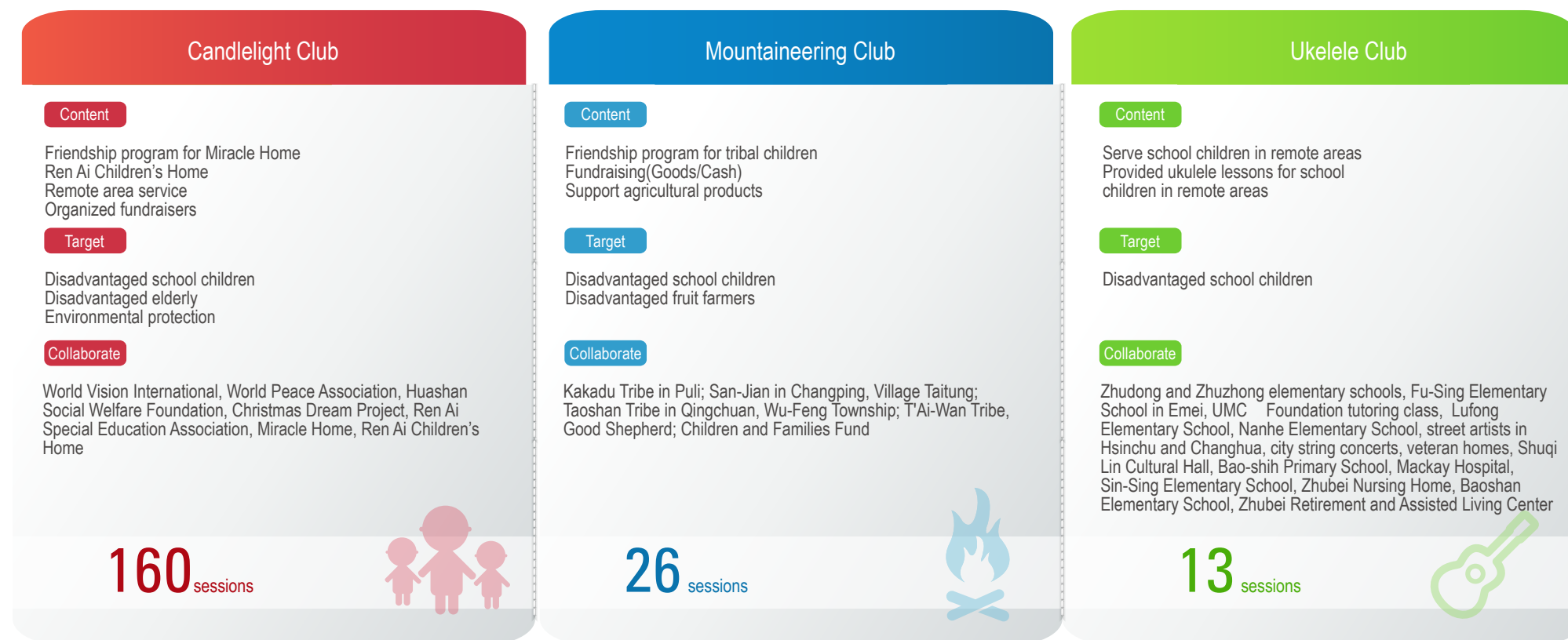
Sustainable Development - Society

4-4-2 Promote UMC volunteer culture

● Volunteer Services

When UMC was established, it embraced the philosophy that "As a social institution, a corporation must strive to reciprocate to society" in its long term business approach. Hence UMC cultivates "satisfied employees who are not only committed to the growth of UMC, but who are eager to participate in community service." To encourage employees to engage in public service, UMC provides employee leave for volunteer services, and under the leadership of the UMC Science and Culture Foundation, the volunteer culture has gradually expanded to include other employees in addition to those from the Foundation.

Currently, UMC has a large team of happy volunteers who initiate community service groups such as the Candlelight Club, Mountaineering Club and Ukelele Club that eagerly participate in serving the community. The total hours of employee volunteer time has been increasing each year, and in 2014, the various clubs contributed 210 service sessions to disadvantaged populations.



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According to the nature and goals of their activities, clubs are invited to the planning of yearly activities. In fact, the clubs assist and participate in many of these activities. Involving clubs in community welfare events and company activity planning encourages employees to take pleasure in community service. The active involvement of UMC employees in community service highlights UMC's emphasis on cultivating a volunteer culture and the motivation, loving and selfless contributions of the volunteers. Caring for our environment and creating a warm society will leave a better place for the next generation.



