



**2021**

**Sustainability Report**

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# About this Report

Welcome to the Environmental, Social, and Governance Report (ESG Report) of Tai-Tech Advanced Electronics Co., Ltd. (hereinafter referred to as Tai-Tech). This report can be downloaded from the Corporate Social Responsibility section on Tai-Tech's official website. This report is voluntarily prepared, primarily to present Tai-Tech's ESG efforts in 2021 for the reference of our stakeholders. Tai-Tech published its first Corporate Social Responsibility report (now renamed Sustainability Report) in September 2021. Subsequently, a sustainability report will be published regularly each year to meet the expectations of various fields for the sustainable operation of the Company.

## Basis for Preparation

This report is formulated with reference to the requirements of the core standard options established by the Global Reporting Initiative (GRI) and the United Nations Sustainable Development Goals (SDGs) requirements. The goal is to disclose Tai-Tech's management policies and implementation performance on major environmental, social, and governance topics. An accounting firm audited the financial performance disclosed in this report. All amounts are in New Taiwan dollars (NT\$) unless otherwise specified.

## Reporting Period and Scope

This report discloses the ESG-related performance and achievement of Tai-Tech's main operating locations in Taiwan in 2021 (2021/01/01 to 2021/12/31). Some information is traced back to 2020 (2020/01/01 to 2020/12/31) to provide comparable data. For environmental information, only the Yangmei Plant's data has been collected. The scope of data collection will be gradually expanded in the future.

Moreover, since the data of subsidiaries in mainland China has not been fully collected, their ESG-related performance is excluded from this report. However, some chapters also disclose the information collected by the subsidiaries to demonstrate the efforts of Tai-Tech on relevant major issues. In the future, the mainland subsidiary will refer to the ESG-related actions of the Taiwan head office to collect comprehensive information. The relevant performance information is expected to be disclosed starting in 2022.

## Internal Review

The information and data in this report were disclosed after a three-stage internal review. In the first stage, the responsible personnel at each department provided information, which was then reviewed by the head of the department; in the second stage, the Finance and Accounting Department compiled the information and completed the report content after confirmation by each department; in the final stage, after this report was verified and approved by the President and the Chairman, it was released to the public.

## Report Certification

In this report, PwC Taiwan was commissioned to implement limited independent assurance for the selected indicators according to the ROC Assurance Standards Bulletin No. 1, “Assurance Cases for Audits or Reviews of Non-historical Financial Information.” The assurance report is attached to the Appendix of this report.

## Contact methods

If you have any suggestions or advice regarding this report, please feel free to provide your valuable comments or contact us directly:

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▲ Code of Practice for Sustainable Development Page

## Overview of issuance

Date of first publication: September 2021

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Current edition publication date: September 2022

Next edition publication date: September 2023

# Statement from the Management Team

## Messages from the Chairman and the President

Dear friends who care about Tai-Tech's sustainable development:

In 2021, the COVID-19 epidemic spread worldwide, and Taiwan went into level-3 alert for the first time. The various problems caused by COVID-19, such as market consumption pattern changes, electronics material shortages, poor logistics, cargo congestion at ports, energy shortages, and disasters caused by extreme weather due to climate change have all posed severe challenges to us.

During these challenging times, the professionalism and hard work of the entire team and the support of all stakeholders enabled Tai-Tech to maintain steady growth.

Throughout 2021, the industry's focus gradually shifted to the growth of technological innovation applications such as high-speed networking, high-speed computing, 5G, the Internet of Things, and future vehicles.

Although clients were affected by shortages of IC chips, and the supply chain experienced a long period of material shortages throughout the year that harmed output of electronic products, the Company was still able to take advantage of opportunities due to the rise in demand in fields of application by increasing production capacity of various lines to differing degrees. In terms of both revenue and profit, 2021 saw further improvements over the 2020 record highs. Consolidated revenue reached NT\$6,165,281,000 in 2021, and increase of 37.7% over 2020. Consolidated gross profit of products amounted to NT\$2,135,564,000 (gross profit margin of 34.6%), an increase of 46.3% over 2020. With such fruitful results, we will continue to strengthen our business and market development to maintain our long-term competitiveness in the market.

While pursuing economic performance, we also strive to achieve sustainable operations for the enterprise.

We are committed to the work of taking the environmental (E), social responsibility (S), and corporate governance (G) aspects into account. Each department of the Company has established key performance indicators (KPIs) for ESG-related operations, which are implemented in daily operation management in pursuit of high KPI achievement rates. By integrating the joint investment of various departments and exerting substantial influence, the overall operation can achieve its sustainability objectives.

The environmental aspect (E): In response to the transformation trends in the electronics manufacturing industry in recent years, Tai-Tech has also paid close attention to the potential impact of our business models on the environment and is committed to the goal of eco-friendly and low-carbon transformation. In terms of product design, Tai-Tech is committed to product R&D and innovative technologies that conform to green design. We aim to design new products on a basis of environmental protection and energy conservation, and develop forward-looking, critical industrial technologies. Regarding supply chain management, Tai-Tech aims to build a supply chain ecology using the “common goal, symbiosis, co-prosperity, and localization” strategy. We have followed green procurement strategies over the years. In 2021, we were publicly praised by the Environmental Protection Agency as an “Outstanding Private Enterprise and Organization Unit for Green Procurement” for the 5th consecutive year. We also required our suppliers to submit hazardous substance-free certificates to ensure that all products conform with our eco-friendly goal. In terms of operation and management, Tai-Tech has developed the capability for greenhouse gas inventory, and has disclosed the direct and indirect greenhouse gas emissions of various energy consumption in this report.

Tai-Tech introduced ISO 14001 environmental management system certification standards in 2003. We have drawn up various projects for industrial waste reduction and energy consumption reduction according to circular economy policies, and set environmental goals every year to conserve electricity and water and reduce waste while regularly assessing the effectiveness of implementing the projects.

Since 2015, Tai-Tech has surpassed legal requirements for 6 consecutive years, with an average annual power conservation rate of 1.74%.

We achieved a brilliant 3.2% total water conservation rate in 2021. In addition to saving water and electricity, Tai-Tech is committed to reducing possible pollution caused by its processes. In 2021, the factory's primary treatment facilities treated 100% of the electroplating high-concentration waste liquid. The Company was not involved in any environmental, waste removal, or pollution violations during operations. We also actively cooperate with suppliers to facilitate waste recycling and reuse. The recycling rate of electroplating sludge reached 97.7% in 2021 gradually realizing the vision of zero-pollution green manufacturing.

In terms of social responsibility (S), as a people-oriented company, Tai-Tech focuses on establishing stable and harmonious relationships with external stakeholders, including employees and the community. We take good care of our employees' health and needs in all aspects, provide excellent remuneration and benefits, offer comprehensive education and training, and a healthy and friendly work environment while giving back. We have leveraged our power as an enterprise to invest in social care and enable Tai-Tech to become a model enterprise for driving the progress of the community.

In terms of corporate governance (G), we have actively complied with the laws and regulations to implement internal control systems, risk management systems, and internal management methods while establishing a sound corporate governance model. We have formulated the Ethical Corporate Management Best Practice Principles to lay a solid foundation for a corporate culture centered on ethical management. In addition to prohibiting all unethical conduct, it specifies a punishment and complaint system for employees involved in unethical conduct. In the future, a report on the implementation of corporate ethical management will be submitted to the Board of Directors every year. We have actively improved internal governance standards by strictly adhering to the Insider Trading Prevention Management Method, Code of Integrity, and Anti-Corruption Management Method to meet the expectations of all shareholders and investors.

Although the external environment is still full of future challenges, and we are in the ever-changing electronics industry, over the past decade, Tai-Tech has always stepped forward to actively respond to various challenges.

Tai-Tech has also continued to improve by identifying risks, adjusting strategies, and speedily grasping market evolution trends. In the future, we will continue to uphold our business philosophy of focusing on our core business and implementing pragmatic management, enhancing the Company's sustainable operation, and striving to become one of the world's top-rated suppliers of inductive components.



Chairman

President

謝明忠

謝明良

# About Tai-Tech Advanced Electronics

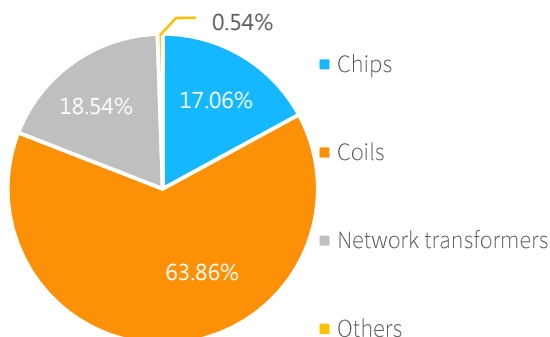
## Company Profile



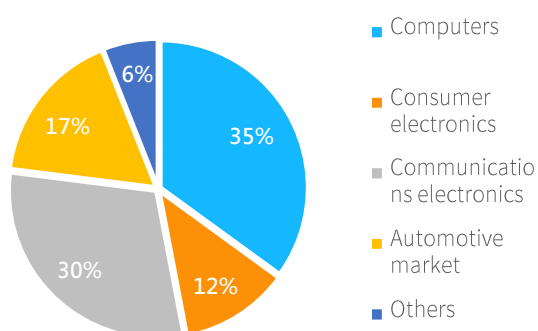
<b>Company name</b>	Tai-Tech Advanced Electronics Co., Ltd.	<b>Location of Headquarters</b>	No.1 You 4th Rd., Yangmei Dist., Taoyuan City, Taiwan
<b>Date of Incorporation</b>	November 2, 1992	<b>Main Sites of Operations</b>	Headquarters in Taoyuan, Si-hong Plant, and KunShan Plant
<b>Date of being listed on Taipei Exchange</b>	April 27, 2021	<b>Capital</b>	NT\$1,031,340,000
<b>Chairman</b>	Hsieh, Ming-Yen	<b>Number of Employees</b>	543 people (including full-time and part-time employees in Taiwan, as of Friday, December 31, 2021)
<b>President</b>	Hsieh, Ming-Liang		

Tai-Tech Advanced Electronics Co., Ltd. has been operating for more than 45 years since its predecessor, North West Electric Engineering Industry Co., Ltd., was established. With years of experience in magnetic material technology and vertically integrated manufacturing capabilities, the Company has competitive advantages in diverse inductive products and highly automated production capabilities, and therefore has laid a solid foundation in the inductive and magnetic components industry. In terms of product portfolio, our three major categories of products are chips, coils, and network transformers.

**Product Revenue Shares**



**Market Share of Product Applications**



## Overview of Operations

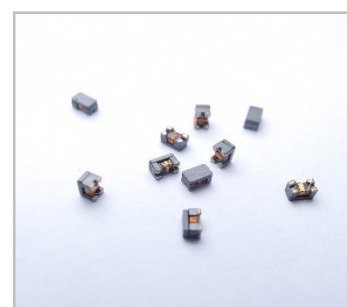
As the functions of electronic products continue to evolve and the specifications of magnetic and inductive components continue to be improved, electronic products are higher speed, lighter, thinner, shorter, and smaller. Thus, Tai-Tech' s main products have been developed in the direction of high frequency, thinning, low loss, high power, and high current resistance. In addition, in response to the global trend of automated production, we consider automated production in the early design stages of the development of each product. With rising environmental awareness in the market, green requirements for electronic components have become more stringent. The above-mentioned trends will shape the future direction of the Company' s product development.

In response to the trend of smart manufacturing and green factories, we have steadily promoted our own annual management goals for energy conservation, water conservation, and waste reduction over the years. In the future, we will continue to invest in pollution prevention, energy conservation, and waste reduction to actively reduce the impact of our operating procedures on the environment, while developing first-class durable products with low energy consumption. We will also leverage our strong research and development (R&D) and manufacturing capabilities accumulated over the years to provide clients and the market with the most competitive and forward-looking solutions.

In addition to enhancing the competitiveness of our core business, we actively participate in relevant associations and organizations to communicate and brainstorm new ideas with businesses in the same industry and connect the influences of various companies and organizations to deepen our social participation.



▲ TXF Series



▲ WCM Series

## Relevant Associations

Name of Association	Membership Status
Taiwan Electrical and Electronic Manufacturers' Association	Members
Association of Cubs Industry, Taoyuan City	Members
Taoyuan City Industrial Association	Members



▲ Taiwan Electrical and Electronic Manufacturers' Association



▲ Taoyuan City Industrial Association



▲ Association of Cubs Industry, Taoyuan City

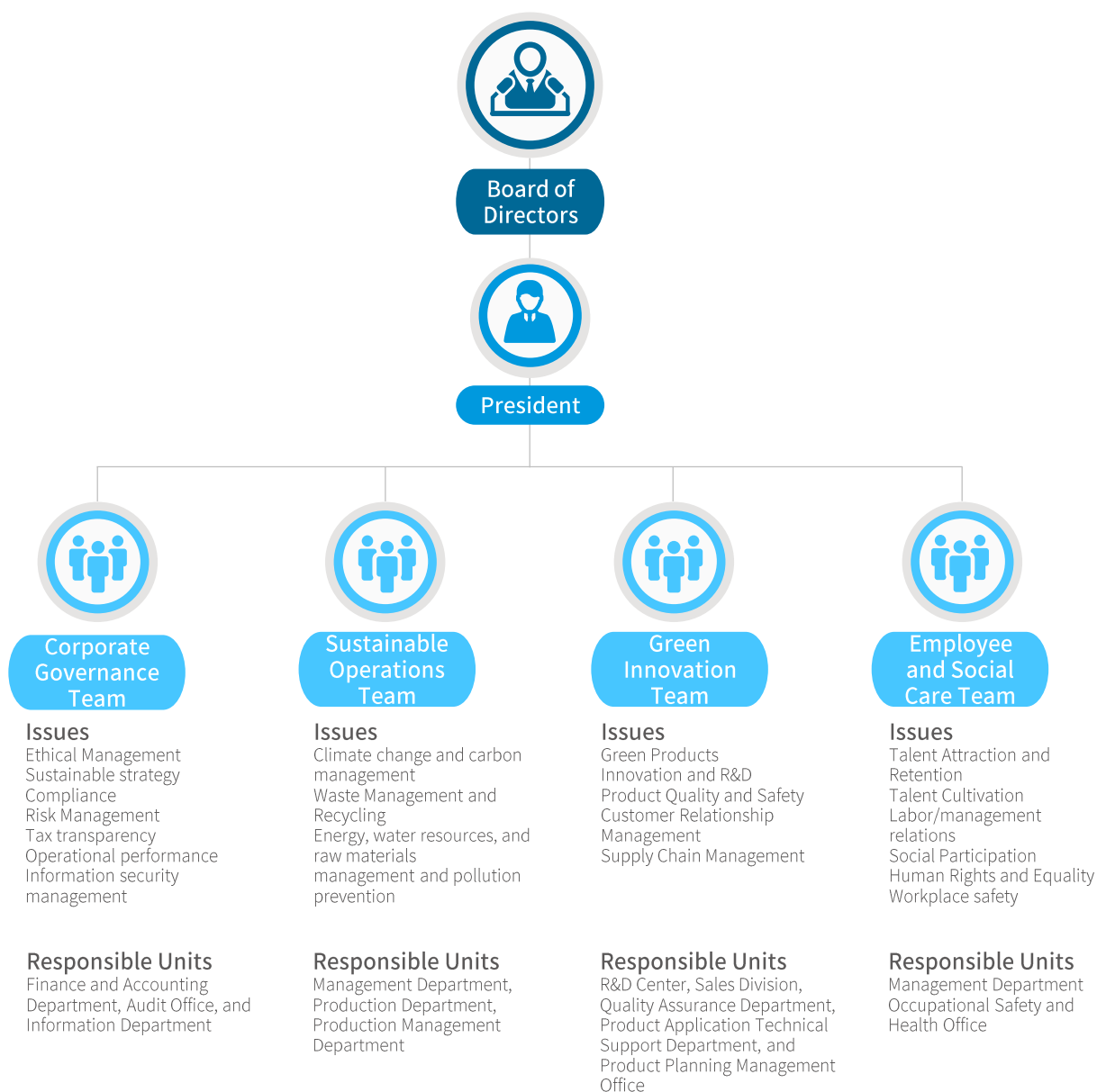


# Sustainability Goals and Vision

## Corporate Sustainability Management Organization

To actively manage the sustainability information in the organization and implement a mechanism for systematic interdepartmental collaboration in the execution and planning of sustainable business, Tai-Tech has set up a corporate sustainability report preparation team. The team assigns sustainability issues to corresponding units for management based on the four major aspects of corporate governance: Corporate governance, sustainable operation, green innovation, and employee and social care, to meet our stakeholders' expectations. To facilitate the implementation of ESG affairs inside and outside the organization, the decision-making and division of powers and responsibilities for relevant topics are handled by the head of each department as authorized by the President. The departments regularly report the status of project implementation and resource requirements to the President and the Board of Directors to keep track of progress and provide necessary resources in a timely manner.

### ESG Affairs Organizational Chart



## Sustainability Goals and 2021 Performance Highlights

Tai-Tech prides itself as a value driver in the industrial chain. Enterprise management should not only increase its own economic value but also create value for the environment, society, and all stakeholders. We cannot achieve this goal alone; instead, we need to work with the entire industrial chain, upstream and downstream, to make it happen. We have thoroughly examined the various risk factors our business will be exposed to in today's world of climate change, epidemics, trade wars, and taken stock of our organization's core competencies and main vision, to develop a transformation roadmap that allows creation of maximum value while holding to the United Nations Sustainable Development Goals (SDGs), linking sustainable governance with operational activity. We also set and plan various indicators and targets to enhance sustainable competitiveness.

	Tai-Tech's 2021 SDG Operating Results and Performance Highlights	Corresponding Chapter
<p>3 良好健康與社會福利</p>	<ul style="list-style-type: none"> <li>➢ In 2021, the medical examination rate in Taiwan was 100%, and NT\$220,640 was paid out.</li> <li>➢ The Company paid group insurance premiums in full, and strengthened insurance according to previous plans. The total insured amount was NT\$987,708 in 2021, and there were 26 subsidies this year, totaling NT\$232,317.</li> </ul>	4.2.3 Benefits Policy
<p>4 優質教育</p>	<ul style="list-style-type: none"> <li>➢ The average training hours per employee in 2021 was about 9.3 hours, an increase of 2.8 hours over 2020. Employees in supervisory positions received an average of 23.45 training hours, and those in non-supervisory posts received 7.25 training hours.</li> <li>➢ In 2021, 988.5 hours of core/general function courses covering newcomer training, anti-corruption education and training, trade secret laws, English courses, international trade practices, etc., were provided.</li> <li>➢ In 2021, 369 hours of professional function courses covering R&amp;D, quality assurance, auditing room, accounting, etc., were provided. The amount invested was NT\$312,075.</li> <li>➢ In 2021, 2,437.5 hours of occupational safety and health courses, such as general safety and hygiene education, training for recruits, and on-the-job training courses were provided for. The total amount invested was NT\$41,287.</li> <li>➢ In 2021, the Company invested 1,260 hours and NT\$393,760 in providing fully subsidized bachelor's, master's, and doctoral degree courses.</li> <li>➢ The 2021 education and training satisfaction survey indicated that the average satisfaction rate was 4.6 (out of 5).</li> </ul>	4.3.1 Talent Cultivation  4.3.2 Education & Training Satisfaction Rate
<p>5 性別平等</p>	<ul style="list-style-type: none"> <li>➢ Tai-Tech abides by International Bill of Human Rights, including those regarding issues such as gender equality, freedom of association, the right to collective bargaining, care for disadvantaged groups, prohibition of child labor, elimination of all forms of forced labor, and elimination of employment discrimination, and affirms that our human resources policy does not discriminate against employees based on gender, race, socioeconomic status, age, marriage, or family conditions, in order to ensure equality and fairness in employment, conditions of employment, remuneration and benefits, training, evaluation, and promotion opportunities.</li> </ul>	4.1.1 Employee Composition and Diversity

	Tai-Tech' s 2021 SDG Operating Results and Performance Highlights	Corresponding Chapter
	<ul style="list-style-type: none"> <li>➤ Listed on the OTC market on April 27, 2021</li> <li>➤ Consolidated revenue in 2021 increased by 37.7%, consolidated gross profit of products increased by 46.3%, operating profit increased by 49.5%, and the net income after tax increased by 62.9%.</li> <li>➤ Formulated relevant personnel regulations according to local labor laws and regulations, to protect basic labor rights, regardless of nationality. In 2021, the employment of Indigenous people increased from 1.29% to 2.21%, the employment of new immigrants increased from 2.15% to 2.58%, and the employment of foreigners increased from 26.88% to 29.28%.</li> <li>➤ In 2021, the median salary of full-time employees in non-supervisory positions was NT\$788,000, an increase of NT\$141,000 over 2020.</li> <li>➤ In 2021, the employee satisfaction target was raised from 64% to 77.4%, and the questionnaire return rate target was increased from 95% to 97%.</li> </ul>	1.1.3 Operational performance 4.1.1 Employee Composition and Diversity 4.2.1 Remuneration System 4.2.6 Employee Satisfaction Survey
	<ul style="list-style-type: none"> <li>➤ We set approval of 3 patent applications as our goal for 2021, and 10 patents were approved that year.</li> <li>➤ Our goal for 2021 was to create at least 3 new products, and over 5 products were actually completed.</li> <li>➤ Integrate green concepts into product R&amp;D</li> </ul>	2.1.1 Intellectual Property Management 2.1.2 R&D Blueprint Green Concept Products Column
	<ul style="list-style-type: none"> <li>➤ In 2021, the total output of electroplating sludge was 191.99 metric tonnes. 187.63 metric tonnes were reused, and 4.36 tonnes were cured; the reuse rate was 97.7%.</li> <li>➤ In 2021, the target for local procurement of raw materials was 80%, and the actual performance was 87%. The target for local procurement of goods was 50%, and the actual performance was 54%.</li> <li>➤ In 2021, no supplier transaction was involved in any serious adverse environmental and societal damage.</li> </ul>	3.3 Waste Management 2.2.6 Sustainable Procurement
	<ul style="list-style-type: none"> <li>➤ Compliant with government policy whereby the average annual power savings rate for large energy users is 1%. Power savings in 2021: 278,906 kWh, power saving rate: 1.06%. The average annual electricity savings rate from 2015 to 2021 was 1.74%.</li> <li>➤ Although energy use increased in 2021, the energy intensity per revenue unit decreased by 9.9%.</li> <li>➤ Although overall operations in 2021 increased over 2020, total water intake decreased by 4,812 tonnes, a reduction of 3.2%.</li> <li>➤ The ROR wastewater plant reused 22,057 tonnes of water in 2021, for a water recycling rate of 15.3%.</li> <li>➤ In 2021, Tai-Tech was publicly praised by the Environmental Protection Agency as an Outstanding Private Enterprise and Organization Unit for Green Procurement for the 5th consecutive year.</li> </ul>	3.1 Energy Management 3.2 Water Resources Management 2.2.6 Sustainable Procurement
	<ul style="list-style-type: none"> <li>➤ Establish a complete complaint and response system to prevent illegal harm and corruption incidents. No employee harassment (not limited to sexual harassment), human rights and equality violations, or other serious labor complaints occurred in 2021.</li> </ul>	1.2.6 Compliance

# Stakeholder Engagement

We attach great importance to interaction with stakeholders. Regardless of the impact caused by Tai-Tech or the impact on Tai-Tech, organizations, groups, and individuals are all Tai-Tech's stakeholders, and we welcome any comments and feedback on the Company at any time. To focus on communication, through the five major principles of the AA1000 Stakeholder Engagement Standard (SES)-2011 (dependency, responsibility, influence, diverse perspectives, and tension), we have identified six major categories of stakeholders: clients, employees, government agencies, suppliers/contractors, shareholders/investors, and banks. For these six categories of stakeholders, we reviewed the risks and opportunities in our operations to develop feasible responses and action policies for their main issues of concern. In the future, we will refer to the opinions of stakeholders as an important basis for developing corporate sustainability management approaches and visions.