The UMC Mountaineering Club hopes that through interactions with mountaineering enthusiasts from other disciplines, employees will grow in their interpersonal relationships and cultivate friendships over common interest in mountaineering. In addition to their love for mountains, the Mountaineering Club members also develop

a different value as a result of their interaction with nature. Through friendship activities in aboriginal villages, they help children in remote areas discover their roles and potentials. Club members hope to become mentors, and guide the children through their milestones. Motivated by such commitment and love, the Mountaineering Club members are enthusiastic and diligent about seeking strategies for teaching children how to read. Activities such as tutoring, services for children with multiple disabilities and volunteer services have far-reaching impact on the children. Moreover, in addition to helping those in need, the Mountaineering Club members also grow spiritually and learn to cherish and live fulfilling lives.

● Candlelight Club



Each month, the Candlelight Club has a friendship outreach to Miracle Home through activities such as learning and sharing through film appreciation, and organizes all kinds of activities for disadvantaged children in the Ren Ai Children's Home. In addition, the Club also joins the UMC Science and Culture Foundation to reach out to remote

areas with activities such as the Christmas Dream Project and the Nantou Karate Reunion. Candlelight club hold charity bazaars in particular events (eg: Mid-Autumn Festival, Dragon Boat Festival, the Chinese New Year ... etc), undertaken jointly with major public interest groups. In 2014, candlelight club holds total 133 charity bazaars, 20 public service units are invited.

● Ukelele Club



To promote the UMC Ukelele Club, the Club occasionally collaborates with the UMC Science and Culture Foundation to perform for school children in remote areas. In addition, the Club actively participates in community service by offering free ukelele lessons to school children in remote areas.

Since early 2013, in addition to remote elementary schools in Hsinchu County and City, the Club has extended its service to Maoli County and disadvantaged children. To date, there are 11 outreach teams to schools, including Lu-Feng Elementary School in Zhudong, Nei-Hu Elementary School in Hsinchu, Nan-He Elementary School in Guanxi, Shi-Guang Elementary School in Guanxi, Fu-Sing Elementary School in Emei, Zhu-Zhong Elementary School in Zhudong, Da-Du Elementary School in Hengshan, Bao-Shih Elementary School in Xipu, Sin-Sing Elementary School in Maoli, and St. Francis Children's Home in Guanxi. Furthermore, the Club has also found owners of ukelele factories to donate 30 ukeleles each to Bao-Shi Elementary School in Xipu and Sin-Sing Elementary School in Maoli.

In 2014, the Club held the We Are Family Ukulele Concert as an opportunity to share and enjoy, and to provide a stage for students to perform. For the first time, other UMC music clubs (e.g. Guitar Club and Saxophone Club) were also invited to help organize concerts to encourage school children from remote areas to learn the Ukulele as a recreation. In 2013, the Ukulele Music Club also volunteered to offer ukulele lessons in tutoring classes or to school children in remote elementary schools to help them cultivate positive interests and gradually become confident enough to perform in major public performances.

■ Certificate of Recognition



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4-4-3 UMC Science and Cultural Foundation

The UMC Science and Culture Foundation continues to promote community service, and currently, its focus is on long-term educational assistance. Promoting the "Spreading the Seeds of Hope Program" the Foundation funds the company's collaboration with educational universities in Hsinchu and Tainan. The universities provide classrooms and employ part-time instructors to provide free remedial tutoring to students who are economically disadvantaged.

In 2013, in response to the diversified learning needs of the newly instituted 12 year education policy, the Foundation integrated with community resources to establish the "UMC Sacred Heart Learning Center" in Hsinchu. To date, more than 40 professionals comprising teachers and students from National Tsing Hua University and National Chiao Tung University, engineers from the Hsinchu Science Park and professionals from various disciplines have joined the tutoring and volunteer team. In addition to supporting the existing remedial tutoring, they also help students develop a positive learning attitude and appropriate values.

Feedback



Ke Hui-Chen

Baoshi Elementary School,
Director of Education

Each month, the students wait expectantly for the UMC Foundation visit to their school when they benefit greatly not only through the vivid stories told, but also through the unique ecological lessons taught. The selfless dedication of UMC Foundation volunteers has expanded the scope of reading for the students, broadened their reading horizon, and enabled them to learn community-mindedness and tolerance from their personal examples. Thank you, the men and women volunteers from UMC.

Other community services by the Foundation

Education for the disadvantaged / Spreading the Seeds of Hope
The "Spreading the Seeds of Hope-Educational Assistance for Children from Disadvantaged Families" program was launched at UMC's 25th Anniversary Celebration to commit corporate resources to improve the education of school children from disadvantaged families. The program offers tutoring to school children from disadvantaged families in Hsinchu and Tainan.
About 150 students participated in the tutoring program

Life Education / UMC Love storyteller club
In the 2009 Typhoon Morakot Disaster, UMC sent 600 people to help clean up disaster areas in Pingtung. After the disaster, employees formed the "UMC Love storyteller club" to harness their strength, and gave musical performances in Pingtung, Hsinchu, Tainan and other areas.
Gave 41 performances in 5 years. Through the performances, life education messages were delivered to a total audience of more than 14, 000 people.

UMC Drum Club
In July 2014, UMC Chief Executive Yen mobilized employees in Hsinchu and Southern Taiwan to form the Drum Club to reciprocate society through the theme of "Make Friends Through Drums, Move Through Love". In addition, the personal involvement of the Chief Executive helped motivate a spirit of volunteerism.
In addition to participating in the U-Drum performance in 2014, the UMC Drum Club also learned different drum music under the tutelage of a traditional drum teacher. The Club gave 15 impressive public performances to a total audience of 6,000.

Talented Class / Math Talent Cultivation Program
Conducted summer and winter Math camps for junior and senior high school students. A non-competitive, diversified curriculum was used to instill interest in math study
100 students participated in 2014.

Parent Education / IC Voice—"Be Reasonable" program by Hong Lan
UMC sponsors the IC Voice radio program, "Be Reasonable" by Teacher Hong Lan to promote correct educational perspective
Since its beginning in 2009, the sponsored program is in its 6th year.

Volunteer Activities / Storytelling volunteers
Encouraged employees to become storytellers and lead reading activities in Bao Shih elementary school in Hsinchu County. Through a diversity of themes and mediums, extra-curricular cultural materials are used to motivate reading in children.
A total of 42 sessions were conducted, totaling about 840 participants
Volunteer Activities / Letter Writing Volunteers
Adopt Children and Families Fund school children on behalf of the Foundation. In addition, employees volunteer to write letters to the adopted children to reach out and give encouragement. Such a simple friendship links the chain of love and hope.
A total of 110 children were adopted through Children and Families Fund.

4-4-4 UMC Fire Brigade and Community Service

In addition to offering assistance to the community, the UMC Fire Brigade actively participates in large-scale drills outside the company, and assists the Environmental Protection Agency in toxic chemical disaster training. Furthermore, the UMC Fire Brigade collaborates with the UMC Science and Culture Foundation to conduct safety education in elementary schools to firmly establish disaster prevention education, and community attitude and actions.

Assisting in Disaster Rescue



Assisted in disaster rescue in the Kwei Di Chemical Factory fire

Community Fire Education



Assisted the Hsinchu County / City Fire Department to promote fire safety, and collaborated with the UMC Science and Culture Foundation to conduct activities in tutoring classes. A total of 45 people were mobilized.



For more information...
<http://foundation.umc.com>

Link»

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Strategy and Analysis	G4-1	Statement from the most senior decision-maker of the organization.	From the CEO	p 1	●
	G4-2	Description of key impacts, risks, and opportunities.	2-2-2 Business Performance 2-4 Risk and Crisis Management 3-2 Energy and Greenhouse Gas Management 3-3 Water Risk Management	p 41 p 46 p 71 p 80	
Strategy and Analysis	G4-3	Name of the organization.	About UMC	p 6	●
	G4-4	Primary brands, products, and services.	About UMC	p 6	●
	G4-5	Location of the organization's headquarters.	About UMC	p 6	●
	G4-6	Number of countries where the organization operates, names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	About UMC	p 6	●
	G4-7	Nature of ownership and legal form and markets served.	About UMC	p 6	●
	G4-8	Markets served (geographic breakdown, sectors served, and types of customers and beneficiaries).	About UMC	p 6	●
	G4-9	Scale of the organization: employees, operations, sales, capitalization & quantity of services provided.	About UMC 2-2-2 Business Performance	p 6 p 41	●
	G4-10	Total number of employees by employment contract, gender, permanent employees, region, supervised workers, casual workers & significant variations in employment numbers.	4-2-1 Human Resource	p 101	● No significant changes occurred during the reporting period.
	G4-11	Percentage of total employees covered by collective bargaining agreements.	4-1 Labor Rights	p 97	● No employee labor unions were formed before the end of the reporting period. No employee to sign a collective agreement.
	G4-12	Description of the supply chain.	2-5 Sustainable Supply Chain Management	p 49	●
	G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.			● No significant changes occurred during the reporting period.
	G4-14	Precautionary approach or principle.	2-1-4 Internal Audit 2-4 Risk and Crisis Management	p 29 p 46	●
	G4-15	Subscription to externally developed economic, environmental and social charters, principles, or other initiatives.	3-2-3 Climate Challenges and Opportunities 4-1-1 Human Rights	p 71 p 97	●
	G4-16	Memberships of associations (such as industry associations) and national or international advocacy organizations.	About UMC	p 6	●