## Channels of Communication With Stakeholders

Stakeholders	Importance to Tai-Tech	Communication Mechanism	Communication Frequency
Clients	An enterprise's sustainable operation is built on clients' trust. An enterprise can only grow steadily with a stable and positive model of interaction in place	E-mail	Daily
		Telephone	Daily
		Communication software	Weekly
		Visits	Weekly
		Video calls	From time to time
Employees	Employees are the Company's most important asset and the basic foundation for growth	Labor-management meeting	Quarterly
		Suggestion box	From time to time
		Employee Welfare Committee meeting	Quarterly
		Employee Satisfaction Survey	Annually
Government Agencies	All products and services should comply with laws and regulations and are subject to government agencies' supervision	Official letter by email	From time to time
		Official letter	From time to time
		Telephone	From time to time
		E-mail	From time to time
Suppliers/Contractors	Only by working closely with value chain partners can we provide market-competitive products and services	External audit operations of business waste cleaning contractors	Annually
		Telephone	From time to time
		E-mail	From time to time
		Communication software	From time to time
		Supplier audit checklist	Annually
Shareholders/Investors	Only with the continuous support of shareholders/investors can an enterprise have the capital to grow steadily	Shareholders' meeting	Regular shareholders' meeting once a year or extraordinary shareholders' meetings
		Investor conference	From time to time
		Financial statements	Quarterly
		Annual report	Annually
		Telephone	From time to time
Banks	Only by through long-term collaboration with financial institutions can an enterprise ensure stable working capital.	E-mail	From time to time
		Visits	From time to time
		Communication software	From time to time



## Material Topics of Interest to Stakeholders

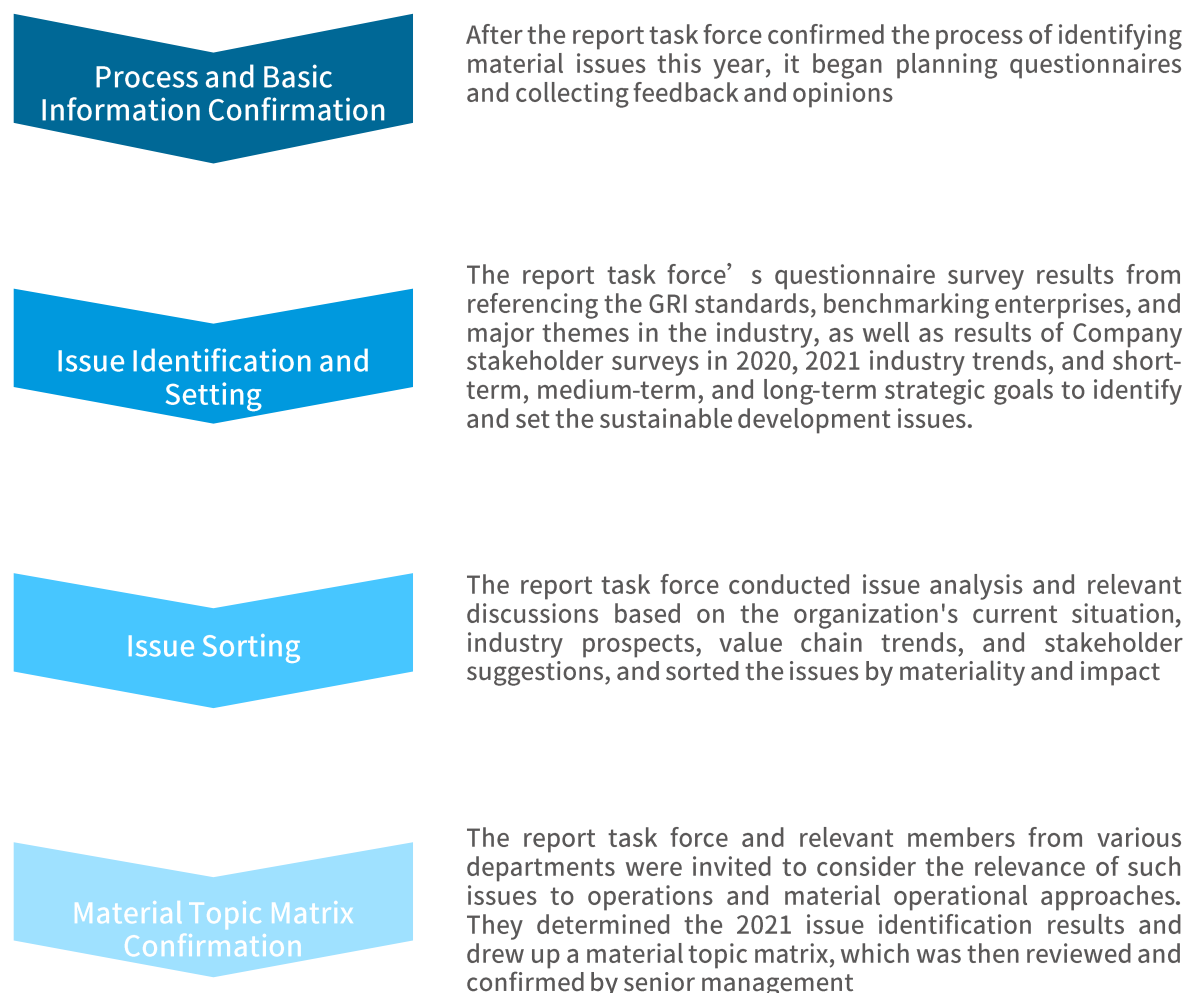
Stakeholders	Major Topics of Interest	Response and action
Clients	<ul style="list-style-type: none"> <li>Customer Relationship Management</li> <li>Innovation and R&amp;D</li> <li>Supply Chain Management</li> <li>Energy Management</li> <li>Water Resources Management</li> <li>Waste Management and Recycling</li> <li>Pollution Prevention</li> <li>Occupational Health and Safety</li> <li>Compliance</li> </ul>	<ul style="list-style-type: none"> <li>2.3 Market Operation</li> <li>2.1 Innovation Capabilities</li> <li>2.2 Supply Chain Management</li> <li>3.1 Energy Management</li> <li>3.2 Water Resource Management</li> <li>3.3 Waste Management</li> <li>3.4 Pollution Prevention</li> <li>4.4 Friendly Workplace</li> <li>1.2 Risk Management</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Compliance</li> <li>Occupational Health and Safety</li> <li>Talent Cultivation</li> <li>Talent Attraction and Retention</li> </ul>	<ul style="list-style-type: none"> <li>1.2 Risk Management</li> <li>4.4 Friendly Workplace</li> <li>4.3 Human Capital</li> <li>4.2 Remuneration and Benefits</li> </ul>
Government Agencies	<ul style="list-style-type: none"> <li>Compliance</li> <li>Occupational Health and Safety</li> <li>Energy Management</li> <li>Water Resources Management</li> <li>Waste Management and Recycling</li> <li>Pollution Prevention</li> </ul>	<ul style="list-style-type: none"> <li>1.2 Risk Management</li> <li>4.4 Friendly Workplace</li> <li>3.1 Energy Management</li> <li>3.2 Water Resource Management</li> <li>3.3 Waste Management</li> <li>3.4 Pollution Prevention</li> </ul>
Suppliers/ Contractors	<ul style="list-style-type: none"> <li>Supply Chain Management</li> <li>Compliance</li> </ul>	<ul style="list-style-type: none"> <li>2.2 Supply Chain Management</li> <li>1.3 Risk Management</li> </ul>
Shareholder s/ Investors	<ul style="list-style-type: none"> <li>Compliance</li> <li>Innovation and R&amp;D</li> <li>Energy Management</li> <li>Water Resources Management</li> <li>Waste Management and Recycling</li> <li>Pollution Prevention</li> </ul>	<ul style="list-style-type: none"> <li>1.2 Risk Management</li> <li>2.1 Innovation Capabilities</li> <li>3.1 Energy Management</li> <li>3.2 Water Resource Management</li> <li>3.3 Waste Management</li> <li>3.4 Pollution Prevention</li> </ul>
Banks	<ul style="list-style-type: none"> <li>Compliance</li> <li>Occupational Health and Safety</li> <li>Talent Cultivation</li> <li>Talent Attraction and Retention</li> <li>Energy Management</li> <li>Water Resources Management</li> <li>Waste Management and Recycling</li> <li>Pollution Prevention</li> </ul>	<ul style="list-style-type: none"> <li>1.2 Risk Management</li> <li>4.4 Friendly Workplace</li> <li>4.3 Human Capital</li> <li>4.2 Remuneration and Benefits</li> <li>3.1 Energy Management</li> <li>3.2 Water Resource Management</li> <li>3.3 Waste Management</li> <li>3.4 Pollution Prevention</li> </ul>

# Identification of Major Themes

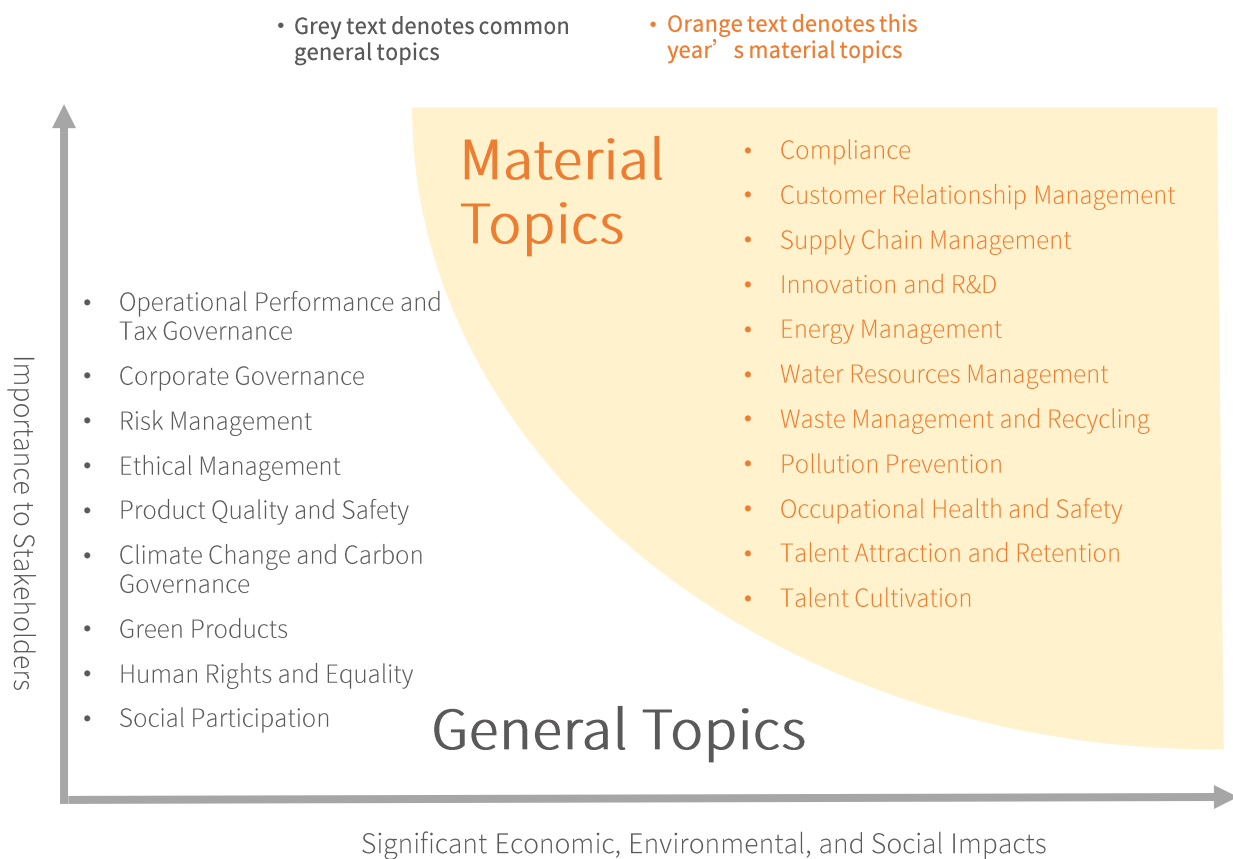
## Major Topic Analysis

To further keep abreast of stakeholders' material topics of concern and understand the degree of impact of each issue on stakeholders, a materiality analysis process has been established for this report using the GRI Standards. A total of 11 major topics were identified: legal compliance, customer relationship management, innovative research and development, and supply chain management fell under the governance aspect. Energy management, water resource management, waste management and recycling, and pollution prevention topics were identified under the environmental aspect. Occupational health and safety, talent attraction and retention, and talent cultivation topics were identified under the social aspect. Properly respond to various topics of concern to stakeholders.

### Materiality Analysis Process



## Materiality Matrix



## List of Material Topics in 2021

### Material Topics

- Compliance
- Customer Relationship Management
- Supply Chain Management
- Innovation and R&D
- Energy Management
- Water Resources Management
- Waste Management and Recycling
- Pollution Prevention
- Occupational Health and Safety
- Talent Attraction and Retention
- Talent Cultivation

## Table of Chapters Corresponding to Material Topics in 2021

Tai-Tech's Material Topics in 2021	Significance to Tai-Tech	Material Topics Corresponding to GRI Standards	Corresponding Chapter
Compliance	Duly complying with government regulations is a prerequisite for a company's normal operations.	GRI 103: Management Guideline GRI 307: Environmental Compliance GRI 419: Socioeconomic Regulation Compliance	Material Topics: Compliance 1.2.6 Legal Compliance
Occupational Health and Safety	The Company ensures a safe work environment for efficient production and economic activity.	GRI 103: Management Guideline GRI 403: Occupational Safety and Health	Material Topics: Occupational Safety and Health 4.4 Friendly Workplace
Innovation and R&D	Tai-Tech is committed to product R&D and innovative technologies that conform to green design and create a sustainable development environment. We design new products based on the concepts of environmental protection and energy conservation, develop key forward-looking and critical industrial technologies, implement R&D results into product applications, and create technological R&D value and benefits for industrial innovation.	GRI 103: Management Guideline	Material Topics: Innovation and R&D 2.1 Innovation Capabilities
Customer Relationship Management	With a transformed business model, Tai-Tech can no longer be defined as a traditional contracted manufacturer. Working closely with clients to develop products and markets, and provide them with high value-added solutions is the key to our foothold in this fiercely competitive market.	GRI 103: Management Guideline GRI 418: Client Privacy	Material Topics: Customer Relationship Management 2.3 Market Operation
Supply Chain Management	Global risk incidents occur frequently. To keep our promises to our clients and effectively control uncertainties, we have prioritized supply chain resilience, implemented risk diversification strategies for important raw material sources, collaboratively constructed the Tai-Tech supply ecological chain to diversify risks, and maintained more than two suppliers for each type of raw material to prevent any significant impact from a material shortage.	GRI 103: Management Guideline GRI 204: Procurement Practices GRI 308: Supplier Environmental Assessment	Material Topics: Supply Chain Management 2.2 Supply Chain Management
Talent Cultivation	Talent development and cultivation are factors critical to the sustainability of an enterprise. The company pays attention to employee function development and is committed to systematic talent cultivation to strengthen organizational capabilities and competitiveness.	GRI 103: Management Guideline GRI 404: Training and Education	Material Topics: Talent Cultivation 4.3 Human Capital
Talent Attraction and Retention	All employees are partners. They respect others, trust each other, work together to exert the strength of teamwork, inspire a pioneering spirit, and pursue higher goals. These are the keys to corporate sustainability.	GRI 103: Management Guideline GRI 401: Employment GRI 405: Diversity and Equal Opportunity GRI 201: Economic Performance	Material Topics: Employee Care 4.1 Overview of the Team 4.2 Remuneration and Benefits
Water Resources Management	Although Tai-Tech's geographical location faces no immediate risk of water shortage, we are well aware that water resources are hard to come by, and are committed to water conservation and water recycling measures.	GRI 103: Management Guideline GRI 303: Water and Effluents	Material Topics: Water Resources Management 3.2 Water Resource Management
Energy Management	As climate change has become a global concern with an increasingly significant impact on life, the Company may lose its market competitiveness, face penalties from government agencies, and lose customer trust if no measures are taken.	GRI 103: Management Guideline GRI 302: Energy	Material Topics: Energy Management 3.1 Energy Management
Waste Management and Recycling	Failure of an organization to abide by waste-related laws may result in damage to the company's reputation, as well as administrative penalties. In more serious cases, the organization's operations may be suspended, which will significantly impact the organization's operations.	GRI 103: Management Guideline GRI 306: Waste	Material Topics: Waste Management 3.3 Waste Management
Pollution Prevention		GRI 103: Management Guideline GRI 305: Emissions	Material Topics: Pollution Prevention 3.4 Pollution Prevention



## Table of Chapters Corresponding to Material Topics in 2021

Material Topics	GRI Material Topics	Internal Distinctions		Stakeholders				
		Tai-Tech	Employees	Clients	Government Agencies	Suppliers/Contractors	Shareholders/Investors	Banks
Compliance	GRI 103: Management Guideline GRI 307: Environmental Compliance GRI 419: Socioeconomic Regulation Compliance	●	▲	●	●	▲	▲	▲
Occupational Health and Safety	GRI 103: Management Guideline GRI 403: Occupational Safety and Health	●	●	▲	●			▲
Innovation and R&D	GRI 103: Management Guideline	●		●			●	
Customer Relationship Management	GRI 103: Management Guideline GRI 418: Client Privacy	●		●				
Supply Chain Management	GRI 103: Management Guideline GRI 204: Procurement Practices GRI 308: Supplier Environmental Assessment	●		▲		●		
Talent Cultivation	GRI 103: Management Guideline GRI 404: Training and Education	●	●					▲
Talent Attraction and Retention	GRI 103: Management Guideline GRI 401: Employment GRI 405: Diversity and Equal Opportunity GRI 201: Economic Performance	●	●					▲
Water Resources Management	GRI 103: Management Guideline GRI 303: Water and Effluents	●		●	●		▲	●
Energy Management	GRI 103: Management Guideline GRI 302: Energy	●		●	●		▲	●
Waste Management and Recycling	GRI 103: Management Guideline GRI 306: Waste	●		●	●		▲	●
Pollution Prevention	GRI 103: Management Guideline GRI 305: Emissions	●		●	●		▲	●

# 1

## 2021 Key Performances



**1.03** billion (NT\$)

2021 Company Capital



**1.197** billion (NT\$)

2021 Net Income After Tax



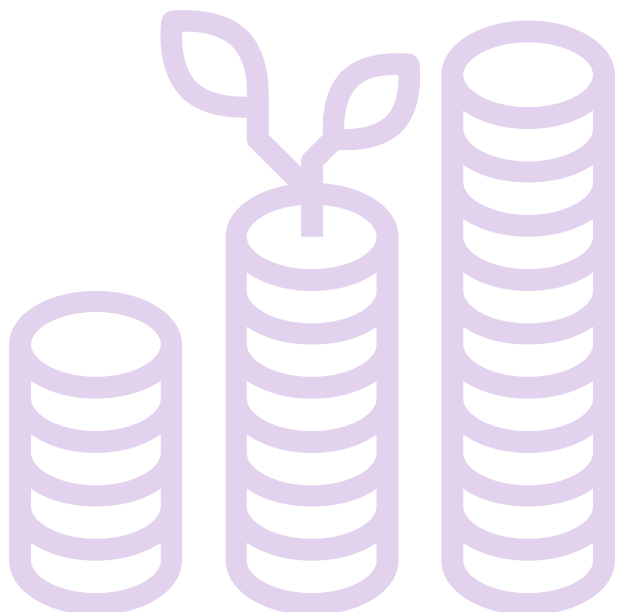
**12.08** (NT\$)

2021 Earnings Per Share

Material Topics

Robust Governance

Risk Management



# Sustainable Operation

# Material Topics: Legal Compliance

- 1
- 2
- 3
- 4
- 5

## Management Approach

<b>Importance</b>	Duly complying with government regulations is a prerequisite for a company's normal operations.		
<b>Policy</b>	<ul style="list-style-type: none"> <li>• Implementation of Regulations and Management Mechanisms</li> <li>• Track and regularly audit compliance with relevant regulations and immediately make improvements</li> <li>• Strictly comply with the requirements of various laws and regulations and accept notices of the latest rules and regulations from the competent authorities at any time</li> </ul>		
<b>Goals</b>	There were zero violations of social, economic, and environmental protection regulations or fines during the Company's operations in 2022.		
<b>Responsible Units</b>	Management Department, Accounting Department, Audit Office		
<b>Resources</b>	<ul style="list-style-type: none"> <li>• The Company invested sufficient funds and human resources in 2021 to maintain its pollution prevention and control system and meet various government social, economic, and environmental regulations.</li> <li>• There are staff in various special units in charge of social, economic, and environmental protection</li> </ul>		
<b>Action Plans</b>	<ul style="list-style-type: none"> <li>• Regularly hold employee education and training courses to enhance employees' awareness of laws and regulations</li> <li>• Regularly inspect the Company's operations via the Company's internal control system and ISO14001 and ISO45001 external verification, to ensure compliance with various laws and regulations.</li> </ul>		
<b>Performance Assessment Results</b>	2021 Targets	Actual Performance in 2021	Target Achieved?
	Social, economic, and environmental protection regulation violations or fines	0 economic law violations throughout the Company's operations	Yes
		1 violation of the Labor Standards Act	No
		1 violation of the Waste Disposal Act	No

Note: For detailed descriptions of the Social Labor Standards Act or the Environmental Waste Act violations, please refer to 1.2.6 Legal Compliance.

# 1.1 Robust Governance

## 1.1.1 Corporate Governance

Tai-Tech adheres to a business philosophy of focusing on the core business and pragmatic management. In addition to actively recruiting outstanding talent to the Board of Directors to assist with business management, we duly implement compliance and strengthen corporate governance through the operation of the board's performance evaluation, the Audit Committee, and the Remuneration Committee, to effectively protect each shareholder's rights and interest.

### Board of Directors

As Tai-Tech's highest governing body, the Board of Directors is comprised of nine directors. It includes six directors (including two female ones) and three independent directors, all for a term of three years. The Company has formulated the Director Election and Appointment Guidelines in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and set relevant election and appointment policies. Besides relevant industry experience, diversity is taken into account for the Board of Directors. Some of them come from financial and legal backgrounds. Our directors need to take relevant courses on a regular basis, and the Company has purchased liability insurance for all independent directors during their term of office for the scope of business.

To ensure the board diversity policy is implemented, each board member has a different professional background or field of specialization. We recruit outstanding talent from all sectors, regardless of gender, age, nationality, and culture, and plan the number of director seats based on gender equality. Please refer to the Company's annual report and other internal governance regulations for detailed information on education and experience, concurrent positions, and operation-related norms.

### Statistics of Directors and Supervisors

	Age			Gender		Total
	Under 30 years old	30-49 years old	50 years old or above	Female	Male	
Number of people	0	0	9	2	7	18
Percentage	0%	0%	100%	22.22%	77.78%	100%

The term of office of the current Board of Directors is from June 25, 2019, to June 24, 2022. It has held 17 meetings so far, and the attendance of all directors has been 100%. To ensure the independence of board meetings, the Company has formulated the Rules of the Procedure for Board of Directors Meetings in accordance with the Regulations Governing Procedure for Board of Directors Meetings of Public Companies amended by the Financial Supervision Commission (FSC), as the guiding principle of the rules of procedure. We strictly abide by relevant regulations on recusal during discussions and voting to avoid conflicts of interest.

In addition, the Chairman's Office is responsible for corporate governance-related matters. All operating procedures are handled in accordance with the Corporate Governance Best Practice Principles. The Chairman's Office assists in providing materials required by directors to execute business, handling matters related to board and shareholders' meetings in accordance with the law. It prepares board and shareholders' meeting minutes, to protect shareholders' rights and interests while strengthening the functions of the Board of Directors. In the future, we will set up a dedicated unit or appoint dedicated personnel when necessary or as required by law.

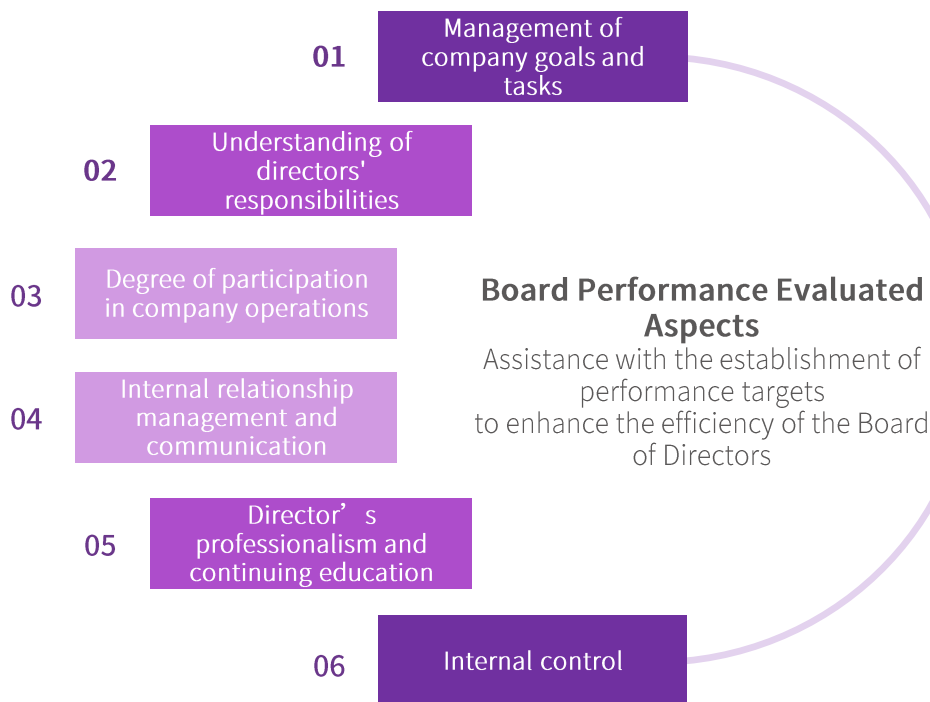


Rules of the Procedure for Board of Directors Meetings

## Board Performance Evaluation

To implement corporate governance and enhance the functions of the Board of Directors, Tai-Tech launched a performance evaluation system for the Board of Directors this year and formulated the Regulations on the Performance Evaluation of the Board of Directors of Tai-Tech Advanced Electronics Co., Ltd. in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, to carry out director performance evaluation procedures. The performance evaluation shall be conducted at least once a year, as per regulations, in the form of internal self-evaluation of the Board of Directors, self-evaluation of directors, peer evaluation, the appointment of external professional institutions or experts, or other appropriate methods. The evaluation results shall be submitted to the Board of Directors for review and improvement, and the relevant information shall be revealed in the annual report. The execution unit that conducts performance evaluations shall have a fair, objective, and independent role. Performance evaluations shall be performed by a person or unit that has no direct interest in the operation of the evaluated unit. The evaluation of the directors' performance covers six aspects. The Board of Directors' performance evaluation results will be adopted as a reference for the selection or nomination of directors, and the individual directors' performance evaluation results will be used as the basis for determining their remuneration. The 2021 board performance evaluation has been completed, covering the overall Board of Directors, individual board members, and functional committees. The general assessment result is "excellent," indicating that the Company's Board of Directors is operating well. In the future, we will continue to strengthen the operation of the Board of Directors to improve corporate governance performance.

### Board Performance Evaluated Aspects



### Related Information on the Board of Directors



▲Tai-Tech's Annual Reports



▲Articles of Incorporation



▲Rules Governing the Scope of Powers of Independent Directors



▲Director Election and Appointment Procedure

## Audit Committee

Tai-Tech established the Audit Committee in accordance with the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies. The committee is composed of three independent directors, responsible for the fair presentation of the Company's financial statements, the selection (dismissal), independence, and performance of the Company's certified public accountants (CPAs), the effective implementation of the Company's internal control, the Company's compliance, and the Company's control of existing or potential risks. The term of office of the current Board of Directors is from June 25, 2019, to June 24, 2022. It has held 13 meetings so far, and the attendance of the audit committee members has been 100%.



▲ Audit Committee Charter

## Remuneration Committee

Tai-Tech established the Remuneration Committee in accordance with the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange and the Audit Committee Charter approved by the Company's Board of Directors. The committee is mainly responsible for the matters below and submits its suggestions to the Board of Directors for discussion: (1) formulating and regularly reviewing the policy, system, standard, and structure of directors' and managers' performance evaluations and remuneration; (2) regularly evaluating and determining the progress towards performance targets by directors and managers, while determining the content and amount of individual remuneration based on the evaluation results, as per the performance evaluation standards. The committee comprises three independent directors and annually holds at least two meetings. The current term of the committee is from July 30, 2019, to June 24, 2022. It has held 7 meetings so far, and the attendance of the committee members has been 100%.



▲ Remuneration Committee Charter

## Directors' Continuing Education

Tai-Tech actively provides directors with channels for continuing education, and encourages directors to participate in external courses or forums to be exposed to extensive management expertise and new knowledge of this industry, to reinforce their foundation of knowledge of corporate governance. In the future, we will invest more resources to arrange diverse educational opportunities for board members, such as courses in finance, risk management, sales, business, legal affairs, accounting, corporate social responsibility, or other corporate governance topics or courses related to internal control systems and financial reporting responsibilities to achieve directors' continuing education goals, as suggested in the Taiwan Stock Exchange's Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies.

### 2021 Courses for Directors' Continuing Education

Course title	Organizer	Director
New Challenges for the Board of Directors Under Corporate Governance 3.0	Securities and Futures Institute	Hsieh Ming-Yeh, Hsieh, Yu-Yu-Hsiang, Chen, Chin-Sheng, Lin, Chien-Jung, Huang, Kuei-Kuang, Hung, Chih-Cheng, Li, Yu-Tsun, Shen, Yang-Pin, Chiang, Yi-Chun
Legal Liability and Risk Control for False Financial Reports from Directors and Supervisors — Practical Case-Based Study	Securities and Futures Institute	Hsieh Ming-Yeh, Hsieh, Yu-Yu-Hsiang, Chen, Chin-Sheng, Lin, Chien-Jung, Huang, Kuei-Kuang, Hung, Chih-Cheng, Li, Yu-Tsun, Shen, Yang-Pin, Chiang, Yi-Chun

## 1.1.2 Ethical Management and Important Management Regulations

We firmly believe that only by upholding the highest standards of self-discipline and implementing systematic management can we win the trust and support of the majority of our stakeholders based on the principles of integrity and transparency. Tai-Tech's entire team, and even our partners in the value chain, are subject to the relevant regulations of ethical management. Each year, the Company's relevant internal management regulations are made public, including the Corporate Governance Best Practice Principles, the Guidelines for the Adoption of Codes of Ethical Conduct, the Ethical Corporate Management Best Practice Principles, the Sustainable Development Best Practice Principles, and the Procedures for Ethical Management and Guidelines for Conduct. In the annual report, we also thoroughly disclose the results of corporate governance implementation. The public can monitor corporate governance operations, and we welcome recommendations and input from all sectors of society.

Depending on the situation, the Company instructs departments, including the Business Department, the Product Planning and Management Office, the Management Department, the Occupational Safety and Health Office, and the Finance and Accounting Department, to communicate with stakeholders. The Company has also published information on the spokesperson and the contact information of relevant business units on the company website, to properly maintain communication with stakeholders while responding to relevant issues of concern.



▲ Code of Practice for Corporate Governance



▲ Guidelines for the Adoption of Codes of Ethical Conduct



▲ Ethical Corporate Management Best Practice Principles



▲ Procedures for Ethical Management & Guidelines for Conduct



▲ Sustainable Development Best Practice Principles



▲ Financial Statements Information

## 1.1.3 Operational Performance

The Company's main products are inductive components. In terms of industry category, we are classified under the passive component industry. Tai-Tech is one of the few domestic professional manufacturers of magnetic and inductive components that can simultaneously produce multiple such components of different types with different materials for different application fields. 2021 despite the impact of COVID-19, industry focus shifted from home office and living-related sectors, to innovative technology applications, such as high-speed networks, high-speed computing, 5G, the Internet of Things (IoT), and future automobiles. The Company has grasped the increasing demand in various application fields and responded by expanding capacity of each product line by different amounts. The goal was to reap the benefits of a rapid increase in customer demand. As a result, revenue and profit in 2021 continued the patterns of 2020, reaching another all-time high. In light of future growth in demand, the Company intends to take advantage of the power of the capital market to embark on the road of an IPO for transformation and upgrade. We successfully passed the Securities OTC Trading Center review and were officially listed on the OTC on April 27, 2021. These outcomes shows the market's affirmation of Tai-Tech's business performance. Please refer to the financial statements for detailed financial data.

### Financial data from the past two years

Item	2021	2020
Operating Revenue	6,165,281	4,478,004
Operating Costs	4,029,717	3,018,511
Gross Profit	2,135,564	1,459,493
Operating Expenses	805,368	569,959
Net Income After Tax	1,197,065	734,671
Earnings Per Share	NT\$12.08	NT\$8.07
Total Assets	9,605,492	6,175,845
Total Liabilities	3,382,901	2,609,961
Total Equity	6,222,591	3,565,884

Note: Direct economic value generated: (Unit: NT\$1,000)

## 1.1.4 Tax Governance

Our tax governance mechanism is established in accordance with local tax laws and regulations and the spirit of international anti-tax avoidance, upon the basis of the principles of transparency and accountability. All of our operating locations around the world comply with local tax laws and regulations, implement the arm's length principle, refrain from aggressive tax planning, and disclose tax information to stakeholders in financial reports to enhance overall information transparency.

### Income tax expenses

Unit: NT\$1,000



2021  
194,248

2020  
134,747

### Financial subsidies received by Tai-Tech, Taiwan, from the government in 2021

Subsidies and grants	Subsidy amount (unit: NT\$1,000)	Remarks
R&D investment tax deduction	7,865,786	Under the 2021 profit-seeking enterprise income tax credit
Statute for Industrial Innovation tax credit for investment (actual investment of undistributed surplus)	20,965,728	Undistributed surplus from 2019 and 2020 Tax credit amount
Statute for Industrial Innovation tax credit for investment (smart machinery and 5G)	41,246,358	Under the 2021 profit-seeking enterprise income tax credit



# 1.2 Risk Management

## 1.2.1 Risk Identification and Management

Tai-Tech believes that accurately identifying the risks faced by an enterprise and planning accordingly is necessary for an enterprise to move toward sustainability in the fast-changing business market. Identifying the organization’s relevant risks and devising effective management strategies can minimize potential threats. The table below shows the types of critical risks identified by the Company and their corresponding countermeasures.

Risk identification and management table

Type of Risk	Description of risk	Countermeasures
Industry risks	The trend of industry consolidation is on the rise, and the trend of large companies becoming larger has become more obvious	<ul style="list-style-type: none"> <li>Properly classify products into standardized and differentiated products based on trends, and continue to refine the manufacturing process to roll out cost-competitive products to enhance product competitiveness</li> <li>Continue to strengthen collaboration and partnerships with friendly competitors (including in Taiwan, China, Japan, and Korea), and increase the visibility and competitiveness of our products through collaboration with distributors and agents</li> </ul>
	The electronic product market is highly competitive and faces the risk of declining average selling prices	<ul style="list-style-type: none"> <li>Leverage core magnetic materials and key process capabilities, and reinforce vertical integration of production processes to cut production and operating costs</li> <li>Adjust our product mix and strengthen strategic collaboration with competitors, leverage the competitiveness of our products to our advantage, and actively develop and produce new products with high precision and high margins, to avoid price wars and maintain reasonable profits</li> </ul>
	Rising Geopolitical Systemic Risks due to U.S.-China Competition and Cross-strait Conflict	<ul style="list-style-type: none"> <li>Closely cooperate with clients' production line transfers and restructuring of projects in the short term, flexibly allocate production capacity, and share product delivery and logistics costs and risks with clients, while putting clients' needs first</li> <li>In the medium and long term, continue to diversify risk and increase investment and restructure products and their layout based on clients' demands, to appropriately balance the output value of the main plant in Taiwan and that of the plants in China.</li> </ul>
Operational Risks	Performance is easily affected by the needs of the end market and changes significantly	<ul style="list-style-type: none"> <li>Develop product applications at multiple levels with our critical technological capabilities of magnetic materials and iron cores, and quickly respond to market changes to reduce the potential impact of changes in application market demand or the slowdown of single market demand on the company</li> </ul>
	With the gradual rise of supply chains in China, the growth space of Taiwan’s manufacturers may shrink	<ul style="list-style-type: none"> <li>Continue to release cost-competitive products through process improvement, and strengthen collaboration with local businesses in China to assist the Company in launching our products to end customers in the new product development and design stage</li> <li>Insist on providing high-quality products and services to cope with price wars, which will let us gain an advantage in obtaining clients' orders, diversifying business risks, or increasing the added value of our products in the future</li> </ul>
	The supply and demand imbalance in the labor market has made it difficult to recruit low-level employees, carrying the risk of employee turnover	<ul style="list-style-type: none"> <li>Recruit foreign migrant workers and strengthen industry-academia collaborative education; work with human resources agencies to increase recruitment channels, diversify the recruitment sources of new low-level employees to fill vacancies of low-level operators; continue to increase automation and enhance computerized management to reduce requirements for manpower</li> <li>Strengthen employees' pre-service and on-the-job training to improve their quality and productivity; more actively improve various employee benefits, distribute employee compensation, pay out retention bonuses, performance bonuses, and year-end bonuses to share the operating results with our employees, and thereby enhance their sense of identity with the Company and reduce employee turnover</li> </ul>

Type of Risk	Description of risk	Countermeasures
Potential risks	International currency exchange rates change rapidly, increasing the risk of exchange losses	<ul style="list-style-type: none"> <li>Adopt necessary exchange rate hedging measures, such as reserving a safe amount of payment for supplies in foreign currencies for two months to balance the positions of foreign-currency assets</li> </ul>
	The impact of the COVID-19 pandemic continues, with no obvious signs of abating in the short term	<ul style="list-style-type: none"> <li>Actively adopt anti-pandemic measures and prevent risks of business interruption caused by the infection by the pandemic in the Company</li> <li>Pay attention to cash flow management in finance, review capital investment carefully, and focus on accounts receivable and inventory management</li> <li>Increase the frequency of communication with clients, keep abreast of clients' needs and changes, and continue to provide quality customer service</li> <li>Maintain communication with suppliers, put prevention of material shortages first in procurement plans, and increase material stocks when necessary</li> </ul>

### 1.2.2 Information Security

The era of convenient information is both an opportunity and a relative source of risk for companies. Information security has become an important issue that this Company cannot avoid. In addition to building firewall defenses for the network and computer rooms and configuring and using internationally certified antivirus software for each endpoint computer, Tai-Tech Advanced Electronics also conducts local and remote cross-backup procedures for each data item. Furthermore, since 2016, disaster recovery plan drills have been carried out for major systems every year, and many improvements have been made to computer room power facilities. These include a UPS uninterruptible power supply system, an ATS power switching system, the construction of a special backup generator for the computer room, and so on, all of which have already been implemented. All of the above measures are expected to again minimize recovery time caused by information security risks while minimizing damage.

In the future, the Company will also actively prepare and plan to evaluate EDR and MDR endpoint detection and protection systems to target many unknown and potential man-made attacks, and invest in information security education and training for internal personnel. In addition to giving reminders on relevant daily network operations to avoid risks, social engineering drills will also be carried out regularly to enhance information security awareness among internal employees.

Given the large, wide, and constantly changing information security scope, Tai-Tech Advanced Electronics is continuously seeking various resources to enhance the aspect and depth of information security risk management. Beyond this, we will simultaneously comply with government regulations, strengthen the organizational structure of information security, protect the rights and interests of investors, and gradually advance toward the goal of sustainable business operations.

Information Security Management Measures	
Personnel security assessments	<ol style="list-style-type: none"> <li>Each unit shall implement appropriate security assessment procedures for personnel who can access confidential and sensitive information or systems and personnel who will be granted special access permissions to the systems due to work, and strengthen work assessments before assigning tasks.</li> <li>When an employee resigns, his/her access to all the information and systems at the unit shall be canceled immediately; this shall be included in the unit's necessary procedures for changing job.</li> </ol>
Computer system security management	<ol style="list-style-type: none"> <li>Information security incidents shall be managed properly in accordance with the internal control system's information security checks in the computer operation cycle, and the check results shall be recorded.</li> <li>The Company shall appoint different personnel for the management, design, and execution of important information services, respectively, who should decentralize their responsibilities and establish a mechanism of mutual checks and balances to avoid illegal or improper use of data or systems.</li> </ol>

## Information Security Management Measures

Daily security management operations	<ol style="list-style-type: none"> <li>1. Only legal software with intellectual property rights may be used. The use of unauthorized legal software shall be prohibited.</li> <li>2. Necessary measures shall be taken to prevent the intrusion of computer viruses, and computer virus prevention software with complete functionality shall be selected carefully and maintained and updated regularly.</li> </ol>
Network Security Management	<ol style="list-style-type: none"> <li>1. A security control mechanism for the computer network system shall be established to ensure the security of data transmitted through the network, protect connected operations, and prevent unauthorized system access.</li> <li>2. The use of illegal or inappropriate information that violates copyrights or morals, or hinders the normal operation of the network system shall be prohibited.</li> </ol>
Equipment Security Management	<ol style="list-style-type: none"> <li>1. The equipment shall be placed in an appropriate location and protected to reduce risks caused by environmental insecurity, and reduce the chance of unauthorized access to the systems.</li> <li>2. A standby power supply shall be set up, and the response measures for the failure of the uninterruptible power system shall be included. Additional strengthened security measures shall be taken for more important systems.</li> </ol>
Sustainable Business Operation Plans	<ol style="list-style-type: none"> <li>1. A backup system and a remote backup mechanism shall be set up to ensure that important businesses continue to operate in the event of an accident occurring to the information system, data files, or personnel.</li> <li>2. System restoration plan management regulations shall be formulated, and disaster restoration drills shall be conducted from time to time.</li> </ol>

The Company has signed maintenance contracts for the relevant commercial software (ERP, HRM, etc.) currently used. In addition to internal exclusion, external manufacturers can also assist in related problems or disasters. Since 2020, the computer room server has been completely replaced with a hyper-converged server. This replacement ensures performance improvement and strengthens information security.

The detailed drill reports from the annual data disaster restoration drills performed are used to strengthen the abilities of our colleagues in the Information Department to respond to emergencies. The Company regularly appoints a third party to conduct an annual information audit. There have been no material deficiencies over the past years, and the Company has not received complaints about customer privacy violations or data loss in recent years.

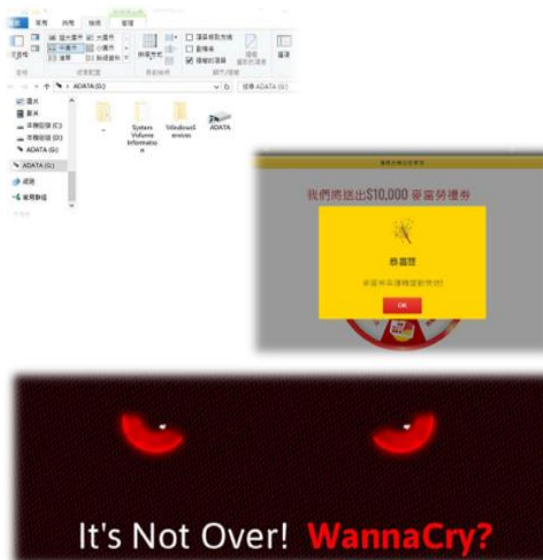
The Information Department has promoted information security issues by e-mailing the Company's internal colleagues from time to time. The goal is to enhance the concept of information security for all employees, provide recruits with education and training, and strengthen information security knowledge to educate colleagues and minimize potential risks.

### 2021 new personnel training information security promotion photos and documents



# 01 網路安全類

1. 網路使用規範
2. E-MAIL使用規範
3. 隨身碟使用規範



## 1.2.3 Climate Change Risks and Opportunities

In recent years, climate change has become a common problem facing all of humankind. In addition to the increasingly significant negative impact on our daily life, it has caused a huge impact on enterprises. In view of this, Tai-Tech refers to the Task Force on Climate-related Financial Disclosures (TCFD) released by the international Financial Stability Board (FSB) in 2017 to review and assess our current risks and opportunities arising from climate change, and devise countermeasures.

### Four Core Elements of Climate-Related Financial Information Disclosures



**Governance**  
The organization's governance of climate-related risks and opportunities

**Strategy**  
The actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy, and financial planning

**Risk Management**  
The organization's processes for identifying, assessing, and managing climate-related risks

**Indicators and Targets**  
Indicators and targets used to assess and manage climate-related risks and opportunities

## 1.2.4 TCFD Framework

Although Tai-Tech currently does not have a climate governance organization, in the future, we will establish a governance unit in line with the TCFD framework, and raise this issue to the board level as the basis for the Company to set out countermeasures against climate change. In view of the potential risks and opportunities arising from climate change, the Company has conducted preliminary assessment and identification, and the results are as follows.

### Climate Change Risks

Type of Risk	Source of Risk	Description	Finances Impact	Countermeasures
Physical risks	Interruption of daily operations	Natural disasters such as typhoons and floods cause flooding, which will cause damage to the company's equipment and power outages, thereby resulting in interruption of operations	Increased operating costs	Respond according to the Emergency Response Procedures set by the Company's Occupational Health and Safety Office, and cooperate with the government's disaster prevention policy to minimize the potential damage caused by disasters
Transition risk	Market changes	To meet domestic and foreign clients' requirements for low-carbon products, we need to adopt renewable energy and purchase renewable energy certificates	Increased operating costs	Make good use of the Company's R&D and production capabilities, and continue to develop green products to meet clients' needs
Transition risk	Carbon pricing	To achieve the goal of net-zero carbon emissions, the government has formulated relevant regulations on carbon pricing and levied a carbon tax on enterprises	Increased operating costs	Continue to promote energy conservation and carbon reduction measures and set relevant carbon reduction targets to reduce the potential impact of carbon pricing on our operating costs

### Climate Change Opportunities

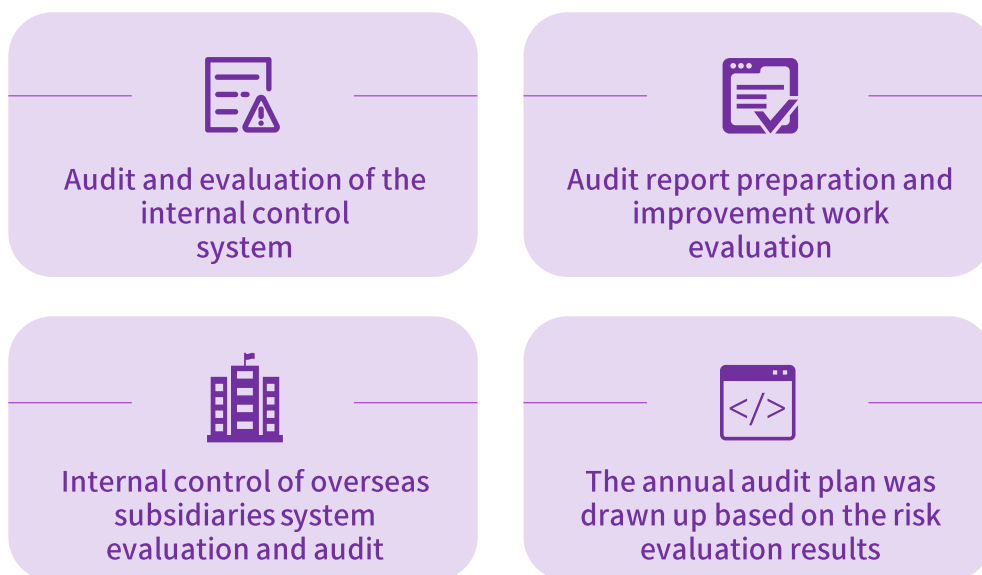
Type of opportunity	Source of opportunity	Description	Finances Development Opportunity	Countermeasures
Established ISO14064 greenhouse gas inventory	Understand the factors in operations that cause carbon emissions	We can effectively grasp the carbon emissions generated by the operation through a greenhouse gas inventory and promptly propose reduction measures	Accumulate offsets for future carbon emissions	Before the end of June 2022, the Company established an internal Greenhouse Gas Inventory Implementation Committee and an organizational structure for the Greenhouse Gas Inventory
Investment in Energy Conservation Equipment	Reduction in Equipment Energy Consumption	Select feasible energy-saving equipment solutions for evaluation and purchase according to the demand for capacity expansion	Save electricity and reduce operating costs	Conduct in-house research and evaluations to invest in energy-saving air compressors for public equipment to reduce electricity consumption and operating costs

As for the climate change risks and opportunities identified, Tai-Tech will gradually implement relevant countermeasures to cope with the potential financial impact caused by climate change and improve our organization's resilience; meanwhile, we will seize potential climate change-related opportunities for financial development and continue to develop green and low-carbon products, with the aim of stepping into new markets and creating business opportunities.

## 1.2.5 Internal Control and Audit

The Company has established an effective accounting system and an internal control system, which the Audit Office regularly audits under the Board of Directors as per the audit plan. Our CPAs also audit the internal control system on a regular basis. The appointment and dismissal, evaluation, as well as salary and remuneration of internal auditors, will be reported to the Board of Directors for approval. There are two members in the Audit Office of the head office, and each subsidiary has an audit assistant. All auditors receive continual training according to laws and regulations, and the number of training hours is higher than what is required by law. In 2021, the auditing personnel in Taiwan received an average of 24 hours of training. Please refer to the figure below for the main duties of the Company's Audit Office.

### Main duties of the Audit Office.



In the 2021 audit results, 3 deficiencies were identified, all of which have been improved. The details of the improvement content are shown in the table below.