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Identified Material Aspects and Boundaries	G4-17 Entities included in the consolidated financial statements.	About UMC 2-1-7 Joint Ventures and Subsidiaries	p 6 p 31	●	For more information, please refer to the 2014 Annual Report.
	G4-18 Process for defining the report content and the Aspect Boundaries and, implementation of the Reporting Principles for Defining Report Content.	Principles for Report Compilation 1 Communication with Stakeholders	p 2 p 13	●	
	G4-19 List of all the material Aspects identified in the process for defining report content.	1 Communication with Stakeholders	p 13	●	
	G4-20 Aspect Boundary within the organization for each material aspect.	1 Communication with Stakeholders	p 13	●	
	G4-21 Aspect Boundary outside the organization for each material Aspect.	1 Communication with Stakeholders	p 13	●	
	G4-22 Effect of any restatements of information provided in previous reports, and the reasons for such restatements.			●	None.
	G4-23 Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	Principles for Report Compilation	p 2	●	This report is compiled according to the GRI/G4.0 guidelines of the Global Reporting Initiative (GRI).
Stakeholder Engagement	G4-24 List of stakeholder groups engaged by the organization.	1 Communication with Stakeholders	p 13	●	
	G4-25 Basis for identification and selection of stakeholders with whom to engage.	1 Communication with Stakeholders	p 13	●	
	G4-26 Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Principles for Report Compilation	p 13	●	
	G4-27 Key topics and concerns that have been raised through stakeholder engagement. How the organization has responded to these key topics and concerns, including through reporting. Stakeholder groups that raised each of the key topics and concerns.	Principles for Report Compilation	p 13	●	
Report Profile	G4-28 Reporting period for the information provided.	Principles for Report Compilation	p 2	●	
	G4-29 Date of most recent previous report.	Principles for Report Compilation	p 2	●	
	G4-30 Reporting cycle (such as annual, biennial).	Principles for Report Compilation	p 2	●	
	G4-31 Contact point for questions regarding the report or its contents.	Principles for Report Compilation	p 2	●	
	G4-32 In accordance' option chosen. GRI Content Index for the chosen option. Reference to the External Assurance Report.	Principles for Report Compilation	p 2	●	
	G4-33 External assurance for the report.	Principles for Report Compilation	p 2	●	Appendix: Assurance Statement

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	G4-35 Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	Sustainable Development Strategy and Organization	p 10	●	
	G4-36 Executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	Sustainable Development Strategy and Organization	p 10	●	
	G4-37 Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics.	Sustainable Development Strategy and Organization	p 10	●	
	G4-38 Composition of the highest governance body and its committees.	2-1-1 Board of Directors	p 26	●	
	G4-39 Report whether the Chair of the highest governance body is also an executive officer.	2-1-1 Board of Directors	p 26	●	
	G4-40 Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.	2-1-1 Board of Directors	p 26	●	This report is compiled according to the GRI/G4.0 guidelines of the Global Reporting Initiative (GRI).
	G4-41 Processes for the highest governance body to ensure conflicts of interest are avoided and managed and whether conflicts of interest are disclosed to stakeholders.	2-1-1 Board of Directors	p 26	●	
	G4-42 The highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	Sustainable Development Strategy and Organization	p 10	●	
	G4-43 Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	2-1 Corporate Governance	p 26	●	
	G4-44 Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Frequency and independence of the Evaluation. Report whether such evaluation is a self-assessment. Actions taken in response to the evaluation.	Sustainable Development Strategy and Organization 2-1 Corporate Governance	p 10 p 26	●	
	G4-45 The highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. The highest governance body's role in the implementation of due diligence processes. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	Sustainable Development Strategy and Organization	p 10	●	
	G4-46 The highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	Sustainable Development Strategy and Organization	p 10	●	

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General Standard Disclosures	Location	Page	External Assurance	Note/Omissions
Governance	G4-47 Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	Sustainable Development Strategy and Organization	p 10	●
	G4-48 The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	Sustainable Development Strategy and Organization	p 10	●
	G4-49 Process for communicating critical concerns to the highest governance body.	Sustainable Development Strategy and Organization	p 10	●
	G4-50 Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	Sustainable Development Strategy and Organization	p 10	●
	G4-51 Remuneration policies for the highest governance body and senior executives.	2.1.2 UMC Functional Committee /Remuneration Committee	p 28	●
	G4-52 Process for determining remuneration. Involvement of remuneration consultants in determining remuneration and whether they are independent of management. Other relationships which the remuneration consultants have with the organization.	2.1.2 UMC Functional Committee / Remuneration Committee	p 28	●
	G4-53 How stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	2.1.2 UMC Functional Committee /Remuneration Committee	p 28	●
	G4-54 he ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highestpaid individual) in the same country.	2.1.2 UMC Functional Committee / Remuneration Committee	p 28	●
Ethics and Integrity	G4-55 he ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highestpaid individual) in the same country.	2.1.2 UMC Functional Committee /Remuneration Committee	p 28	●
	G4-56 Description of the organization's values, principles, standards and norms of behavior.	2.1.5. Code of conduct and Anti-Corruption	p 29	●
	G4-57 Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity.	2.1.5. Code of conduct and Anti-Corruption	p 29	●
	G4-58 Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity.	2.1.5. Code of conduct and Anti-Corruption	p 29	●