### Internal Audit Improvements in 2021

- 1 The inspection for funds loaned to others indicated that the subsidiary had implemented loan extensions without the board of directors' approval. The extended contract after the improvement is regarded as a new contract. According to regulations, the loan operation may only be executed after the board has approved it of directors.
- 2 The procurement operation inspection found that regular tracking data for open purchase orders are not retained. It was impossible to verify whether the overall procurement and delivery were well controlled. After the improvement, the procurement operation has retained regular tracking data for open purchase orders.
- 3 The R&D design planning operation inspection found that the design review meeting did not fully comprehend or review the various R&D and development work schedules. After the improvement, the design review meeting fully comprehended and reviewed the various R&D and development work schedules.

## 1.2.6 Compliance

Tai-Tech strictly complies with the requirements of various laws and regulations, and receives notices of the latest laws and regulations from the competent authorities. In 2021, the Company did not violate any laws involving corruption, bribery, fraud, insider trading, anti-competitive behavior, anti-trust, or monopoly, and received no relevant legal infractions or penalties. Regarding product service and sales, the Company did not violate any laws involving product safety and health, product information labeling, or marketing communication.

In terms of economic and social regulations, a project review conducted by the Executive Yuan's Environmental Protection Agency discovered that a C-0110 scrap copper liquid storage violated Article 36 of the Waste Disposal Act and Paragraph 2 of Article 7 of the Methods and Facilities Standards for the Storage, Clearance, and Disposal of Industrial Waste for "storage over one year and failure to apply for an extension with the local competent authority." The Taoyuan City Government Labor Inspection Division also issued a fine for working over 12 hours per day.

### Legal Violation Improvement Measures

Laws Violated	Explanation	Fines levied	Improvement Measures
Article 36 of the Waste Disposal Act and Paragraph 2 of Article 7 of the Methods and Facilities Standards for the Storage, Clearance, and Disposal of Industrial Waste	According to an Environmental Protection Agency review project in October 2021, hazardous C-0110 waste liquid was stored for over 1 year and 9 months without a disposal record, and the Taoyuan City Environmental Protection Bureau issued a fine	NT\$60,000.	<ol style="list-style-type: none"> <li>Increase control items using ISO14001 environmental management system, and use ISO14001 and internal control audit for mutual verification.</li> <li>The storage days for various wastes are reported during the monthly department meeting to prevent violations.</li> </ol>
Violation of Paragraph 2, Article 32 of the Labor Standards Act	Labor inspection was implemented on April 29, 2021, and found that the Company's employee ○○ Zeng's actual working hours were 13 hours and 27 minutes, which exceeded 12 hours per day, in violation of the law.	NT\$20,000	<ol style="list-style-type: none"> <li>Continue to control the number of overtime hours, and require department heads to clarify, review, and regularly check abnormal work hours.</li> <li>Strengthen personnel and work management to improve work efficiency and reduce unnecessary overtime.</li> </ol>

# 2

## 2021 Key Performances



**99** items

Total Active Patents



**199** million (NT\$)

Group-wide R&D Expenses in 2021



**150** million (NT\$)

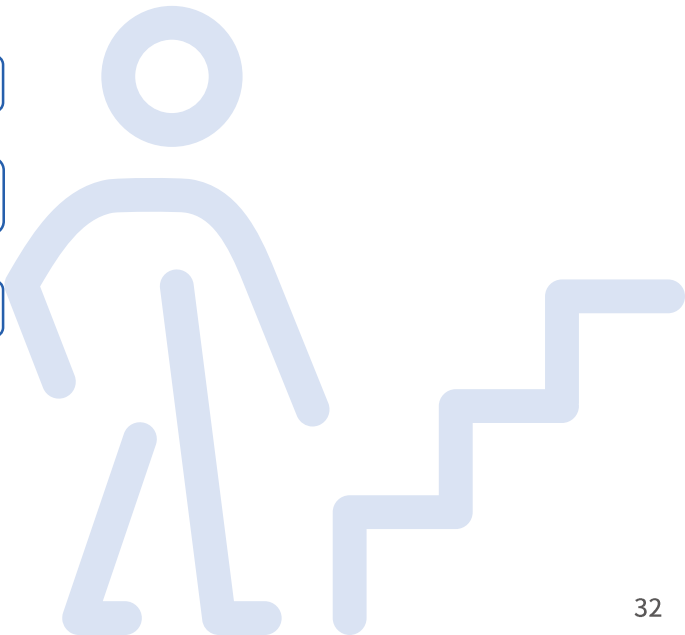
Green Procurement in 2021

Material Topics

Innovation Capabilities

Supply Chain Management

Market Operation



Business Growth



# Material Topics: Innovative R&D

1

2

Business Growth

3

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## Management Approach

<b>Importance</b>	Tai-Tech is committed to product R&D and innovative technologies that conform to green design and create a sustainable development environment. We design new products based on the concepts of environmental protection and energy conservation, develop key forward-looking and critical industrial technologies, implement R&D results into product applications, and create technological R&D value and benefits for industrial innovation.		
<b>Policy</b>	Drive performance growth via product R&D and technological innovation, provide green design and high-quality products, enhance the Company's competitiveness, and create an environment for sustainable development.		
<b>Goals</b>	<ul style="list-style-type: none"> <li>Develop at least three new products that are RoHS-compliant and halogen-free by 2022</li> <li>Apply for at least 3 patents in 2022</li> <li>In 2022, the 1608 size will replace the 2012 size, and the 2012 size will replace the 3216 size (in miniaturized multilayer type product development)</li> <li>Expect to develop materials that can reduce losses by 10% in 2022 (develop low-loss materials for power inductors)</li> </ul>		
<b>Responsible Units</b>	R&D Center		
<b>Resources</b>	<ul style="list-style-type: none"> <li>32 full-time R&amp;D personnel in 2021</li> <li>In 2021, R&amp;D expenses in Taiwan were approximately NT\$80 million, and the total R&amp;D expenses of the whole Group reached NT\$199.36 million</li> <li>The maintenance fees for patent applications in 2021 were approximately NT\$1.24 million</li> </ul>		
<b>Action Plans</b>	<ul style="list-style-type: none"> <li>Formulate patent application management measures, create relevant application management processes, and reward employees for actively applying for patents</li> <li>Encourage employees to invest in product development as well as promotion, salary adjustment, and retention projects</li> <li>Invest in R&amp;D equipment and instruments</li> <li>Integrate green concepts into product R&amp;D</li> </ul>		
<b>Performance Assessment Results</b>	2021 Targets	Actual Performance in 2021	Target Achieved?
	Apply for at least 3 patents	10 patents actually passed	Yes
	Create 3 or more new products	Created over 5 new products	Yes

# Material Topics: Supply Chain Management

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Business Growth

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## Management Approach

Importance	Global risk incidents occur frequently. To keep our promises to our clients and effectively control uncertainties, we have prioritized supply chain resilience, implemented risk diversification strategies for important raw material sources, collaboratively constructed the Tai-Tech supply ecological chain to diversify risks, and maintained more than two suppliers for each type of raw material to prevent any significant impact from a material shortage.
Policy	Tai-Tech attaches great importance to corporate sustainability. We have constructed the ecological supply chain under a strategy of “common goal, symbiosis, co-prosperity, and localization” .
Goals	<ul style="list-style-type: none"> <li>• In 2022, we have continued to actively participate in ESG-related issues and awards to establish a benchmark in the Tai-Tech supply ecological chain</li> <li>• Implement the ESG awards selection mechanism             <ul style="list-style-type: none"> <li>✓ Buffer period: Actively coach the Tai-Tech supply ecological chain in 2021 to enhance the suppliers’ ESG awareness</li> <li>✓ Implementation period: The relevant identification and screening mechanism was officially implemented in 2022</li> </ul> </li> <li>• Local procurement target in 2022: Purchase over 80% of the overall raw materials locally <sup>Note 1</sup>, raise local commodity procurement reached to 50% <sup>Note 2</sup></li> <li>• Qualified supplier target in 2022: Screen over 80% of qualified suppliers in accordance with environmental standards</li> <li>• The Company’s suppliers have had no serious adverse impact on the environment or society during the transaction or cooperation period</li> <li>• No major deficiencies were found during various customer audits, system certification audits, or company internal audits</li> </ul> <p>Note 1: Local raw material procurement is defined as procurement from local suppliers established in Taiwan with public business registration and a unified number.</p> <p>Note 2: Local commodity procurement is defined as triangular trade whereby the commodities are directly delivered to the third place designated by the client.</p>

Responsible Units	Product Planning Management Office, Management Department, Production Quality Management Department		
Resources	<ul style="list-style-type: none"> <li>Designated dedicated procurement staff</li> <li>Various procurement management is managed using ERP system</li> </ul>		
Action Plans	<ul style="list-style-type: none"> <li>Conduct regular supplier reviews to avoid dishonest business practices</li> <li>Formulate Contractor Management Procedures to address occupational safety</li> <li>Formulate Green Product Specification Operation Procedures to address environmental protection issues</li> <li>Actively select raw material sources with environmental protection or green labels, and plan to implement local procurement in the future to reduce carbon emissions during transportation</li> </ul>		
Performance Assessment Results	2021 Targets	Actual Performance in 2021	Target Achieved?
	Actively participate in ESG-related selection awards and events	Publicly praised by the Environmental Protection Agency as an “Outstanding Private Enterprise and Organization Unit for Green Procurement” for the 5th consecutive year	Yes
	Implement the ESG awards selection mechanism	Completed preliminary communication and coaching with 47 suppliers, of which 4% are new suppliers	Yes
	More than 80% of the overall raw materials are purchased locally	87% of raw materials are purchased locally	Yes
	Up to 50% of commodities purchased locally	Up to 54% of commodities purchased locally	Yes
	No supplier transaction has involved any serious adverse impact on the environment and society	No relevant issues	Yes
	No major deficiencies in various audits	No major deficiencies	Yes

# Material Topics: Customer Relationship Management

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- 2 Business Growth
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## Management Approach

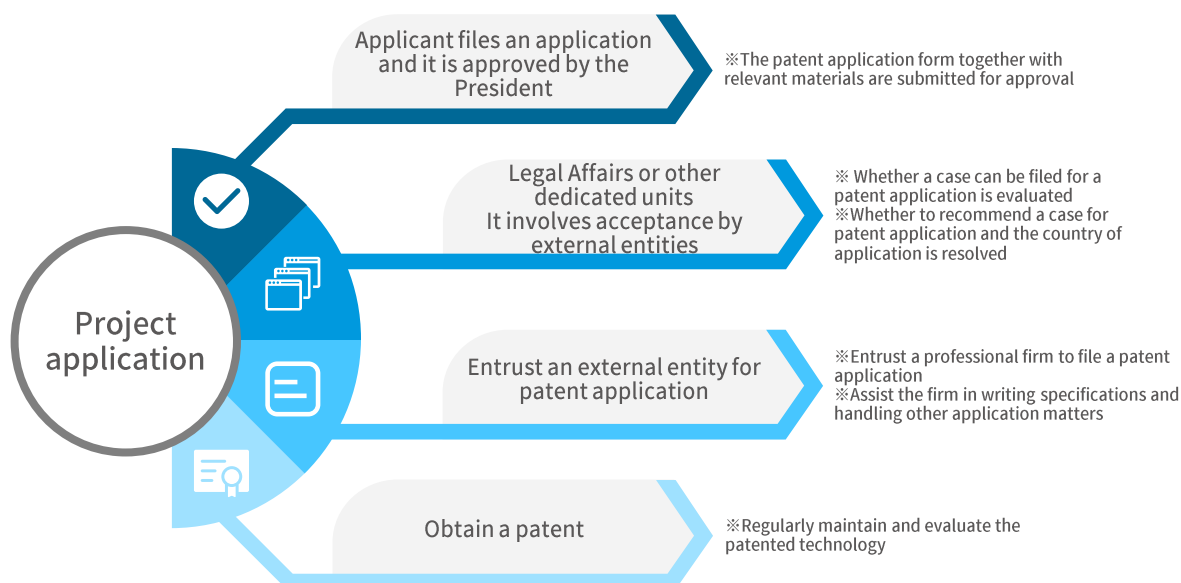
Importance	With a transformed business model, Tai-Tech can no longer be defined as a traditional contracted manufacturer. Working closely with clients to develop products and markets, and provide them with high value-added solutions is the key to our foothold in this fiercely competitive market.		
Policy	In recent years, our customer service has progressed to the stage where we develop products with clients, including component design, engineering verification, and after-sales service. We provide services to improve customer stickiness from the initial stage of product development. Under this new business model, Tai-Tech is committed to enhancing the interaction with clients and conducting systematic management to effectively keep abreast of clients' feedback.		
Goals	<ul style="list-style-type: none"> <li>• In 2022, the Group's top 20 clients have an average satisfaction rate of over 90%</li> <li>• Customer complaints response rate in 2022 is 100%</li> </ul>		
Responsible Units	Sales Department, Quality Assurance Department		
Resources	<ul style="list-style-type: none"> <li>• Established a professional laboratory to provide clients with verification reports and other services</li> <li>• Set up customer relationship management-related procedures and specifications</li> </ul>		
Action Plans	<ul style="list-style-type: none"> <li>• Formulated the internal Customer Complaint Response Procedures to establish a complete interdepartmental response mechanism for customer complaint risks, to ensure that each client's advice and criticism are handled quickly to meet their needs and gain their trust.</li> <li>• Established the Client Satisfaction Operating Procedures to conduct client satisfaction surveys. The Company's sales staff will give the customer satisfaction questionnaire to clients to conduct client satisfaction surveys through visits or by fax or e-mail each year to evaluate the four dimensions of quality, delivery, technological research and development, and price and sales service.</li> </ul>		
Performance Assessment Results	2021 Targets	Actual Performance in 2021	Target Achieved?
	The average client satisfaction target exceeded 90%	The actual average score was 92.64%. Based on the survey results, the related items with low average customer ratings are fed back to the relevant quality assurance, production, R&D, and sales departments for review to provide a reference for improving satisfaction	Yes
	100% client complaints response rate	100% client complaints response rate	Yes

# 2.1 Innovation Capabilities

## 2.1.1 Intellectual Property Management

Tai-Tech is clearly aware that having top-rated technological capabilities is an important prerequisite for winning clients' trust in the ever-changing electronics industry. To consolidate our core technologies, we have long developed product capabilities surpassing our competitors in the industry through a patent layout, and we specialize in meeting clients' needs and joint research and development to provide the market with the best solutions, while applying for patents to maintain our long-term competitiveness actively. As for the system, we have set up a dedicated unit in charge of patent management, formulated patent application management regulations, and established relevant application management procedures, while providing employees with rewards for active application for patents to cope with the fierce market competition. The total number of valid patents is 99.

### Patent application management process



### Layout of main patents by core product type (including foreign patents)

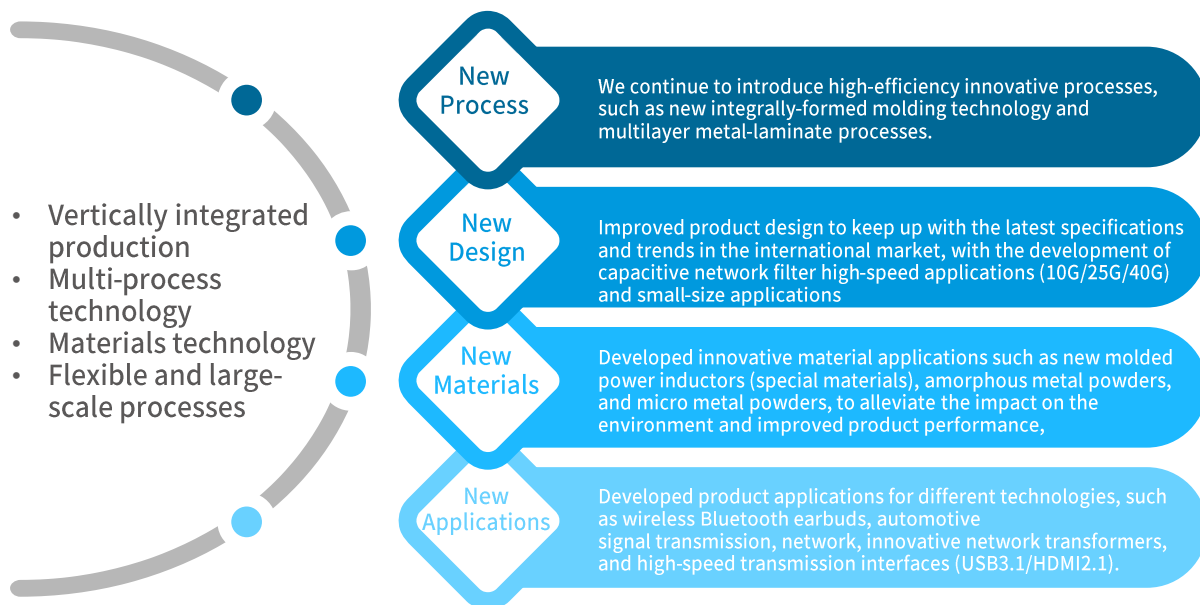
Product Type	New patent	Utility patent
Common mode filter	11	4
LAN transformers	24	5
Inductors	42	6
Others (antennas, etc.)	7	0

## 2.1.2 R&D Blueprint

Tai-Tech's innovation and R&D momentum mainly come from the feedback received from interaction with clients. Through the extensive network of clients developed over the years, the Company can stay on the cutting edge of market trends, design products as per clients' needs, and provide the most competitive solutions. In 2021, R&D expenses in Taiwan were approximately NT\$80 million. Total R&D expenses of the whole Group in 2021 reached NT\$199.36 million. R&D expenses accounted for 3.10% of overall revenue.

We focus on the R&D of passive components. Based on the development of new materials, product automation, and production process optimization, we aim to develop products with higher specifications. In addition, due to the industry's commitment to transitioning to a low-carbon economy, the Company is dedicated to developing low-Rdc, high-efficiency, low-power products to meet low-carbon requirements. As for business opportunities arising from green energy, we continue to develop products for electric vehicle applications and have gradually occupied a niche in the power management and the battery management module markets.

### Tai-Tech's Blueprint for Product Development



## 2.1.3 Green Design

We tap into our excellent R&D and innovation capabilities to incorporate green concepts into product R&D and design. For example, in the product design and the production stages, we reduce the size of components, develop low-loss materials, and improve product application efficiency, to achieve energy conservation in the product use stage. Moreover, the Company's production and R&D units all have energy conservation projects in place, such as reducing coil winding time by using high-speed machines, improving overall process efficiency, and achieving energy conservation and carbon reduction.

In terms of products, to take advantage of the thriving development of green products, we tap into our advantages in material development and design to continue to expand our product portfolios of high-efficiency and low-power inductors, and provide clients with products that meet the features of low energy consumption for application in emerging fields, such as electric vehicles and servers. This also allows the Company to be part of the overall low-carbon economic supply chain.

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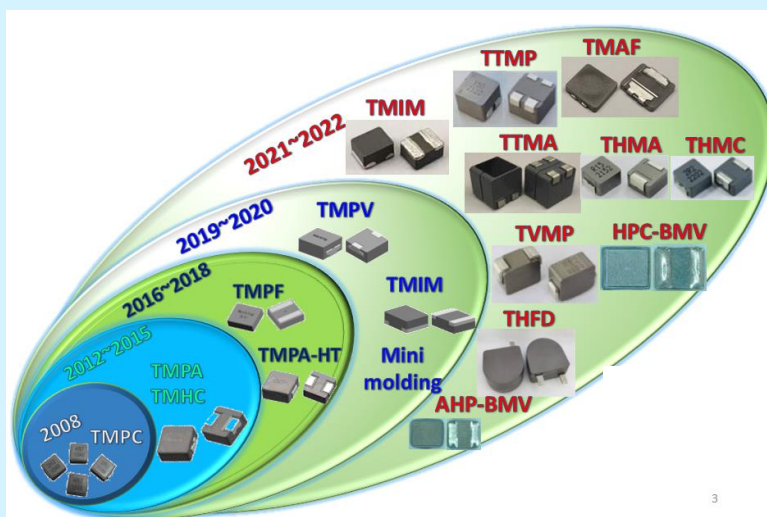
## Green Concept Products Column

The excellent performance of low energy consumption inductive components has helped clients create greater value

Our pursuit of excellence in technology never stops. We have long focused on developing more energy-efficient product lines to reduce their potential impact on the environment during the product life cycle. Choosing to adopt Tai-Tech's solutions means choosing to stand on the side of environmental protection and striving to create a better future for all. Since 2021, computer simulation-aided design and advanced product loss measurement systems have been introduced to reduce product energy consumption.



▲ Introduction to power inductor products



▲ Development trends of power inductor products

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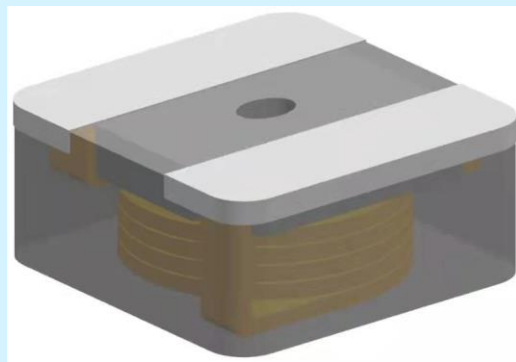
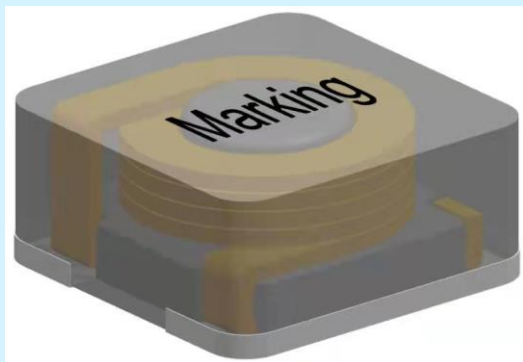
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Business Growth

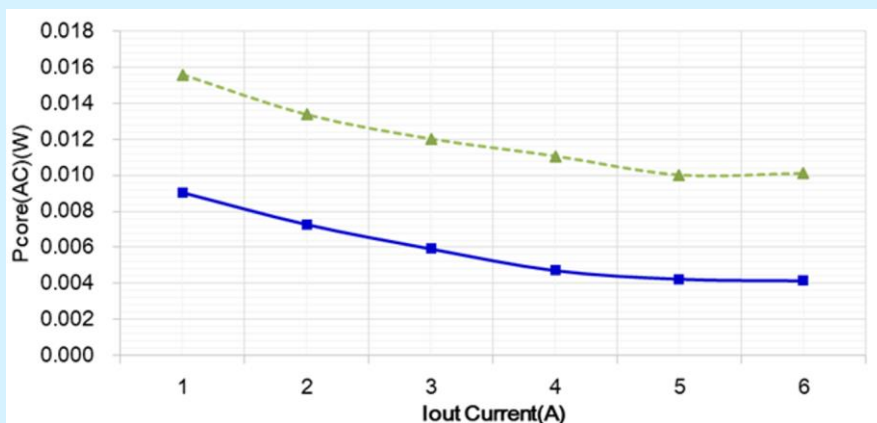
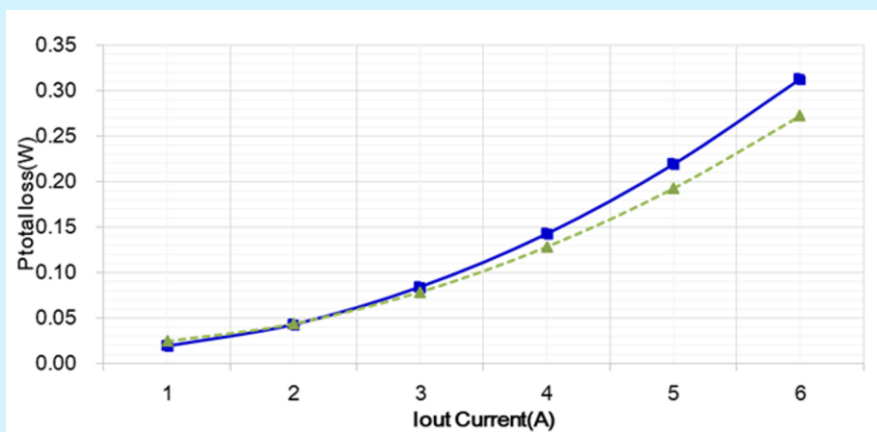
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▲ Advanced computer-aided optimization design



▲ Product loss measurement



# 2.2 Supply Chain Management

## 2.2.1 Supply Chain Strategy

Global risk incidents occur frequently. To keep our promises to our clients and effectively control the impact of uncertainties, we have prioritized supply chain resilience, implemented risk diversification strategies for important raw material sources, and maintained over two suppliers for each type of raw material to avoid significant impacts from material shortages.

Tai-Tech attaches great importance to corporate sustainability. We have constructed the ecological supply chain under the strategy of “common goal, symbiosis, co-prosperity, and localization” . Specific strategic directions are as follows:



## 2.2.2 Identify Key Raw Materials and their Risk Management Strategies

To keep our commitments to clients and reduce raw material risk, Tai-Tech's corresponding strategic measures to handle possible key raw material risks are shown below.

Key Raw Materials	Type of Risk	Corresponding Strategic Measures
Powder	1. There is a risk of delay in the shipping schedule when procuring from an agent 2. Affected by international metal raw material price fluctuations	1. Seek a secondary supplier or alternative material 2. Place long-term orders to ensure supply source and price
Silver paste	International heavy metal price fluctuations	Place stock orders in advance
Enameled wire	International heavy metal price fluctuations	Place stock orders in advance and find a secondary supplier
Ferrite cores	1. Whether the quality meets the client's needs 2. Delivery shipping risks	Place orders in advance and seek a secondary supplier or alternative materials

Note: Critical raw materials are defined as materials that must be used and are subject to supply constraint risks

## 2.2.3 The Interconnectedness of the Upstream, Midstream, and Downstream

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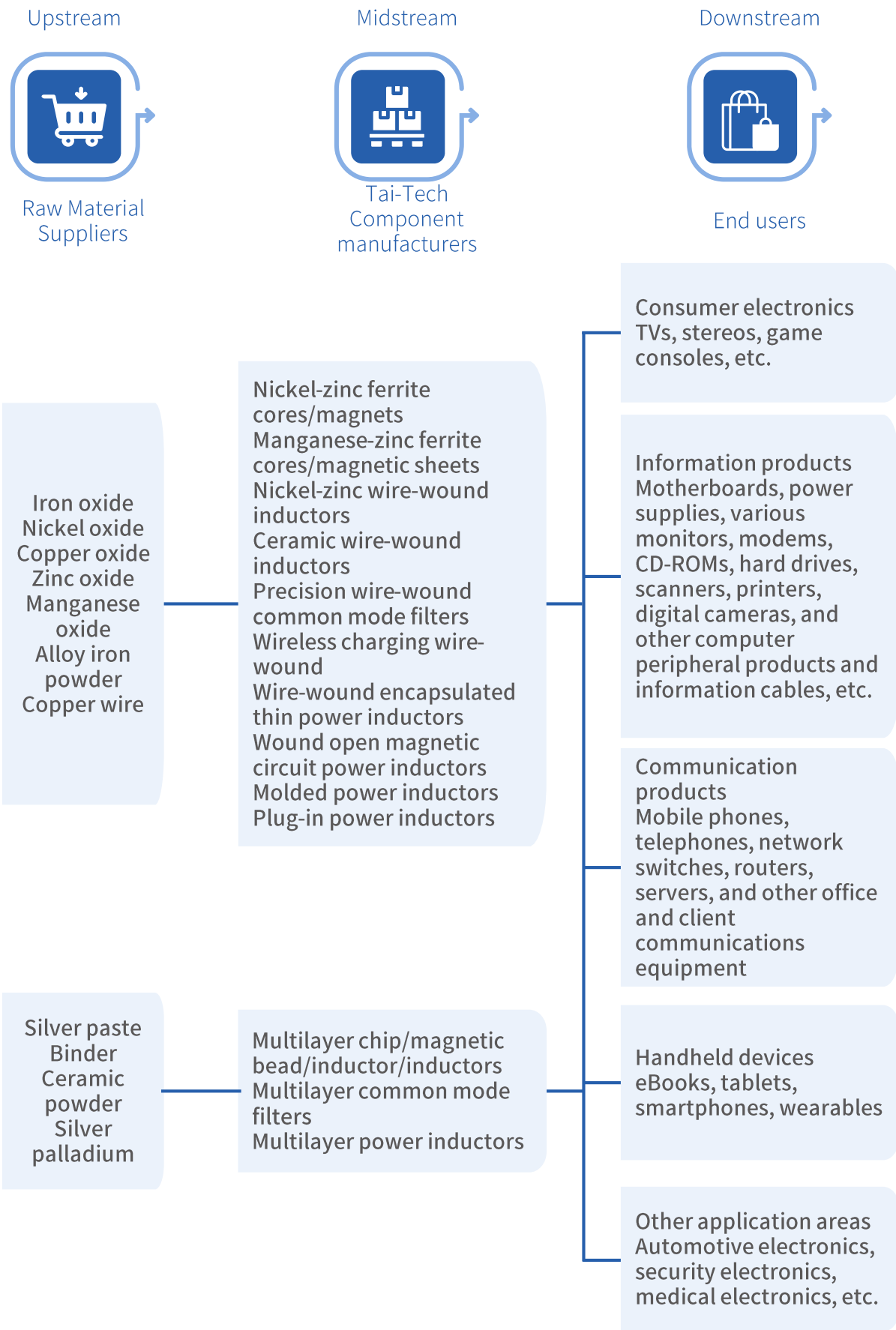
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Business Growth

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## 2.2.4 Raw Materials Management

Due to the impact of COVID-19 in 2021, some of the raw materials had to be procured overseas, resulting in a decrease in the overall local procurement ratio to 74.87%. In the future, we will actively plan to implement local procurement or seek alternative suppliers to reduce risks and carbon emissions during transportation.

As Tai-Tech's operations have expanded to the global market, we assume more risks and responsibilities. We comply with the local laws and regulations as the basic principle of a series of operating activities from planning, procurement, manufacturing, and distribution to after-sales services. We also follow the international organization standards and initiative trends by incorporating the spirit of the Responsible Business Alliance Code of Conduct into the Company's overall supply chain management strategy. We have thus formulated the guidelines for the entire supply chain to follow in the five major dimensions of labor, health and safety, environment, ethics, and management systems, to lead our business partners to jointly create the maximum values for the environment and society.

### Layout of main patents by core product type



## 2.2.5 Supplier Management and Regulation

To implement its supply chain management strategy, Tai-Tech conducts regular evaluations of suppliers to avoid unethical business activities, and has gradually included the ethical conduct clauses in contracts signed with transaction counterparties. Regarding occupational safety, we have formulated the Contractor Management Procedures, and the Occupational Safety and Health Office regularly sends emails regarding relevant occupational safety and health matters to engage with supply chain partners. Regarding environmental protection issues, we have formulated the Green/Environmental Product Specifications Operating Procedures, which will be provided to suppliers to sign and return when new specifications are recognized, to urge suppliers to follow the latest green standards. During the annual supplier audit, suppliers must fill in the supplier audit checklist and return it. If any records of serious adverse impact on the environment and society are found during the transaction or collaboration period, business dealings with such suppliers will be terminated immediately.

Tai-Tech has adopted a conflict-free mineral procurement policy, and the procurement documents all specify the requirement for zero use of conflict minerals. We support RBA's and GeSI's strategies and approaches to conflict minerals, and have adopted the Conflict Minerals Reporting Template released by the EICC/GeSI Extractives working group and its supporting management tools released by the RBA-GeSI joint working group to investigate whether our suppliers implement the above policy. Regarding hazardous substances, we have implemented a zero-tolerance policy and follow internal procurement management regulations. Our suppliers must provide certificates of zero use of hazardous substances. We will also send the substances for inspections and testing, double-checking to ensure that the products are 100% in compliance with standards. Due to the pandemic in 2020, the on-site audit mechanism adopted in previous years has been replaced with audits of written materials. An annual supplier audit shall be conducted in accordance with the Company's supplier audit regulations. If our important raw material suppliers have any deficiencies in the key audit items, they shall respond with an improvement plan within 10 days and a re-evaluation date within one month of the improvement. If a supplier fails to meet standards in the re-evaluation, we will cancel its eligibility and stop purchasing from it. If the on-site audit cannot be conducted due to COVID-19 or other force majeure reasons, document reviews or online auditing will instead be conducted.

### Supplier Audit Checklist: Major Items

#### Quality Control System

Quality control organization and whether quality control system certification is obtained

#### Technological Capabilities

Review the design process and R&D personnel assignment

#### Manufacturing Capabilities

Review operators' qualifications and production processes

#### Machinery and Equipment

Check whether a maintenance and inspection system is established

#### Business Management

Check whether personnel education and training is held; the factory environment is inspected, and finances are stable

#### Traceability Mechanism

Check whether a manufacturing control system is established

#### Training and Education

Check whether there are education and training documents and plans related to environmental protection

#### Defective Goods Control

Check whether there are documented defective goods control procedures in place

#### Raw Material Management

Check whether a mechanism to distinguish green products from non-green ones is established

#### Outsourcing and Supplier Management

Check whether there is an appropriate supplier rating system to track suppliers' key performance indicators

#### Incoming Material Quality Control

Check whether the incoming material inspection documents (standard inspection procedure or SIP) contains records of inspection and environmental restricted substances

#### Process Quality Control

Check whether the operating procedures for preventing pollution and the mixing of prohibited substances have been established

### Laws and regulations and customer requirements

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Assess the organization, talent, and measures of environmental management and zero use of conflict minerals

### Cooperation and Service

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Check whether a declaration or a survey form is signed and returned

### Instruments and Methods of Analysis

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Check whether there is a documented procedure to control inspection, measurement, calibration of testing equipment

### Design Engineering

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Check whether there are changes to environmental restricted substance management regulations

### Outgoing Product Quality Control

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Check whether there is an identification method in place for green products

### Internal Review

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Check whether there is a documented procedure stipulating the audit plan and the responsibilities and requirements of audits

### Document Control

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Check whether there is a documented process to define the engineering drawing purpose and specification changes to conduct version control and keep quality records

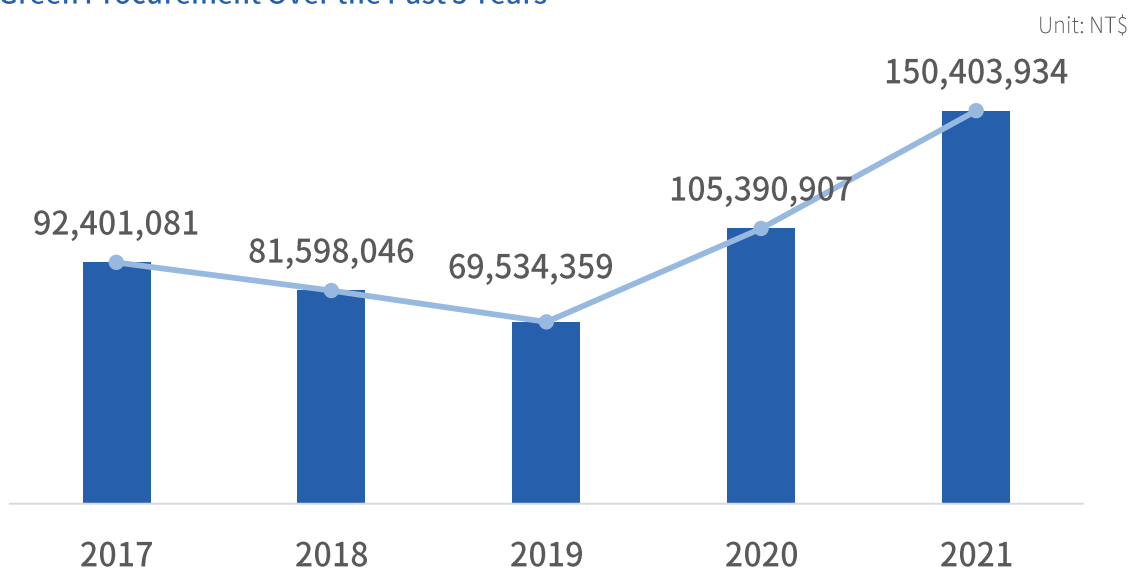
The review of written materials contains 19 dimensions. In addition to the suppliers' self-evaluation, the Company's evaluation is included to ensure the rigorous nature of the overall evaluation mechanism; meanwhile, we encourage supply chain partners to transform and upgrade themselves actively to create greater values in the overall industry chain.

Furthermore, all 21 suppliers passed this year's review of written materials. They included 2 new suppliers, and the total number of written reviewer qualifications accounted for 44.7% of the qualified suppliers. In the future, Tai-Tech will continue to deepen the collaborative relationship with our supply chain partners and work together on various major issues to meet our stakeholders' expectations.

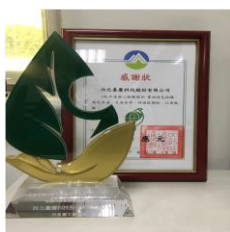
## 2.2.6 Sustainable Procurement

To establish a more resilient supply chain strategy and implement supplier-related management regulations, Tai-Tech has incorporated sustainable procurement strategies in procurement practices, actively selected sources with eco-friendly or green labels for raw material procurement, and striven to work with suppliers to improve corporate social responsibility and contribute to the environment and society where we live together. Tai-Tech has been publicly named a business with Exceptional Green Procurement Performance by the Environmental Protection Agency for the most recent 5 years. In the future, we will continue to plan and implement local procurement to reduce carbon emissions generated from transportation and increase economic opportunities in the areas where our operational sites are located.

### Green Procurement Over the Past 5 Years



### Certificate of Merit for Exceptional Green Procurement Performance



▲ Publicly praised by the Environmental Protection Agency in 2017  
Photo of the Certificate of Merit for Exceptional Green Procurement Performance



▲ Publicly praised by the Environmental Protection Agency in 2018  
Photo of the Certificate of Merit for Exceptional Green Procurement Performance



▲ Publicly praised by the Environmental Protection Agency in 2019  
Photo of the Certificate of Merit for Exceptional Green Procurement Performance



▲ Publicly praised by the Environmental Protection Agency in 2020  
Certificate of Merit for Exceptional Green Procurement Performance



▲ Publicly praised by the Environmental Protection Agency in 2021  
Certificate of Merit for Exceptional Green Procurement Performance

Note: As the trophy for 2021 has not yet been issued, a photo of the 2020 trophy is used as a substitute

# 2.3 Market Operation

## 2.3.1 Customer Relationship Maintenance

After years of endeavors in the field of passive components, Tai-Tech is one of the few companies in the industry with the ability to manufacture and sell various types of inductors and provide customized products to clients. With a transformed business model, Tai-Tech can no longer be defined as a traditional contracted manufacturer. Working closely with clients to develop products and markets, and provide them with high value-added solutions is the key to our foothold in this fiercely competitive market. In recent years, our customer service has progressed to the stage where we develop products with clients, including component design, engineering verification, and after-sales service. We provide services to improve customer stickiness from the initial stage of product development. The Company also has a professional laboratory and a professional team of engineers to provide clients with services, including verification reports. Tai-Tech has transcended the framework of simply manufacturing products, and instead runs on a manufacturing service model.

Under this new business model, Tai-Tech is committed to enhancing the interaction with clients and conducting systematic management to effectively keep abreast of clients' feedback. We have formulated the internal Customer Complaint Response Procedures to establish a complete interdepartmental response mechanism for customer complaint risks to ensure that each client's advice and criticism are duly handled quickly to meet their needs and gain their trust. We analyze and review the content of their complaint and put forward countermeasures and improvement reports to prevent the same incident from recurring and promote our after-sales services and improve product quality. In 2019-2021, there were no information leakage, theft, or customer data loss incidents.

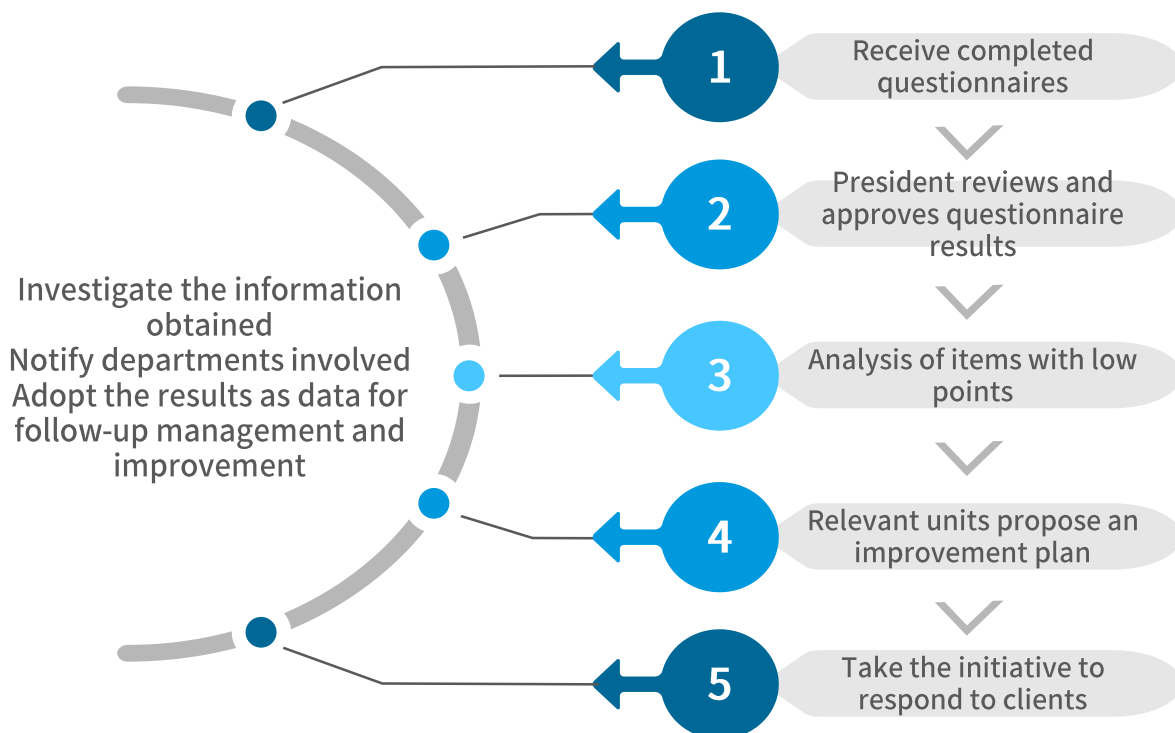
### Customer Complaint Response Process



In addition to a comprehensive client complaint handling mechanism, Tai-Tech also formulated the Client Satisfaction Operation Procedure management specifications to conduct client satisfaction surveys. The Company's sales staff will give the customer satisfaction questionnaire to clients to conduct client satisfaction surveys through visits or by fax or e-mail each year to evaluate the four dimensions of quality, delivery, technological R&D, and price and sales service. A total of 22 copies of questionnaires were distributed in 2021 with a response rate of 100% and an average satisfaction score of 92.64 points. This shows our clients' high approval of Tai-Tech.

As per the Client Satisfaction Operating Procedures, we have established a continuous improvement and tracking mechanism based on the questionnaires collected to instantly keep abreast of clients' feedback and market trends, which has allowed us to flexibly adjust our operational strategies to strengthen the overall business resilience.

### Client Satisfaction Operating Process



The Company focuses on client-oriented services. After using regular client satisfaction surveys to confirm the results, Tai-Tech also pays attention to comments from external agencies, reviews client privacy, and attaches great importance to information confidentiality. The following table shows the client privacy complaint statistics for the past 3 years, and the results indicated zero complaints. Tai-Tech will continue to conduct surveys, improve client satisfaction, and pay attention to customer privacy. The goal is to build willingness and confidence for clients to maintain long-term cooperation and customer relationships.

Year	2019	2020	2021
Total number of complaints from external parties that the organization has substantiated	0	0	0
Total number of complaints from supervisory authorities	0	0	0
Total number of confirmed breaches, thefts, or loss of customer data	0	0	0



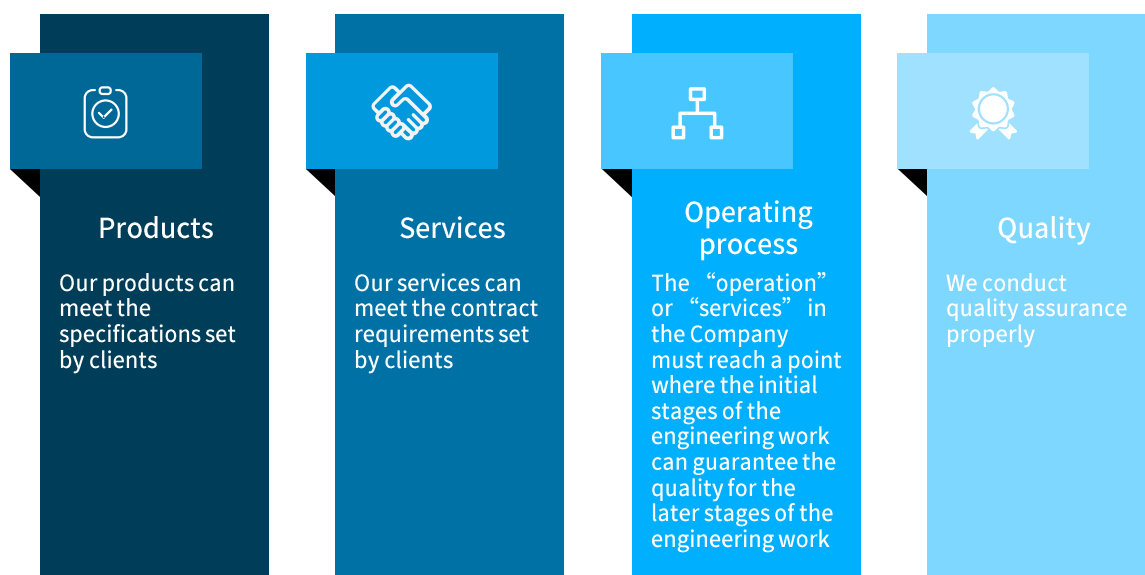
## 2.3.2 Quality Management

Providing clients with reliable products and services is at the core of Tai-Tech's competitiveness. We have long upheld the quality policy of meeting clients' needs and provided them with the best quality and specifications.

In the spirit of our quality policy, we have constantly improved the quality of our products, and formulated corresponding key performance indicators (KPI) according to this policy, and our overall quality management system is based upon using quantitative indicators to ensure that our product quality meets clients' expectations. Every year, we set and review the annual quality KPI in the management review, in line with the Company's overall business policy and quality KPI, and request relevant departments to cooperate with the execution, review, and follow-up.

Tai-Tech's manufacturing and management quality are in line with international standards. To reinforce our foundation in the field of automotive electronics, enter the supply chain of world-class automobile manufacturers, and seize emerging opportunities in the field of electric vehicles, we have obtained the IATF automotive industry quality management system certification (IATF 16949: 2016). It covers design and development, production, installation, and service regulations, proving that we have top-rated capabilities to provide automotive electronic component solutions.

### Quality policy: Meeting clients' needs



### 2.3.3 System and Management System

Tai-Tech has introduced ISO 9001:2015 We have established management and evaluation mechanisms, including leadership, planning, software and hardware resources, operation and production, performance evaluation, and continuous improvement, and we have the Quality Assurance Department within the organization to be responsible for product inspection and abnormality, clients' complaint response, quality audit and certification, instrument calibration and management, and after-sales service. As the management representative authorized by the President, the head of the Quality Assurance Department is responsible for implementing a quality assurance system under ISO 9001: 2015, IATF 16949: 2016, to ensure the implementation of the client-oriented policy, to improve our overall business performance and client satisfaction.

With the above management systems, we have established the Product Identification and Traceability Procedures and the Non-conforming Product Control Procedures to ensure that all products and materials are traceable, and raw materials, materials, or products that are non-conforming or may not meet the requirements can be identified, labeled, isolated, and handled immediately. To prevent further processing or misuse from causing non-conformities to occur again, we will do our best to ensure that every product and part produced by Tai-Tech can meet the test of the market.

In addition to complete quality management procedures, we invest resources and manpower to implement quality improvement projects every year, and explore the issues related to the processes or the products to break through the current bottlenecks we encounter. We also continue improving efficiency and enhancing our own technological capabilities through current situation analyses, improvement countermeasures, and effect verification. Tai-Tech has been able to build diverse and innovative product lines upon years of experience, which is the key to winning our clients' trust and reflects our performance in implementing our quality management system.

#### Relevant Certificates



▲ ISO 9001: 2015



▲ IATF 16949: 2016

## 2.3.4 Quality Improvement Project

### Automated Data Collection and Analysis

Develop Industry 4.0; adopt smart machine networkjrkng; use Big Data collection and analysis; and make products more effective and competitive in design, development, manufacturing, sales, etc., to improve productivity and quality while creating higher added value.