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Category: Economic					
Material Aspects	DMA and Indicators	Location	Page	External Assurance	Note/Omissions
Economic Performance	G4-EC1 Direct economic value generated and distributed.	2-2-2 Operational Performance 4-2-2 Wages and Benefits	p 41 p 105	●	For more information, please refer to the 2014 Annual Report.
	G4-EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change.	3-2-3 Climate Challenges and Opportunities 3-2-6 Carbon Assets and Carbon Trading	p 71 p 75	●	
	G4-EC3 Coverage of the organization's defined benefit plan obligations.	4-2-2 Wages and Benefits	p 105	●	
	G4-EC4 Financial assistance received from government.			●	"For the purchase of automated machinery, research and development, and other capital expenditure, UMC is entitled to tax incentives, such as tax exemption and investment tax credits. For more information, please refer to the section on "income tax" in the 2014 Annual Report on pages 180-182 of the instructions."
Market Presence	G4-EC5 Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	4-2-2 Wages and Benefits	p 105	●	
	G4-EC6 Senior management hired from the local community at significant locations of operation.	4-2-1 Human Resource	p 101	●	
Procurement Practices	G4-EC9 Spending on local suppliers at significant locations of operation.	2-5 Sustainable Supply Chain Management	p 49	●	
Category: Economic					
Energy	G4-EN3 Energy consumption within the organization.	3-2-7 Energy Management 2-1-7 Joint Ventures and Subsidiaries	p 76 p 31	●	
	4-GEN4 Energy consumption outside of the organization.	3-2-5 Carbon Disclosure and Communication	p 75	●	
	G4-EN5 Energy intensity.	3-2-7 Energy Management	p 76	●	
	G4-EN6 Reduction of energy consumption.	3-2-7 Energy Management	p 76	●	
	G4-EN7 Reductions in energy requirements of products and services.	3-4 Green Product	p 89	●	
Water	G4-EN8 Total water withdrawal by source.	3-3-1 Factory Water Source	p 80	●	
	G4-EN9 Water sources significantly affected by withdrawal of water.	3-3-1 Factory Water Source	p 80	●	
	G4-EN10 Percentage and total volume of water recycled and reused.	3-3-3 Water Conservation During Manufacturing	p 81	●	
Emissions	G4-EN15 Direct greenhouse gas (GHG) emissions (Scope 1).	3-2-5 Carbon Disclosure and Communication	p 75	●	
	G4-EN16 Energy indirect greenhouse gas (GHG) emissions (Scope 2)	3-2-5 Carbon Disclosure and Communication	p 75	●	
	G4-EN17 Other indirect greenhouse gas (GHG) emissions (Scope 3).	3-2-5 Carbon Disclosure and Communication	p 75	●	
	G4-EN18 Greenhouse gas (GHG) emissions intensity.	3-2-5 Carbon Disclosure and Communication	p 75	●	

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Category: Economic					
Material Aspects	DMA and Indicators	Location	Page	External Assurance	Note/Omissions
Emissions	G4-EN19 Reduction of greenhouse gas (GHG) emissions.	3-2-4 Measures for Mitigation Climate Change	p 72	●	
	G4-EN20 Emissions of ozone-depleting substances (ODS).	3-1-1 Green Factories and Buildings	p 60	●	
	G4-EN21 NOx, SOx, and other significant air emissions.	3-1-1 Green Factories and Buildings	p 60	●	
Effluents and Waste	G4-EN22 Total water discharge by quality and destination.	3-3-4 Water Pollution Control	p 85	●	
	G4-EN23 Total weight of waste by type and disposal method.	3-1-3 Clean Production	p 63	●	
	G4-EN24 Total number and volume of significant spills.	NA		●	No spills occurred during the reporting period.
	G4-EN25 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention.	3-1-3 Clean Production	p 63	●	
	G4-EN26 Water bodies and related habitats that are significantly affected by water discharges.	3-3-4 Water Pollution Control	p 85	●	
Products and Services	G4-EN27 Extent of impact mitigation of environmental impacts of products and services.	3-4 Green Product	p 89	●	
	G4-EN28 Percentage of products sold and their packaging materials that are reclaimed by category.	3-4 Green Product	p 89	●	
Compliance	G4-EN29 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	3-1-4 Environmental Accounting	p 70	●	No non-compliance with environmental laws and regulations occurred during the reporting period.
Overall	G4-EN31 Total environmental protection expenditures and investments by type.	3-1-4 Environmental Accounting	p 70	●	
Supplier Environmental Assessment	G4-EN32 Percentage of new suppliers that were screened using environmental criteria.	2-5 Sustainable Supply Chain Management	p 49	●	
	G4-EN33 Significant actual and potential negative environmental impacts in the supply chain and actions taken.	2-5 Sustainable Supply Chain Management	p 49	●	
Environmental Grievance Mechanisms	G4-EN34 Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.	2-1-5 Code of conduct and Anti-Corruption	p 29	●	There were no cases during the reporting period.
Category : 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.	4-2-1 Human Resource	p 101	●	
	G4-LA2 Benefits provided to full-time employees that are not provided to temporary or parttime employees, by significant locations of operation.	4-2-2 Wages and Benefits	p 105	●	
	G4-LA3 Return to work and retention rates after parental leave, by gender.	4-2-1 Human Resource	p 101	●	