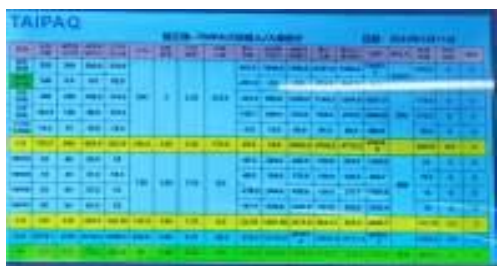
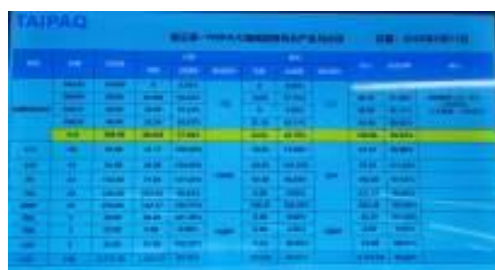
▲ Test data collection and analysis



▲ Spot welding data collection and analysis

### Production Data Bulletin Board Management

1. The production activity information feedback is timely and efficient and has the “self-discipline” ability
2. Bulletin board data moves with logistics, making information flow integrated into logistics and easy to manage
3. Production inventory is low, and quality is controlled
4. Expose many problems in production and promote continuous enterprise improvement



## Automated Inspection

After testing and packaging, a 2x magnifying glass inspection is conducted, and automatic inspection equipment is used instead of manual inspection, to prevent defective products from flowing out to clients due to personnel fatigue or negligence. The cost of inspection per item can be reduced to NT\$0.0142.



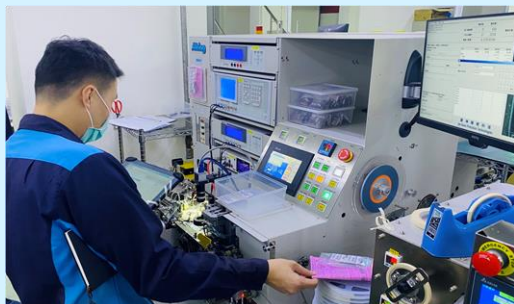
## Promotion and Prospect of Tai-Tech Industry 4.0

### Improve operational efficiency and decision-making information transparency

Since 2021, Tai-Tech has continued to actively invest in equipment and production line upgrades to maintain cutting-edge manufacturing capabilities and adopted external resources for a comprehensive software and hardware upgrade to ensure that our products and services align with the latest trends in the industry. The first stage of on-site production process integration has been completed, the production visualization and quality traceability mechanism have been established, and the production line efficiency and control performance are optimized through mobile device connection operations.

### Improved Production Information Collection Efficiency

We have replaced the traditional production information manual transcription using mobile devices with QR CODE applications. This effort can increase information collection immediacy and credibility while improving data analysis and Big Data applications.



## Production Management Enhancement and Information Transparency

Prevent neglect and negligence caused by human factors via maintenance schedule reminders and regular production equipment inspections, and ensure the production lines operate according to specifications. With the introduction of MES and electronic bulletin boards, real-time production status data can be obtained through the system for analysis.



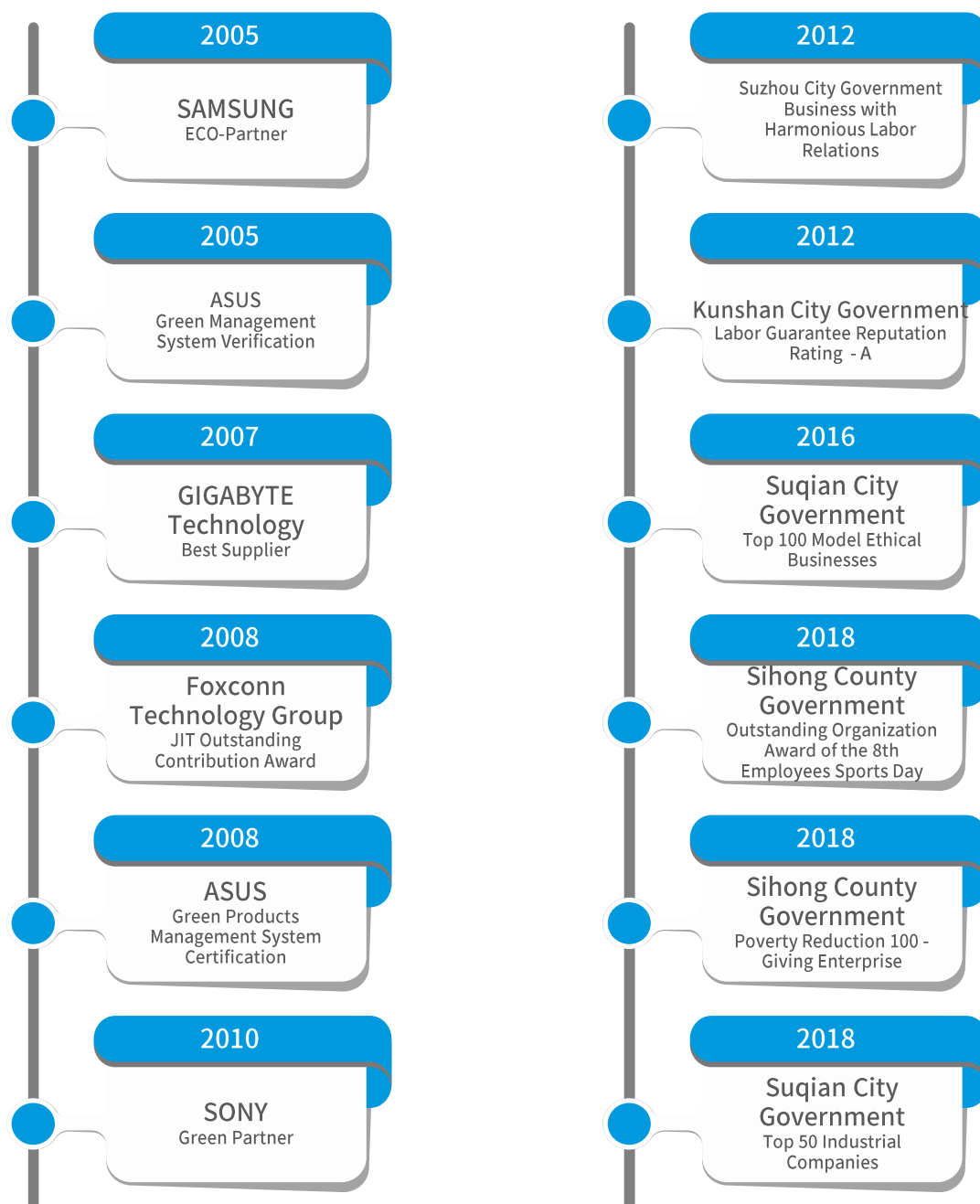
工作單元名稱	訊息編號	訊息名稱	收集數量	區號編號	區號名稱	使用者編號
WCM 機棟	PI0002-2	實際張力(g)	19	GCA001_A	機棟A區	T05013
WCM 機棟	PI0001-2	帶包轉碼號	E330209	GCA001_A	機棟A區	T05013
WCM 機棟	PI0008	帶包轉碼	0.055	GCA001_A	機棟A區	T05013
WCM 機棟	PI0007	帶包轉碼	25FHW	GCA001_A	機棟A區	T05013
WCM 機棟	PI0009	轉碼量	25	GCA001_A	機棟A區	T05013
WCM 機棟	PI0002-2	實際張力(g)	19	GCA001_A	機棟A區	T05013
WCM 機棟	PI0001	帶包轉碼號	E250316	GCA001_A	機棟A區	T05013
WCM 機棟	PI0003	實際溫度(°C)	455	GCA001_A	機棟A區	T05013
WCM 機棟	PI0003-2	實際溫度(°C)	460	GCA001_A	機棟A區	T05013
WCM 機棟	PI0003	實際溫度(°C)	460	GCA001_A	機棟A區	T05013
WCM 機棟	PI0004	轉碼量	2.1920	GCA001_A	機棟A區	T05013
WCM 機棟	PI0009	轉碼量	25	GCA001_A	機棟A區	T05013
WCM 機棟	PI0002	實際張力(q)	18	GCA001_A	機棟A區	T05013

Tai-Tech intends to increase its efforts in 2022 to gradually construct a machine network environment and collect and manage various production data under the full automation principle. The goal is to ensure that higher production quality and better traceability standards are used to comprehensively improve the automated production line environment. The relevant data is combined with the Business Intelligence tools analysis to provide an operational reference. We aim to meet high-quality product demands for items such as automotive electronics.

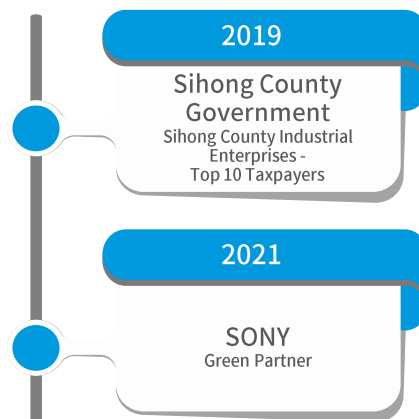
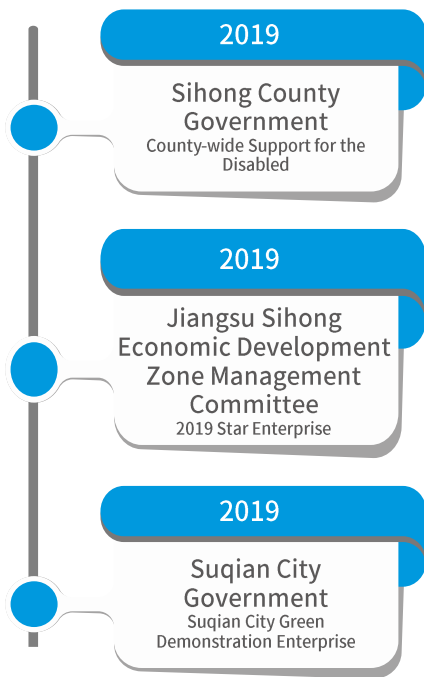
## 2.3.5 Relationship Management and Recognition

Over the years, Tai-Tech and its subsidiaries have maintained positive interactions with various stakeholders around the world and are committed to building a solid and reliable corporate image. Through the endeavors of Tai-Tech's entire team, we have repeatedly obtained recognition and certifications from important stakeholders of the government agencies and industry chain clients and also demonstrated our specific governance achievements in the ESG fields.

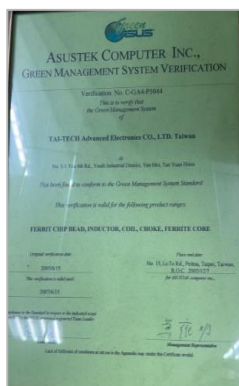
### Recognition Gained in Past Years



- 1
- 2 Business Growth
- 3
- 4
- 5



Photos of relevant certifications



▲ 2005 Green Management System Verification



▲ 2007 Best Supplier



▲ 2008 JIT Outstanding Contribution Award



▲ 2008 Green Product Management System Certification

# Photos of relevant certifications

- 1
- 2
- 3
- 4
- 5

Business Growth



▲ 2005 ECO-Partner



▲ 2010 Green Partner



▲ 2021 Green Partner



▲ 2019 Star Enterprise



▲ 2019 Suqian City Green Demonstration Enterprise



▲ 2019 Sihong County Industrial Enterprises - Top 10 Taxpayers



## Strengthening Online Services and Building Application Simulations

Conduct webinars, provide application simulations, and interact closely with business partners

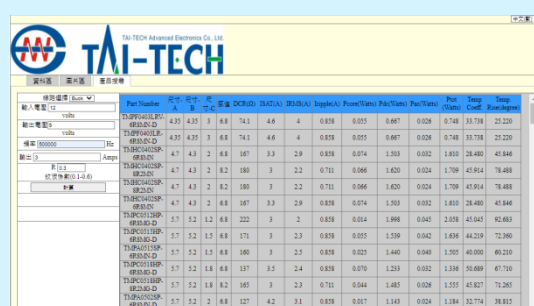
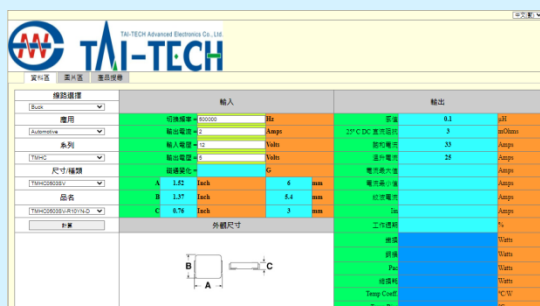
Tai-Tech has actively enhanced its technical service capabilities in response to rapidly changing market trends. Tai-Tech understands that traditional business and technical personnel visits or face-to-face meetings are not enough to maintain close interaction with business partners successfully. In addition to continuous face-to-face communication with customers, we have regularly held online seminars to discuss various topics since 2020. We also invited external consultants to learn about product technical issues and trends to make progress with our clients. Establish product application online program and simulation testing capabilities, and reduce the technical threshold for clients to select products. Fully implement the common good philosophy to grow with our clients by taking action and investing resources.

### 2021 Webinar with external participants

Date	Technical Exchange Course	Participants	Number of participants
3/4/2021	Buck Circuit Frequency Compensation	Agents, clients, and personnel in Tai-Tech's plants	130
4/1/2021	Flyback Circuit Magnetic Parts Application	Agents, clients, and personnel in Tai-Tech's plants	60
6/8/2021	Power inductors used in BOOST Applications	Agents, clients, and personnel in Tai-Tech's plants	130
7/14/2021	Power Inductor for Buck Circuit Application	Agents, clients, and personnel in Tai-Tech's plants	80
8/25/2021	Buck Frequency Compensation	Agents, clients, and personnel in Tai-Tech's plants	100
9/30/2021	BEAD Circuit Design	Agents, clients, and personnel in Tai-Tech's plants	100
10/27/2021	EMI Management Seminar	Agents, clients, and personnel in Tai-Tech's plants	120

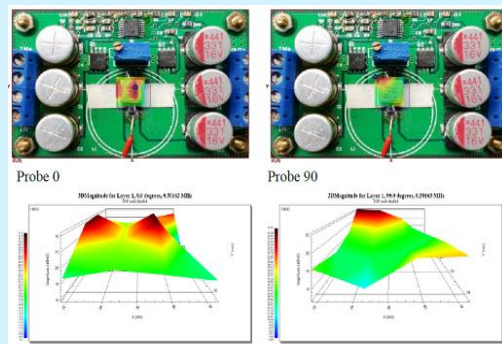
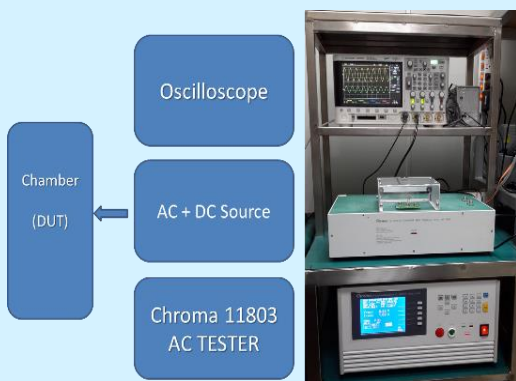
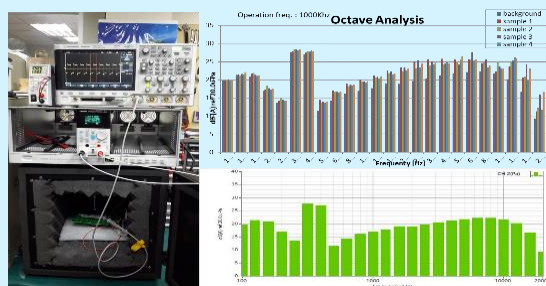
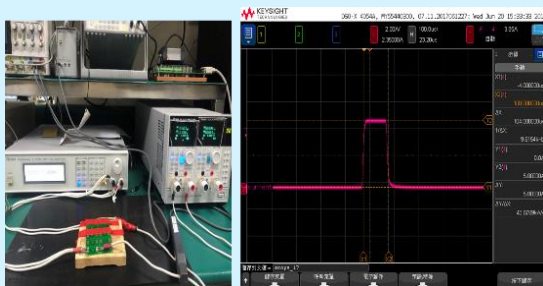
### Product Application Online Program

Active online functions that are known to use the product name to estimate the magnetic loss and the appropriate product recommended under application conditions.



## Product Application Simulation Test

We have established component transient current tolerance, component noise analysis, magnetic field distribution, and other product application simulation test technologies to satisfy clients' various application doubts. For example, the current tolerance specification for general inductive components is rated based on continuous use over long periods. But in actual use, there will be instantaneous high currents (short-time super currents). The instantaneous high currents generated also vary by application or design within the same application, so application simulations must be conducted according to the clients' conditions, which general component manufacturers lack.



Based on Regulation of IEC-61967-6 Near Field EMI Measurement.

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Business Growth

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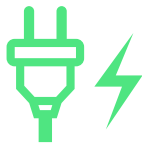
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# 3

## Green Environment

- Material Topics
- Energy Management
- Water Resources Management
- Waste Management
- Pollution Prevention

### 2021 Key Performances



**16.4** GJ/million NT\$

The energy intensity per unit of revenue is only 16.4 GJ/million NT\$, and the power saving rate has reached 1.74% for seven consecutive years



**76.78** %

The overall waste recycling rate is 76.78%, and the electroplating sludge recycling rate is 97.7%.



**3** %

The total water intake has been reduced by 3% thanks to various water conservation measures in the plant.



# Material Topics: Energy Management

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Green Environment

## Management Approach

Importance	As climate change has become a global concern with an increasingly significant impact on life, the Company may lose its market competitiveness, face penalties from government agencies, and lose customer trust if no measures are taken.		
Policy	<ul style="list-style-type: none"> <li>We adhere to the concepts of maintaining the natural environment and implementing green activities. We aim to fulfill our corporate social responsibility and sustainable management concepts by implementing an environmental management system.</li> <li>We have deployed a GHG inventory, verification, and disclosure schedule according to the reference guidelines and relevant regulations issued by the competent authority, which is superior to that required by the “Sustainable Development Roadmap for TWSE/GTSM Listed Companies.”</li> </ul>		
Goals	<ul style="list-style-type: none"> <li>Comply with government policy in 2022 whereby the average annual power saving rate for large energy users is 1%</li> <li>Establish the Greenhouse Gas Inventory Implementation Committee in 2022</li> </ul>		
Responsible Units	Management Department, Production Department, Production Management Department		
Resources	Procure energy-saving equipment and optimize energy-saving systems		
Action Plans	<ul style="list-style-type: none"> <li>Add 7 air compressors for feasible energy-saving equipment due to capacity expansion</li> <li>Prove the effectiveness of energy-saving measures in the factory via production-based behavioral energy inspection and declaration operations</li> </ul>		
Performance Assessment Results	2021 Targets	Actual Performance in 2021	Target Achieved?
	Compliant with government policy whereby the average annual power saving rate for large energy users is 1%	<ul style="list-style-type: none"> <li>Power savings in 2021: 278,906 kWh, power savings rate: 1.06%</li> <li>Average annual electricity savings rate 2015-2021: 1.74%</li> </ul>	Yes

# Material Topics: Water Resource Management

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Green Environment

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## Management Approach

Importance	Although Tai-Tech's geographical location faces no immediate risk of water shortage, we are well aware that water resources are hard to come by, and are committed to water conservation and water recycling measures.		
Policy	We adhere to the concepts of “maintaining the natural environment and implementing green activities” . We aim to fulfill our corporate social responsibility and sustainable management concepts by implementing the environmental management system.		
Goals	Continue to promote water conservation goals in 2022 <ul style="list-style-type: none"> <li>• Reduce the proportion of core process water consumption from 80% to 75%</li> <li>• Improve water recycling rate by over 15%</li> </ul>		
Responsible Units	Management Department, Production Department, Production Management Department		
Resources	<ul style="list-style-type: none"> <li>• Allocate the tasks required by each unit and obtain external technical resources as promoted by the Environmental Safety and Health Committee</li> <li>• Investment to replace RO water purification equipment: NT\$800,000</li> <li>• Invested in RO water purifier maintenance cost: NT\$264,571</li> <li>• Input wastewater facility maintenance cost: NT\$464,454</li> <li>• Service fee for input wastewater operation: NT\$2,970,000. Chemical cost for wastewater operation: NT\$1,867,475.</li> </ul>		
Action Plans	<ul style="list-style-type: none"> <li>• Monitor water consumption in the plant daily and immediately review and improve if there is any abnormality in water consumption.</li> <li>• Verify relevant water-saving measures via the ISO14001 environmental system external audit.</li> <li>• Replace the old RO water purifier and enhance the process to improve water efficiency effectively.</li> </ul>		
Performance Assessment Results	2021 Targets	Actual Performance in 2021	Target Achieved?
	Reduce total water intake by 3%, water resource control standard 410CMD.	Overall operations have grown, but total water intake has decreased by 4,812 tonnes(3.2%) over last year.	Yes
	Water recycling rate exceeded 10%	22,057 tonnes were reused in the ROR wastewater plant, for a water recycling rate of 15.3%.	Yes

# Major Topics: Waste Management

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Green Environment

## Management Approach

Importance	Failure of an organization to abide by waste-related laws may result in damage to the company's reputation, as well as administrative penalties. In more serious cases, the organization's operations may be suspended, which will significantly impact the organization's operations.		
Policy	Tai-Tech is committed to maintaining the safety and health of personnel and protecting the environment and ecology. To achieve environmental protection and sustainable management objectives, we will continue to follow relevant environmental protection and occupational safety and health laws and regulations, adhere to continuous improvement, practice surplus material recycling and regeneration, prevent pollution, and reduce industrial waste.		
Goals	<ul style="list-style-type: none"> <li>In 2022, continue to monitor the introduction of harmful electroplating waste liquids into the factory for treatment to ensure zero pollution to the environment.</li> <li>In 2022, increase the overall waste recycling rate by 1%.</li> </ul>		
Responsible Units	Environmental Protection Division		
Resources	Expenses for waste removal and disposal in 2021: NT\$6,945,206		
Action Plans	<ul style="list-style-type: none"> <li>Promote the green design concept through the ISO14001 environmental management system, implement waste classification and removal management, and improve environmental performance.</li> <li>Regularly identify environmental protection laws and regulations and client requirements. Make management and system adjustments in case of any legal violations.</li> <li>According to the Annual Business Waste Audit Plan, the actual waste treatment plant audit operation is scheduled to prevent improper waste.</li> </ul>		
Performance Assessment Results	2021 Targets	Actual Performance in 2021	Target Achieved?
	Harmful electroplating waste liquid is brought into the factory for treatment to ensure zero environmental pollution.	Hazardous electroplating waste liquid is treated by high-concentration preliminary treatment facilities entirely in the factory. There were no environmental violations, no waste removal, and zero pollution during operations. The efforts have effectively reduced operating costs.	Yes
	Electroplating sludge is recycled and reused, and the reuse rate is over 90%.	The total output of electroplating sludge was 191.99 metric tonnes. 187.63 metric tonnes were reused, and 4.36 tonnes were cured; the reuse rate was 97.7%.	Yes

# Material Topics: Pollution Prevention

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Green Environment

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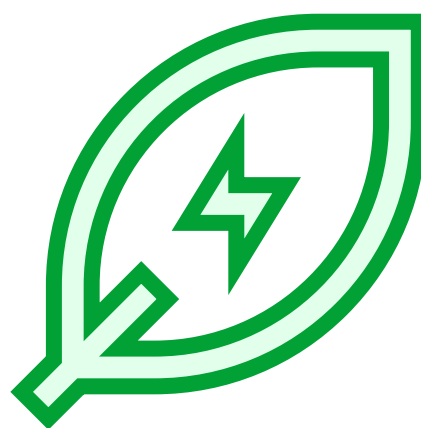
## Management Approach

Importance	Failure of an organization to abide by pollution prevention-related laws may result in damage to the organization's reputation as well as administrative penalties. In more serious cases, the organization's operations may be suspended, which will significantly impact the organization's operations.		
Policy	We adhere to the concept of maintaining the natural environment and implementing green activities. Our goal is to fulfill our corporate social responsibility and sustainable management concepts by introducing the environmental management system.		
Goals	In 2022, experience zero environmental regulation violations.		
Responsible Units	Environmental Protection Division		
Resources	List of environmental protection expenses		
Action Plans	<ul style="list-style-type: none"> <li>• Implement and maintain an environmental management system</li> <li>• Commit to industrial waste reduction, pollution prevention, and continuous improvement work</li> <li>• Follow environmental protection laws and regulations, and make management and system adjustments in case of any violations</li> <li>• Make all employees aware of the importance of environmental management through communication, advocacy, and educational training</li> <li>• Communicate environmental protection information to relevant stakeholders</li> </ul>		
Performance Assessment Results	2021 Targets	Actual Performance in 2021	Target Achieved?
	The Company organization has zero environmental regulation violations	0 cases of Water Pollution Control Act violations	Yes
		0 cases of Stationary Pollution Control Act violations	Yes
1 Waste Disposal Act violation for breach of Paragraph 1 of Article 36; received a fine of NT\$60,000		No	

# 3.1 Energy Management

As climate change has become a global concern with an increasingly significant impact on life, Tai-Tech has striven to save energy in day-to-day operations, such as organizing green office activities.

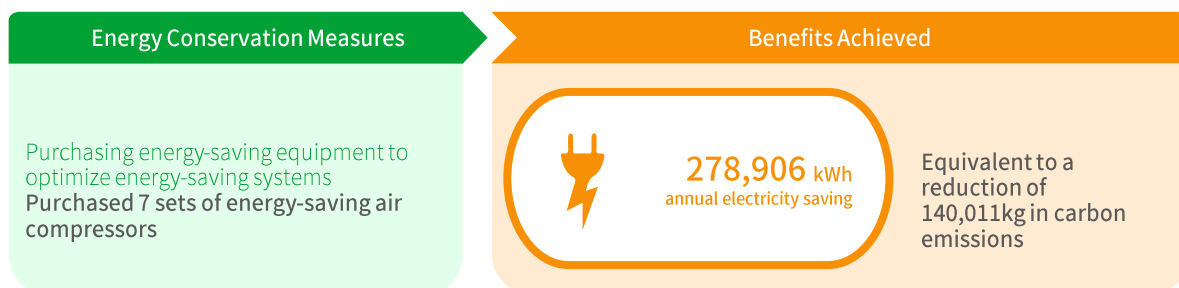
Tai-Tech's energy is mainly from purchased electricity, gasoline, diesel, and liquefied natural gas (LNG). In collaboration with the government to promote energy conservation policies for major energy consumers and due to the organization's operation capacity expansion in 2021, the Yangmei Plant purchased 7 energy-saving air compressors after internal evaluation for the feasible energy-saving plan. The electricity saving rate in 2021 was 1.06%, and the average annual electricity saving from 2015 to 2021 was 1.74%, which complied with the energy saving regulation's requirements for major energy consumers.



Note: Annual electricity saving rate = annual electricity saving / (annual electricity saving + annual total electricity consumption of Yangmei Plant) \* 100% = 278,906 / (278,906 + 26,022,800) \* 100% = 1.06%.

In 2021, as the Company's overall production capacity and revenue have grown significantly, energy consumption increased compared to 2020. However, after the energy intensity assessment with two years of revenue included, the energy intensity per revenue unit has shown a downward trend. This indicates the effectiveness of our efforts in energy management. The total energy consumption statistics for the last two years are presented on the right, and the specific data is shown in the table below.

## Energy Conservation Measures and Benefit Analysis



Note 1: The electricity emission factor is based on the electricity emission factor of 0.502 kg CO<sub>2</sub>e/kWh in 2020, by the Bureau of Energy, Ministry of Economic Affairs

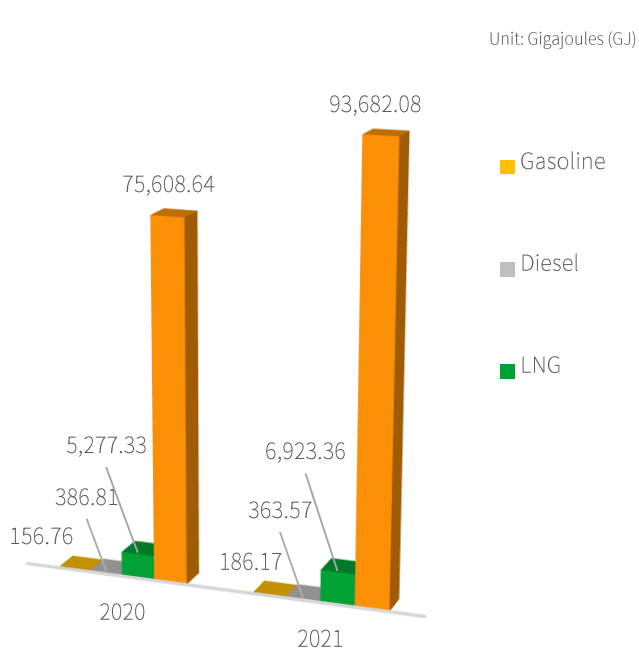
Note 2: In June, 7 sets of energy-saving variable frequency air compressors of 75KW were newly purchased. They will operate 8,500 hours a year, with a total power consumption of 4,462,500 kWh. The efficiency of the air compressor system was increased from the original 1.6kw/m<sup>3</sup> to 1.4kw/m<sup>3</sup>, whereby the efficiency is improved by 12.5%. The energy saving = 4462500 \* 0.125 \* 6 / 12 = 278,906 kWh.

Note 3: Power saving of 278,906 kWh translates to 1004.29 gigajoules.

Note 4: Power saving = air compressor power (W) \* annual operating hours (hr) \* energy saving (%). Energy saving is calculated based on the formula of ITRI.



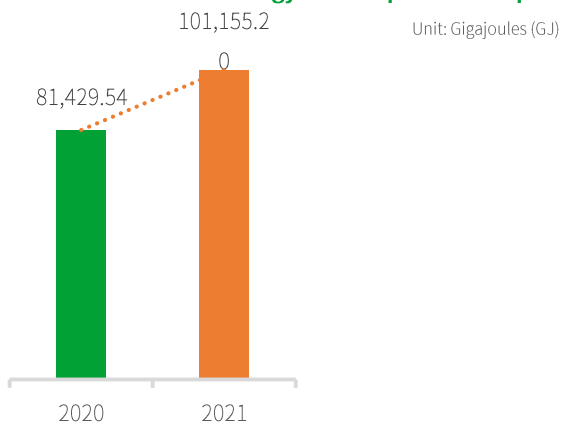
## Statistics of detailed energy consumption in the past two years



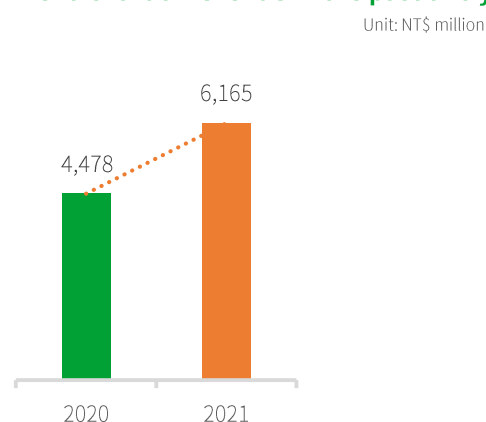
Types of emission sources	2020		2021	
	Emissions (Gigajoules GJ/year)	Emission ratio	Emissions (Gigajoules GJ/year)	Emission ratio
Gasoline (Scope 1)	156.76	0.19%	186.17	0.18%
Diesel (Scope 1)	386.81	0.48%	363.57	0.36%
Liquefied natural gas (Scope 1)	5277.33	6.48%	6923.36	6.84%
Purchased electricity (Scope 2)	75608.64	92.85%	93682.08	92.61%
<b>Total</b>	<b>81429.54</b>	<b>100%</b>	<b>101155.17</b>	<b>100%</b>

Note 1: Tai-Tech does not use purchased coal, purchased steam, or renewable energy in Taiwan  
 Note 2: The calorific value of purchased electricity: 3,600 GJ/million kWh  
 Note 3: For energy sources other than purchased electricity, the conversion is subject to the calorific value table per product unit announced by the Bureau of Energy, Ministry of Economic Affairs. The calorific values of automobile gasoline, diesel, and LNG are 7,800kcal/L, 8,400kcal/L, and 9,000 kcal/L  
 Note 4: Conversion of energy unit is subject to 1 cal = 4.184J

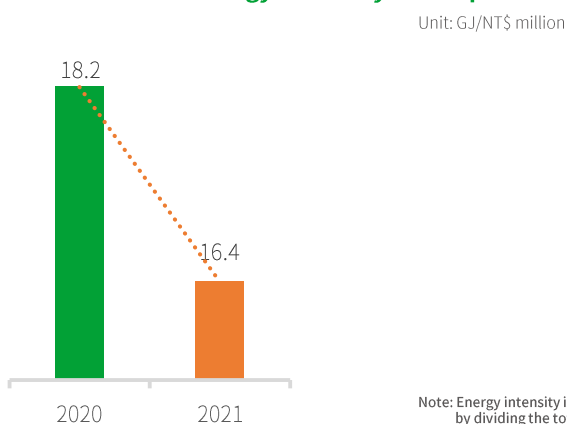
### Trend chart of total energy consumption in the past two years



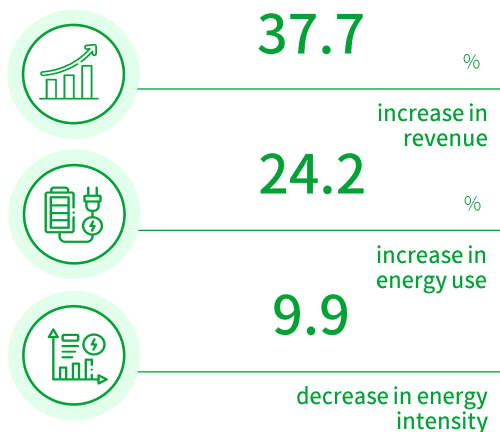
### Trend chart of revenue in the past two years



### Trend chart of energy intensity in the past two years



Note: Energy intensity is calculated by dividing the total energy consumption by revenue



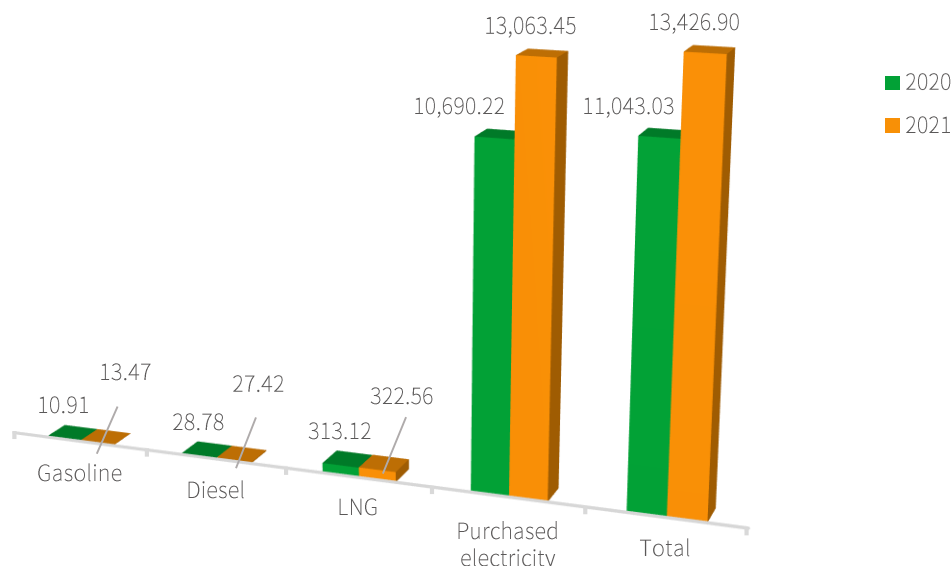
Note: The calculation of percentage is subject to rounding to the 10th digit

### 3.1.1 Greenhouse Gas Inventory

Tai-Tech also calculated and revealed the direct (Scope 1, including gasoline, diesel, and LNG) and indirect (Scope 2, i.e. purchased electricity) greenhouse gas emissions from energy consumption. The emissions data for the past two years are shown in the figure below.

#### Greenhouse Gas Emissions Over the Past Two Years

Unit: CO<sub>2</sub>e metric tonnes



Note 1: Scope 1 includes greenhouse gases directly generated by gasoline, diesel, and liquefied natural gas.

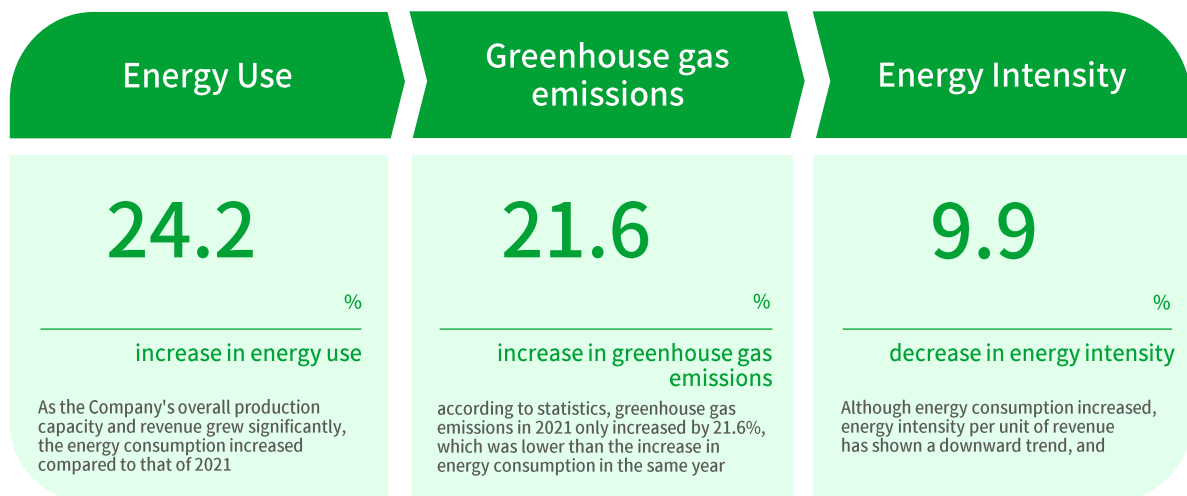
Note 2: Scope 2 refers to greenhouse gases generated indirectly from purchased electricity.

Note 3: The inventory of greenhouse gas emissions is subject to the operational control. The calculation method is based on activity data\*emission factor\* global warming potential (GWP).

Note 4: The emission coefficient value is quoted from the EPA Greenhouse Gas Emission Coefficient Management Table Version 6.0.4. The Scope 1 gasoline emission coefficient is 2.2631 kg CO<sub>2</sub>e/L, the diesel emission coefficient is 2.606kgCO<sub>2</sub>e/L, and the LNG emission coefficient is 1.7529 kg CO<sub>2</sub>e/L. Scope 2 is based on the 2019 Taiwan Electricity Emission Coefficient of 0.502 kg CO<sub>2</sub>e/kWh.

Note 5: The GWP value refers to IPCC' s Fourth Assessment Report in 2007.

#### Greenhouse gas emissions and reduction trends



Note: The data between 2021 and 2020 were compared, and the percentage calculation is subject to rounding to the 10th digit.

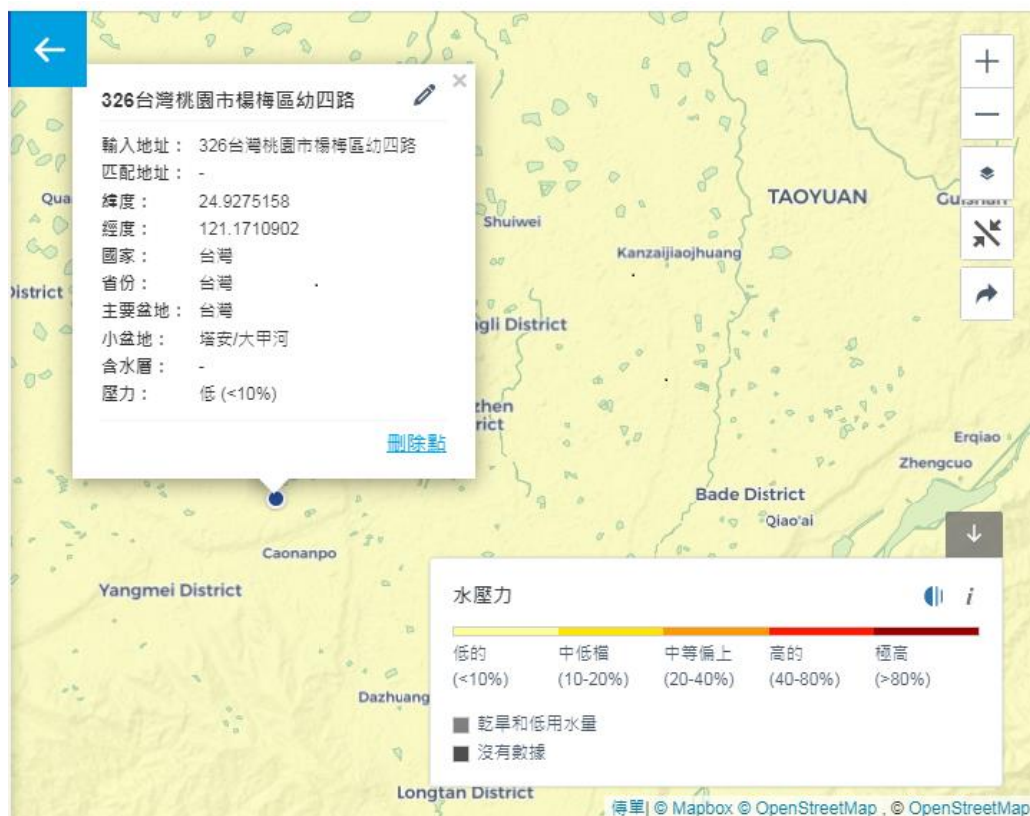
## 3.2 Water Resources Management

Tai-Tech is located in the non-arid or water-deficient area of Taoyuan District, and the risk of water shortage is 10-20%. Although there is no immediate risk of water shortage, we know water resources are hard to come by, hence, we are committed to water conservation and water recycling. The wastewater discharged from the production operation is treated in the factory and released into the industrial area's sewage and sewer system, eventually leading to the Shezi river from Tianxinzi Valley through special pipes.

In addition, the organization's operations grew significantly in 2021. In 2021, the total tap water intake by Yangmei Plant was 144,553 tonnes, a reduction of 3.2% (4,812 tonnes) over the 149,365 tonnes of 2020. The plant has continued to promote water conservation measures. The ROR wastewater reuse rate was 15.3%, reducing water intake by 22,057 tonnes.

Tai-Tech's wastewater discharge operation is located within the jurisdiction of the industrial area. There is a wastewater treatment facility in the factory, and its treatment process is operated according to the Wastewater Treatment Procedure, and the content of the water measures permit. We have also complied with the relevant provisions of the Industrial Zone Sewer System and the Water Pollution Prevention and Control Law. The goal is to ensure that the discharge water quality meets the discharge water standards set by the industrial zone discharge water testing standard and to develop pollution prevention measures to reduce operational impact risks. As a result of our water conservation measures, 110.24 tonnes of wastewater were discharged in 2021, a decrease of 11.17 tonnes from 121.41 tonnes discharged in 2020.

### Tai-Tech Water Observatory



Note: The sources of water withdrawal are all freshwater and based on the WRI Aqueduct water stress data analysis. Tai-Tech's operational sites in Taiwan are in an area with no water stress.

## Analysis diagram for water withdrawal in Taiwan for the past 2 years

Unit: millions of liters

Year	Water withdrawal	Water discharge	Water consumption
2020	149.37	121.41	27.96
2021	144.55	110.24	34.31

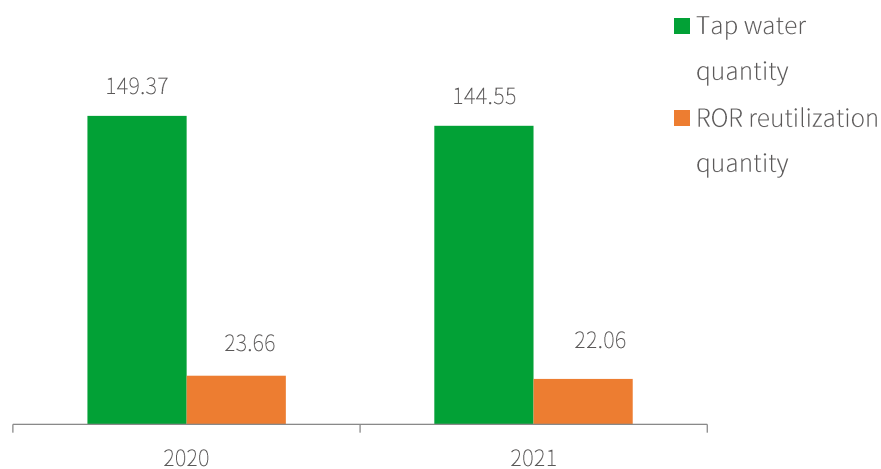
Note 1: Water intake = water source cited in the organization's operations, and the water sources are all from third-party entities (tap water).

Note 2: Discharge volume = water intake by the organization for operation, treated by the facility, and then eventually discharged

Note 3: Water consumption = water intake - drainage water and water source consumed by other methods

## The water volume chart of ROR wastewater reuse in the past two years

Unit: millions of liters



Note: Water sources are all third-party entities (tap water)

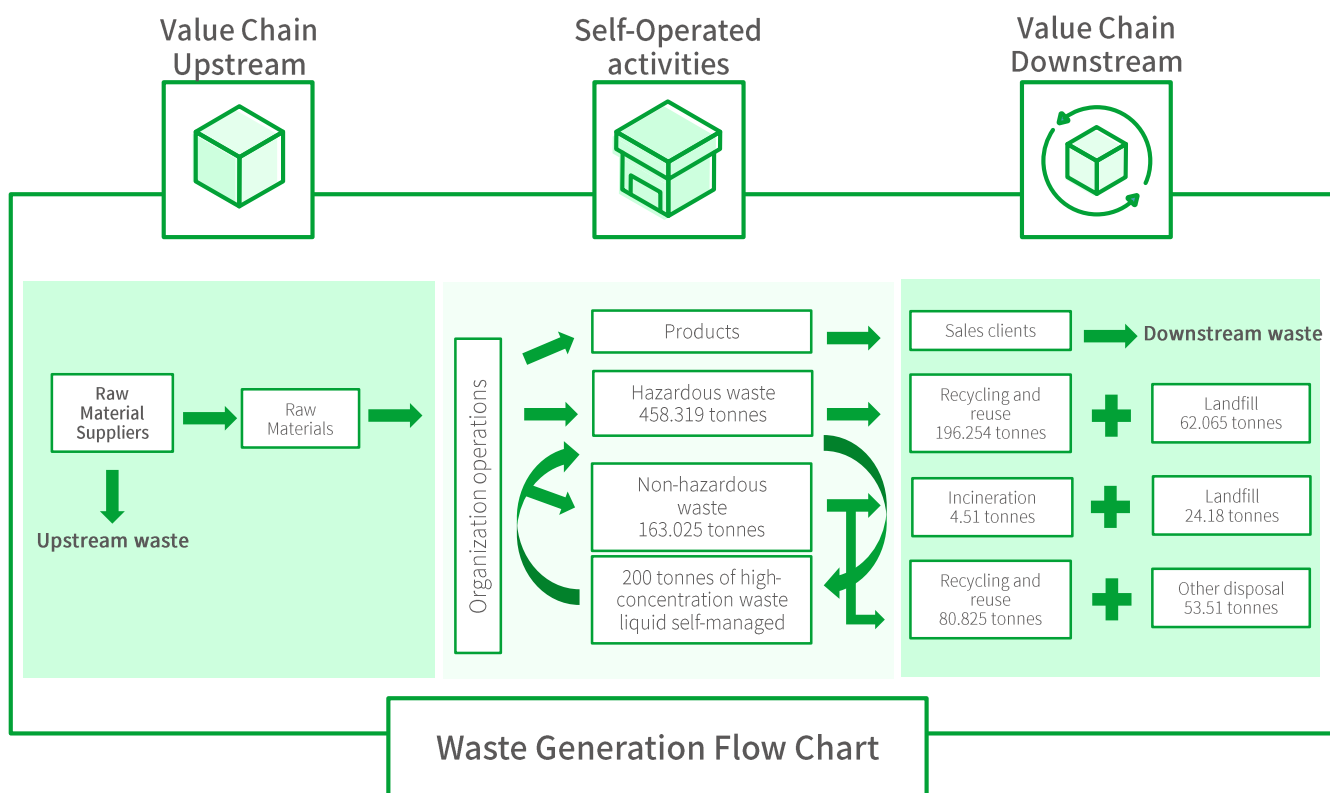


▲ Wastewater treatment facility in the plant

# 3.3 Waste Management

Tai-Tech is part of the electronic components industry and is committed to the R&D and manufacturing of magnetic materials and inductive components-related products. We strictly comply with environmental laws and regulations, from raw material input and manufacturing processes to product output and waste disposal. Moreover, the Company has actively invested in development and innovative thinking, adjusted manufacturing parameters, evaluated technical improvements, and implemented a raw material source reduction policy.