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Category : Labor Practices and Decent Work					
Material Aspects	DMA and Indicators		Location	Page	External Assurance
Labor/Management Relations	G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	4-1 Labor Rights 4-1-1 Human rights	p 97 p 97	●
Occupational Health and Safety	G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	4-3-2 Safe Work Environment	p 119	●
	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of workrelated fatalities, by region and by gender.	4-3-2 Safe Work Environment	p 119	●
	G4-LA7	Workers with high incidence or high risk of diseases related to their occupation.	4-3-2 Safe Work Environment	p 119	●
	G4-LA8	Health and safety topics covered in formal agreements with trade unions	4-3-2 Safe Work Environment	p 119	● Health and safety issues were discussed by the ESH Committee.
Training and Education	G4-LA9	Average hours of training per year per employee by gender, and by employee category.	4-2-3 Education and Training	p 107	● No reporting by employee category. The information is currently unavailable. Employee category-specific data will be reported from 2016, once our new HR information system has been implemented.
	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	4-2-3 Education and Training	p 107	●
	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	4-2-3 Education and Training	p 107	●
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.	4-2-1 Human Resource	p 101	●
Equal Remuneration for Women and Men	G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	4-2-2 Wages and Benefits	p 105	●
Supplier Assessment for Labor Practices	G4-LA14	Percentage of new suppliers that were screened using labor practices criteria.	2-5 Sustainable Supply Chain Management	p 49	●
	G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.	2-5 Sustainable Supply Chain Management	p 49	●
Labor Practices Grievance Mechanisms	G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.	4-1 Labor Rights 4-1-1 Human rights	p 97 p 97	●

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Category :Human Rights						
Material Aspects	DMA and Indicators		Location	Page	External Assurance	Note/Omissions
Investment	G4-HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	NA		●	No significant investment agreements and contracts were signed during the reporting period.
	G4-HR2	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	4-1-1 Human rights	p 97	●	
Non-discrimination	G4-HR3	Total number of incidents of discrimination and corrective actions taken.	4-1-1 Human rights	p 97	●	None for discriminatory incidents.
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.	4-1-1 Human rights	p 97	●	
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.	4-1-1 Human rights	p 97	●	
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.	4-1-1 Human rights	p 97	●	
Assessment	G4-HR9	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	4-1-1 Human rights	p 97	●	
Supplier Human Rights Assessment	G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	2-5 Sustainable Supply Chain Management	p 49	●	
	G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken.	2-5 Sustainable Supply Chain Management	p 49	●	
Human Rights Grievance Mechanisms	G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.	2-1-5 Code of conduct and Anti-Corruption	p 29	●	There were no cases during the reporting period.
			4-1-1 Human rights	p 97		
Category :Society						
Anti-corruption	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	2-1-5 Code of conduct and Anti-Corruption 4-1-1 Human rights	p 29 p 97	●	
	G4-SO4	Communication and training on anti-corruption policies and procedures.	2-1-5 Code of conduct and Anti-Corruption 4-1-1 Human rights	p 29 p 97	●	
	G4-SO5	Confirmed incidents of corruption and actions taken.	NA		●	No business units have been analyzed for risks related to corruption.

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Category :Society					
Material Aspects	DMA and Indicators	Location	Page	External Assurance	Note/Omissions
Anti-competitive Behavior	G4-SO7 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	2-1-6 Legal Compliance	p 29	●	UMC is not involved in legal actions for anticompetitive behavior, anti-trust, and monopoly practices during the reporting period.
Anti-competitive Behavior	G4-SO8 Monetary value of significant fines and total number of nonmonetary sanctions for non-compliance with laws and regulations.	2-1-6 Legal Compliance	p 29	●	UMC is not involved in legal actions for anticompetitive behavior, anti-trust, and monopoly practices during the reporting period.
Supplier Assessment for Impacts on Society	G4-SO9 Percentage of new suppliers that were screened using criteria for impacts on society.	2-5 Sustainable Supply Chain Management	p 49	●	
	G4-SO10 Significant actual and potential negative impacts on society in the supply chain and actions taken.	2-5 Sustainable Supply Chain Management	p 49	●	
Grievance Mechanisms for Impacts on Society	G4-SO11 Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.	2-1-5 Code of conduct and Anti-Corruption	p 29	●	There were no cases during the reporting period.
Category :Product Responsibility					
Product and Service Labeling	G4-PR3 Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements..	About UMC	p 6	●	
	G4-PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	2-1-6 Legal Compliance	p 29	●	No non-compliance with laws and regulations occurred during the reporting period.
	G4-PR5 Percentage of new suppliers that were screened using criteria for impacts on society.	2-3-2 Improving Customer Satisfaction	p 45	●	
Customer Privacy	G4-PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	2-1-6 Legal Compliance	p 29	●	There were no cases during the reporting period.
Compliance	G4-PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	2-1-6 Legal Compliance	p 29	●	No non-compliance with laws and regulations occurred during the reporting period.

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Category :Others					
Material Aspects	DMA and Indicators	Location	Page	External Assurance	Note/Omissions
Innovation Management	Other-1 Innovative new products and technologies	2-2 Innovative Management	p 39	●	
Risk Management	Other-2 Business continuity, risk management and control	2-4-2 Business Continuity Management	p 46	●	
Environmental Management	Other-3 Environmental management system progress and outcome	3-1 Green Factory	p 60	●	
Chemical Use	Other-4 Hazardous substance management and reduction outcome	3-4-1 Hazardous Substance Management	p 89	●	
Employee Communication	Other-5 Employee communication, support and solidarity	4-3-1 Healthy Workplace	p 114	●	
Social Welfare	Other-6 Company charitable and community involvement	3-5 Green Concept	p 94	●	
		4-4 Social Commitment and Participation	p 125		

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ISO 26000 Index

Core subjects	Issues	Related CS Report	Page(s)	Core subjects	Issues	Related CS Report	Page(s)
Organizational	Decision-making processes and structures	Sustainable Development Strategy and Organization	p 10	Human rights	Due diligence	2-5 Sustainable Supply Chain Management 4-1-1 Human rights	p 49 p 97
Labor practices	Employment and employment relationships	4-2 Recruitment and Cultivation	p 101		Human rights risk situations	2-5 Sustainable Supply Chain Management 4-1-1 Human rights	p 49 p 97
	Conditions of work and social protection	4-1-1 Human rights 4-3 Healthy and Safe Workplace	p 97 p 114		Avoidance of complicity	2-1 Corporate Governance 4-1-1 Human rights	p 26 p 97
	Social dialogue	1.Communication with the Stakeholders 4-1-2 Labor-Management Communication	p 13 p 99		Resolving grievances	4-1-1 Human rights 4-1-2 Labor-Management Communication	p 97 p 99
	Health and safety at work	4-3-1 Healthy Workplace 4-3-2 Safe Work Environment	p 114 p 119		Discrimination and vulnerable groups	4-1-1 Human rights 4-4 Community Service	p 97 p 97
	Human development and training in the workplace	4-2-3 Education and Training	p 107		Civil and political rights	4-1-1 Human rights	p 125
					Economic, social and cultural rights	4-4 Community Service	p 97
					Fundamental principles and rights at work	4-1 Labor Rights	p 125 p 97
The environment	Prevention of pollution	3-1.3 Clean Production 3-3-4 Water Pollution Control	p 63 p 85	Fair operating	Anti-corruption	2-1-5 Code of conduct and Anti-Corruption	p 29
	Sustainable resource use	3-1.3 Clean Production 3-2-7 Energy Management	p 63 p 76		Responsible political involvement		Note
	Climate change mitigation and adaptation	3-2 Energy and Greenhouse Gas Management	p 71		Fair competition	4-1-1 Human rights	p 97
	Protection of the environment, biodiversity and restoration of natural habitats	3-1-1 Green Factories and Buildings	p 60		Promoting social responsibility in the value chain	2-5 Sustainable Supply Chain Management	p 49
					Respect for property rights	2-1-6 Legal Compliance	p 29

Note: UMC did not provide any political donations in the reporting year.

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Core subjects	Issues	Related CS Report	Page(s)	Core subjects	Issues	Related CS Report	Page(s)
Consumer issues	Fair marketing, factual and unbiased information and fair contractual practices	2-1 Corporate Governance	p 26	Community involvement and development	Community involvement	4-4 Community Service	p 125
	Protecting consumers' health and safety	3-4.Green Product	p 89		Education and culture	4-2-4 Cultivating Prospective Talents	p 112
	Sustainable consumption	2-5 Sustainable Supply Chain Management	p 49		Employment creation and skills development	4-4-1 Community Service Participation	p 125
		2-5-7 Conflict Minerals Management	p 55			2-2 Innovation Management	p 39
	Consumer service, support, and complaint and dispute resolution	2-3 Customer Service	p 44			4-2 Recruitment and Cultivation	p 101
	Consumer data protection and privacy	2-3 Customer Service	p 44	Technology development and access	Wealth and income creation	4-2-4 Cultivating Prospective Talents	p 112
	Access to essential services	2-3 Customer Service	p 44			2-2 Innovation Management	p 39
	Education and awareness	2-3 Customer Service	p 44			4-4-1 Community Service Participation	p 125
				Health		4-4 Community Service	p 125
						4-4-2 Promote UMC volunteer culture	p 130
				Social investment		4-4 Community Service	p 125

Assurance Statement

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ASSURANCE STATEMENT

SGS TAIWAN LTD.'S INDEPENDENT ASSURANCE REPORT ON SUSTAINABILITY ACTIVITIES IN THE UNITED MICROELECTRONICS CORPORATION'S CORPORATE SOCIAL RESPONSIBLE REPORT OF 2014

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by UNITED MICROELECTRONICS CORPORATION (hereinafter referred to as UMC) to conduct an independent assurance of the Corporate Social Responsible Report (hereinafter referred to as CSR Report) of 2014. The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and data in accompanying tables contained in this report.

The information in the UMC's CSR Report of 2014 and its presentation are the responsibility of the superintendents, CS committee and the management of UMC. SGS has not been involved in the preparation of any of the material included in the UMC's CSR Report of 2014. Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance set out below with the intention to inform all UMC's stakeholders.

The SGS Group has developed a set of protocols for the Assurance of Sustainability Reports based on current best practice guidance provided in the Global Reporting Initiative (hereinafter referred to as GRI) Sustainability Reporting Guidelines and the AA1000 Assurance Standard (2008). These protocols follow differing options for Assurance depending the reporting history and capabilities of the Reporting Organization.

This report has been assured using our protocols for:

- evaluation of content veracity at a high level of scrutiny for UMC and moderate level of scrutiny for subsidiaries, joint ventures, and applicable aspect boundaries outside of the organization covered by this report ;
- evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2008);
- evaluation of the report against the GRI Sustainability Reporting Guidelines (G4 2013).

The assurance comprised a combination of pre-assurance research; interviews with relevant superintendents, CS committee members and the management; documentation and record review and validation with external bodies and/or stakeholders where relevant. Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirms our independence from UMC, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, EICC, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within UMC's CSR Report of 2014 verified is accurate, reliable and provides a fair and balanced representation of UMC sustainability activities in 01/01/2014 to 12/31/2014.

The assurance team is of the opinion that the report can be used by the Reporting Organization's Stakeholders. We believe that the organization has chosen an appropriate level of assurance for this stage in their reporting. The report is the seventh to be assured by an independent assurance team and UMC has taken a bold step by offering the report to evaluation against both GRI G4 guidelines and the AA1000 Assurance standard. This shows a deserved confidence in their reporting process.

In our opinion, the contents of the report meet the requirements of GRI G4 Comprehensive Option and AA1000 Assurance Standard (2008) Type 2, High level assurance.

AA1000 ACCOUNTABILITY PRINCIPLES CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity

UMC is committed to being accountable to its stakeholders and to integrating inclusivity into its strategic and management approach. A variety of engagement efforts such as survey and communication to employees, customers, investors, local communities, suppliers and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, UMC may proactively consider having more direct involvement of stakeholders during future engagement.

Materiality

UMC has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders. It is recommended that the process and criteria applied to assess materiality to be formalized and documented to ensure better consistent result in future reporting.

Responsiveness

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback. Future reporting would benefit from more reporting on the results of stakeholder feedback from this report.

GLOBAL REPORTING INITIATIVE REPORTING GUIDELINES CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, UMC's CSR Report of 2014, is adequately in line with the GRI G4 Comprehensive Option. The material aspects and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material aspects and boundaries, and stakeholder engagement, G4-17 to G4-27, are correctly located in content index and report. More disclosure on Disclosure on Management Approach within the organization entities, supply chain management and material aspects having boundaries outside of the organization are encouraged in future reporting.

Signed:

For and on behalf of SGS Taiwan Ltd.



AA1000
Licensed Assurance Provider
000-8

Dennis Yang, Chief Operating Officer
Taipei, Taiwan
13 May, 2015
WWW.SGS.COM

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