The wastes generated during operations are divided into hazardous and non-hazardous wastes (general wastes). General wastes are domestic wastes generated in the office, people's livelihood wastes, waste saggars derived from the production process, waste plastics, etc. Hazardous wastes are generated during the production process, including electroplating sludge, waste liquid, waste filter element, electronic waste components, etc. The relevant waste output flow chart is shown in the table below.



The Company strictly complies with the “Waste Disposal Act” for overall waste disposal. The organization’s waste disposal plan requires cooperation and signed contracts with specialists approved by the competent authority to ensure legal waste disposal. The Company has implemented waste classification management in accordance with the “Waste Management Procedure” s, and scheduled regular industrial waste treatment inspection and evaluation in accordance with the “Annual Industrial Waste Audit Plan” to effectively prevent improper waste disposal. The goal is to reduce the risk of operating impacts and environmental harm. There were no incidents of leakage throughout the Company's operations in 2021.

### 3.3.1 Waste-Related Statistics

#### Waste transferred from disposal in recycling operations

Unit: metric tonnes

Category		On site (A)	Off site (B)	Total (A+B)
Hazardous waste	Reuse of imminent waste	-	-	0
	Recycling and reuse	-	196.254	196.254
	Other recycling operations	200	-	200
	<b>Total</b>	<b>200</b>	<b>196.254</b>	<b>396.254</b>
Non-hazardous waste	Reuse of imminent waste	-	-	0
	Recycling and reuse	-	8.78	8.78
	Other recycling operations	-	72.045	72.045
	<b>Total</b>	<b>0</b>	<b>80.825</b>	<b>80.825</b>

Note 1: "Reuse of imminent waste" refers to inspection, cleaning, or maintenance of products or components that are about to become waste, and their reuse for the same purpose again through such operations

Note 2: "Recycling and reuse" refers to the reprocessing of products or components that are about to become waste to produce new materials

After a rigorous waste classification and treatment process, there is still waste that cannot be recycled and reused. We adopt incineration and landfill methods for disposal in compliance with the requirements of relevant environmental protection laws and regulations. Please refer to the table below for detailed data.

#### Waste disposed of directly according to disposal operations

Unit: metric tonnes

Category		On site (A)	Off site (B)	Total (A+B)
Hazardous waste	Incineration (including energy recovery)	-	0	0
	Incineration (excluding energy recovery)	-	-	0
	Landfill	-	59.98	59.98
	Other disposal methods	-	2.085	2.085
	<b>Total</b>	<b>0</b>	<b>62.065</b>	<b>62.065</b>
Non-hazardous waste	Incineration (including energy recovery)	-	0	0
	Incineration (excluding energy recovery)	-	4.51	4.51
	Landfill	-	24.18	24.18
	Other disposal methods	-	53.51	53.51
	<b>Total</b>	<b>0</b>	<b>82.2</b>	<b>82.2</b>

Note: The incineration of waste can be conducted with or without energy recovery, which can be judged based on whether a waste incineration facility is equipped with the waste heat recovery function.

## Table of Waste Data in Taiwan

Unit: metric tonnes

Category	Waste composition	Waste generation (A+B)	Waste transferred from disposal (A)	Waste direct disposal (B)
Hazardous waste	Electroplating sludge	191.99	187.63	4.36
	Dust collected	42.35	0	42.35
	Waste electroplating filter elements	13.27	0	13.27
	Plastic empty chemical buckets	2.085	0	2.085
	Electroplating waste liquid	200	200	0
	Waste electronic components, scraps, and defective products	8.624	8.624	0
	<b>Subtotal</b>	<b>458.319</b>	<b>396.254</b>	<b>62.065</b>
Non-hazardous waste	Waste paper	34.56	34.56	0
	Scrap iron cans, scrap aluminum cans, waste PET bottles	1.4	1.4	0
	Waste plastic	5.3	4.21	1.09
	Scrap iron (iron scrap and scrapped equipment)	20.01	20.01	0
	Scrap copper wire	11.765	11.765	0
	Waste light tubes	0.1	0.1	0
	Kitchen waste	2.4	0	2.4
	Domestic waste	3.42	0	3.42
	Waste timber	5.16	5.16	0
	Waste sagger and workstation plates	21.28	0	21.28
	Non-hazardous single scrap metal-core	2.9	0	2.9
	Waste lubricant oils	3.62	3.62	0
	Night soil	51.11	0	51.11
	<b>Subtotal</b>	<b>163.025</b>	<b>80.825</b>	<b>82.2</b>
<b>Total</b>		<b>621.344</b>	<b>477.079</b>	<b>144.265</b>

As shown in the table above, total waste was 621.344 metric tonnes, recyclable waste through disposal was 477.079 metric tonnes, the overall waste recycling rate was 76.78%, and the total waste directly treated was 144.265 metric tonnes. 396.254 metric tonnes of hazardous wastes were recycled and reused, for a hazardous waste recycling rate of 63.77%. The recycling rate of hazardous wastes from electroplating sludge was the most significant, with a recycling rate of 97.7%. We do our best to improve the utilization of various resources. For example, we implement waste classification management to increase resource recycling rates, actively develop various wastes that can be reused, and continue to recycle and reuse raw materials from processes to reduce costs and alleviate the impact on the environment.

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## Recycling and Reuse Column

### Improve Overall Waste Recycling via the Circular Economy Concept

Tai-Tech promotes the circular economy, which the special Environmental Protection Unit first implements within the organization. The goal is to select and create downstream waste manufacturers and introduce business waste into feasible recycling and reuse programs. The overall waste recycling rate in 2021 was 76.78%, an increase of 6.66% over the overall waste recycling rate of 2020. The recycling rate for electroplating sludge was particularly high, at 97.7%.

Tai-Tech will gradually expand to target wastes from manufacturing, product packaging, upstream suppliers, etc., to increase overall waste reuse and recycling, while minimizing waste sources through cross-departmental communication and advocating circular economy initiatives. The goal is to fulfill corporate social responsibility and adhere to the business philosophy of sustainability.

# 3.4 Pollution Prevention

## 3.4.1 Environmental Management System

Tai-Tech has continued to obtain ISO14001:2015 environmental management system certification. Each year, the Company holds environmental management review meetings to review resolutions, assess the previous year's environmental goal achievement rates and environmental plans, and communicate relevant information from various departments. The environmental management system is maintained and executed through internal and external audit operations.

In addition, the Company strictly complies with all environmental laws and regulations. In 2021, one hazardous waste storage violation occurred. Improvement measures: Increase control items using ISO14001 environmental management system and use ISO14001 and internal control audit for mutual verification. Require each department to report the storage days for various wastes during monthly meetings to prevent the violation from recurring.

The Company's environmental management policy aims to maintain the natural environment, implement green activities, and formulate the six environmental management commitments below.

### Tai-Tech ISO14001 Certificate





## Table of Waste Data in Taiwan

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### 3.4.2 Air Pollution Management

Tai-Tech factory discharges volatile gas, organic solvent gas, and granular pollution source waste gas. We have obtained a fixed pollution source operation permit issued by the competent authority and operates air pollution control equipment in accordance with its content and operating parameters. Inspections for the pollutants generated by the Company's operations at the discharge outlets for items such as volatile organic compounds (VOCs), nitrogen oxides (NOx), sulfur oxides (SOx), and suspended particulates (PM2.5) detection were conducted during our permit extension in accordance with regulations. The Company's exhaust gases have met local environmental protection regulations, and there were no air pollution violations in 2021.

Tai-Tech's air pollution testing data shows that the exhaust gas emitted during operations has a very low impact on the local ecological environment. We will continue to pay attention to air pollution prevention, the best feasible technologies, emissions that may destroy the atmospheric ozone layer, and other related issues, to ensure that the organization's operations generate no unnecessary risks.

**Table. Air Pollution Emission Data for the Past 2 Years**

Unit: Kilograms

Year	Volatile Organic Compounds (VOCs)	Nitrogen oxides (NOx)	Sulfur oxide emissions (SOx)	Particulate Matter Pollution
2020	3,561	319	25	133
2021	4,484	421	33	174

Note: Pursuant to the "Management Regulations Governing the Air Pollutant Emissions Report of Stationary Pollution Source," emission amount = raw material \* emission coefficient (declaration system formula coefficient)

# 4

## Harmonious Communities

### 2021 Key Performances



**543** people

Total number of employees in Taiwan in 2021



**100** %

Retention rate after parental leave in the past two years



**77.4** %

2021 employee satisfaction survey table, percentage of satisfied and very satisfied

Material Topics

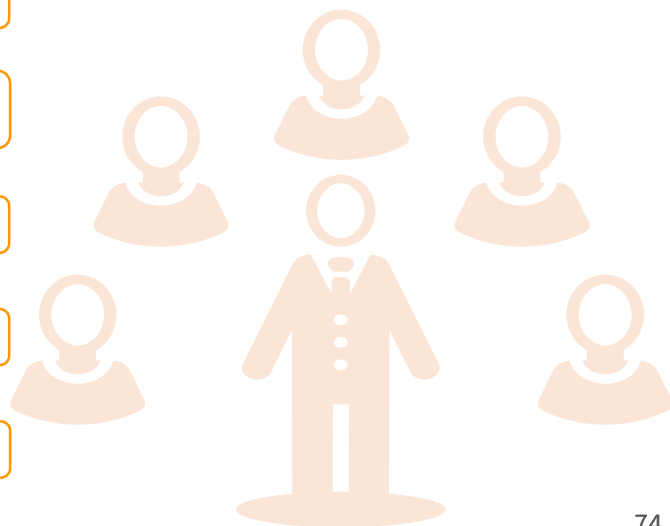
Overview of the Team

Remuneration and Benefits

Human Capital

Friendly Workplace

Care for Society



# Material Topics: Employee Care

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Harmonious Communities

Management Approach	
<b>Importance</b>	All employees are partners. They respect others, trust each other, work together to exert the strength of teamwork, inspire a pioneering spirit, and pursue higher goals. These are the keys to corporate sustainability.
<b>Policy</b>	The Company adheres to the principles of mutual respect, unity, and innovative development to create a good employer brand. In addition to the selection, education, hiring, and retention aspects, a safe, harmonious, stable, proud working environment is also a powerful tool for Tai-Tech to attract and retain talent.
<b>Goals</b>	<ul style="list-style-type: none"> <li>• In 2022, increase employee satisfaction rate to 70%, and questionnaire recovery rate to 95%.</li> <li>• No work reduction or unpaid leave in 2022.</li> <li>• Promote at least one new/optimized employee benefits policy each year</li> <li>• In 2022, increase diverse employment (persons with disabilities, indigenous people, new immigrants, foreign migrant workers) by over 0.5%</li> <li>• Keep average monthly turnover rate in 2022 below 3%</li> </ul>
<b>Responsible Units</b>	Management Department - Administration Division
<b>Resources</b>	<ul style="list-style-type: none"> <li>• 2021 total recruitment costs: NT\$31,500</li> <li>• The total amount of revitalization consumer coupons allocated in 2021: NT\$1,608,000</li> <li>• Retention related subsidies in 2021: \$8,416,337</li> <li>• In 2021, the Company partnered with one foreign manpower agency to effectively and immediately provide information communication between foreign colleagues inside and outside the factory and diversify exclusive risks.</li> </ul>
<b>Action Plans</b>	<ul style="list-style-type: none"> <li>• Construct recruitment and appointment procedures and use objective scale analysis to facilitate employee selection.</li> <li>• Formulate clear procedures for assessment, promotion, reward, and punishment. Hold model worker celebration events every year to present gold medals to long-term workers every 5 years to enhance their sense of accomplishment.</li> <li>• Regularly hold cross-unit and labor-management meetings, and build team consensus via cross-unit participation in terms of proposals, communications, or suggestions.</li> <li>• Conduct regular anonymous satisfaction surveys across all employees.</li> </ul>

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Harmonious Communities

	2021 Targets	Actual Performance in 2021	Target Achieved?
Performance Assessment Results	Employee Satisfaction Survey	Employee satisfaction rate increased from 70% to 77.4%, and the questionnaire recovery rate increased from 95% to 97%	Yes
	Reduced Shifts and Unpaid Leaves due to Operations	There was no work reduction or unpaid leave in 2021.	Yes
	Promote Tai-Tech to be listed on the OTC market	On April 27, 2021, the listing was successfully achieved with the efforts of all staff	Yes
	Promote at least one new/optimized employee benefits policy each year	The impact of COVID-19 is still severe. With the joint efforts of all employees, the Company's production capacity and operations remain unaffected. Each employee was issued a NT\$3,000 subsidy, and the employee maternity subsidy was increased from NT\$2,000 to NT\$6,000 in 2021.	Yes
	Diversified hiring promotion	People with disabilities increased from 0.86% to 0.92% Indigenous people increased from 1.29% to 2.21% Foreign workers increased from 26.88% to 29.28% New immigrants increased from 2.15% to 2.58%	Yes
	Average monthly employee turnover rate: below 3%	Average monthly turnover rate in 2021: 1.78 %	Yes

# Material Topics: Talent Cultivation

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Harmonious Communities

## Management Approach

<b>Importance</b>	Talent development and cultivation are factors critical to the sustainability of an enterprise. The company pays attention to employee function development and is committed to systematic talent cultivation to strengthen organizational capabilities and competitiveness.		
<b>Policy</b>	In addition to providing the mandatory training required by law, the Company's units have also proposed training for development based on the Company's business directions, annual goals, feedback from other stakeholders, and employee functional gaps. The Company will also continue to encourage and support employees' diversified learning, build employee education and training programs, and enhance organizational competitiveness.		
<b>Goals</b>	<ul style="list-style-type: none"> <li>Number of major deficiencies or related penalties from various audits in 2022: 0</li> <li>The implementation rate of the education and training plan in 2022 reached 94%</li> <li>The average overall training satisfaction in 2022 exceeded 4.6 points (out of 5 points)</li> </ul>		
<b>Responsible Units</b>	Management Department - Administration Division		
<b>Resources</b>	Total investment for training in 2021: NT\$752,580		
<b>Action Plans</b>	<ul style="list-style-type: none"> <li>The Company has formulated Training Operation Procedures, Professional Approval Operation Procedures Training, and application methods for On-the-Job training, which are applicable to colleagues in Taiwan factories.</li> <li>Dedicated personnel are deployed to manage the general affairs related to education and training.</li> <li>Continuously and effectively communicate with stakeholders, handle expectations related to education and training, and provide internal evaluation to ensure the effectiveness of education and training.</li> </ul>		
<b>Performance Assessment Results</b>	2021 Targets	Actual Performance in 2021	Target Achieved?
	No Major Deficiencies or Related Penalties from Various Audits	In 2021, there were no major deficiencies or penalties from systematic external audits, customer audits, labor inspections, etc.	Yes
	Education and training program implementation rate 93%	In 2021, the education and training plan implementation rate reached 96%	Yes
	The average overall training satisfaction exceeded 4.5 points (out of 5 points)	The average overall training satisfaction reached 4.6 points (out of 5 points)	Yes

# Material Topics: Occupational Safety and Health

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## Management Approach

<b>Importance</b>	Workplace accidents can be devastating to people. Insufficient occupational safety and health management can result in operational disruption and productivity loss, have significant and long-term impacts on the organization, and may result in serious damage to reputation or related legal actions.		
<b>Policy</b>	The Company has established the Occupational Safety and Health Policy and the Occupational Safety and Health Risk Assessment Procedures, and upholds the spirit of full participation, education and communication, and injury prevention. We are committed to the 5 major objectives: risk management, education and training, health care, legal compliance, and continuous improvement. The goal is to eliminate hazards and reduce occupational safety and health risks by allowing all employees to participate in the occupational safety and health management system.		
<b>Goals</b>	<ul style="list-style-type: none"> <li>• No major deficiencies from the audit results in 2022</li> <li>• Elevated the workplace ground lines in 2022</li> <li>• Pushed valve labeling in 2022 (normally opened / normally closed)</li> <li>• Continued to strengthen the chemical tank lines for electroplating stations in 2022</li> <li>• Strengthened the local exhaust ventilation system on-site in 2022</li> <li>• There were a total of 600,000 disaster-free working hours in 2022</li> </ul>		
<b>Responsible Units</b>	Occupational Safety and Health Office		
<b>Resources</b>	<ul style="list-style-type: none"> <li>• Established an Occupational Safety Committee</li> <li>• Held at least 4 occupational safety and health education and training sessions in 2021</li> <li>• Implemented 3 hours of training for new recruits during initial registration</li> </ul>		
<b>Action Plans</b>	<ul style="list-style-type: none"> <li>• Incorporated the ISO45001 occupational safety and health management system (including mainland China subsidiaries)</li> <li>• Commissioned third-party audits</li> </ul>		
<b>Performance Assessment Results</b>	2021 Targets	Actual Performance in 2021	Target Achieved?
	No major deficiencies or related penalties were found during each audit	In 2021, there were no major deficiencies or penalties from systematic external audits, customer audits, labor inspections, etc.	Yes
	Continued to participate in disaster-free working hours	Regular monthly declarations were made in 2021	Yes
	Health Upgrade and Epidemic Prevention Improvement	Introduced the facial recognition punch-in system to reduce media contact.	Yes

# 4.1 Team Overview

## 4.1.1 Employee Composition and Diversity

Tai-Tech abides by International Bill of Human Rights, including those regarding issues such as gender equality, freedom of association, the right to collective bargaining, care for disadvantaged groups, prohibition of child labor, elimination of all forms of forced labor, and elimination of employment discrimination, and affirms that our human resources policy does not discriminate against employees based on gender, race, socioeconomic status, age, marriage, or family conditions, in order to ensure equality and fairness in employment, conditions of employment, remuneration and benefits, training, evaluation, and promotion opportunities.

With that said, the Company pays attention to the employees' diverse backgrounds. In addition to recruiting people with disabilities in accordance with the laws to ensure their employment opportunities, we employ people from other disadvantaged groups, such as indigenous people and new immigrants. The total number of employees in Taiwan in 2021 was 543. Please refer to the table below for the employees classified according to the type of employment, age, gender, and other diversified employment indicators.

### 2021 Job Type Statistics

Unit: persons

Category		Age			Total
		< age 30	30-50	> age 50	
Executives	Male	0	36	14	50
	Female	0	14	5	19
Non-executives	Male	67	121	12	200
	Female	79	163	32	274
Total		146	334	63	543
Percentage		26.89%	61.51%	11.60%	100%

### 2021 Type of Employment

Unit: persons

Category		Employment contract		
		Full-time staff	Contracted staff	Total
Male	Full-time staff	248	0	248
	Contracted staff	0	2	2
Female	Full-time staff	292	0	292
	Contracted staff	0	1	1
Total		540	3	543

### 2021 Proportions of Employees by Age

Unit: persons

	30 or under		31-50		51 or above		Gender	
	Number of people	Percentage %	Number of people	Percentage %	Number of people	Percentage %	Number of people	Percentage %
Male	67	12.3	157	28.9	26	4.8	250	46.0
Female	79	14.6	177	32.6	37	6.8	293	54.0
Total	146	26.9	334	61.5	63	11.6	543	100

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## 2021 Diversified Employment Indicators

Unit: persons

Category		Age				Percentage (%)
		< age 30	30-50	> age 50	Total	
Indigenous People	Male	0	0	0	0	0
	Female	3	5	4	12	2.21
Disabled	Male	1	2	1	4	0.74
	Female	0	1	0	1	0.18
Foreign employees	Male	42	35	0	77	14.18
	Female	48	33	1	82	15.10
New immigrants	Male	0	4	0	4	0.74
	Female	3	7	0	10	1.84
Total		97	87	6	190	34.99

Note 1: Based on the principles of non-discrimination and personal privacy protection, the Company does not require Indigenous peoples or new immigrants to provide relevant identity documents or materials; hence, the data on the number of persons is based on the estimations by the Management Department.  
 Note 2: The data on the percentages was calculated with the total number of employees in Taiwan as the denominator

### 4.1.2 Data on New and Resigned Employees

With the growth of the Company's business and scale, we continue to recruit talent in various fields through 104 Job Bank, internal recommendations, dispatch work agencies, and employment service stations. In 2021, in Taiwan, there were a total of 187 new employees, and 109 employees resigned. The detailed distribution by age and gender is shown in the table below.

#### New Employee Data

Unit: persons

Year	2020				2021			
	Male		Female		Male		Female	
	Number of people	Proportion	Number of people	Proportion	Number of people	Proportion	Number of people	Proportion
< age 30	33	7%	35	7.5%	53	9.7%	54	9.9%
30-50	26	5.6%	40	8.6%	42	7.7%	36	6.6%
> age 50	0	0%	0	0.0%	1	0.1%	1	0.8%
Total	59	12.6%	75	16.1%	96	17.5%	91	17.3%

#### Data on Resigned Employees

Unit: persons

Year	2020				2021			
	Male		Female		Male		Female	
	Number of people	Proportion	Number of people	Proportion	Number of people	Proportion	Number of people	Proportion
< age 30	31	6.6%	24	5.1%	36	6.6%	22	4.0%
30-50	19	4.0%	26	5.5%	26	4.7%	22	4.0%
> age 50	1	0%	2	0.4%	3	0.5%	0	0.0%
Total	51	10.6%	52	11.0%	65	11.8%	44	8.0%

Note: New (resigned) employee ratio = New (resigned) employees / number of employees at the end of the year



# 4.2 Salaries and Benefits

## 4.2.1 Remuneration System

Tai-Tech's salary and remuneration policy for our employees is subject to individual ability, contribution to the Company, performance, and the consideration for the Company's future operational risks. We do not treat our employees differently due to gender, age, race, or other factors.

We distribute employee compensation at a fixed percentage of the year's pre-tax earnings (paid in the middle of the following year) as per the Company Act and the Articles of Incorporation. We also distribute year-end bonuses at a fixed percentage of the year's earnings after tax. Business performance and results are appropriately reflected in employee compensation. Tai-Tech was officially listed on the Taipei Exchange on April 27, 2021, and has disclosed salary information for full-time non-managerial positions in accordance with regulations. Please refer to the table below for relevant data on employee salaries and performance evaluations.

### Information on full-time non-managerial employees' salaries

Unit: NT\$



Year	Number of full-time employees	Average salary	Median salary
2020	389 people	NT\$746,000	NT\$647,000
2021	474 people	NT\$918,000	NT\$788,000
Difference compared to the previous year	85 people	NT\$172,000	NT\$141,000

Note 1: The number of full-time non-managerial employees

Note 2: Disclosed based on the Taiwan Stock Exchange Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TPEX Listed Companies

### Male-female employee salary ratio table

Job Title / Year	2020				2021			
	Basic salary ratio		Average salary ratio		Basic salary ratio		Average salary ratio	
	Male	Female	Male	Female	Male	Female	Male	Female
Executives	1.39	1	1.31	1	1.40	1	1.34	1
Non-executives	1.11	1	1.19	1	1.11	1	1.15	1

Note: Managerial positions are defined as positions of unit deputy managers or above

Basic salary = approved salary

Average salary = approved salary plus other bonuses

## 4.2.2 Pension Qualifications

According to the Labor Standards Act and the Labor Pension Act, employees in Taiwan who joined before June 30, 2005 (inclusive) are entitled to the old retirement pension system. The Company had already allocated the funds in full in 2017, which was approved by the Taoyuan City Government Department of Labor

For those eligible for the new pension system, the Company shall allocate 6% of the monthly salary for labor insurance to individual employee pension accounts. Employees may also voluntarily allocate 0%~6% to their special retirement fund accounts. Employees can apply for retirement if they meet the statutory retirement conditions, and according to law, the retirement benefits in individual accounts can be withdrawn after reaching the age of 60. The retirement growth rate in 2021 increased from -3.92% in 2020 to 19.5%.

### Average pension cost and growth rate

Unit: NT\$ thousands

Year	2020	2021
Pension	11,201	13,385
Average number of employees at the end of the year	429	503
Average pension cost per person	26.11	26.61
Pension Expense Growth Rate	-3.92%	19.50%

### Pension system

Pension Plan	Tai-Tech's Method	Pension Preparations Status in 2021
Verify Benefits Plans	<p>1. By adhering to the requirements set forth in the Labor Standards Act, the Company has established its own defined retirement benefits plan, which is applicable both to the service years of all regular employees rendered before the enforcement of the Labor Pension Act on July 1, 2005, and to the service years of all employees who elected to continue applying the Labor Standards Act after the implementation of the Labor Pension Act. According to the "Labor Standards Act," pension benefits are calculated based on the employee's length of service and the average salary for the 6 months prior to retirement.</p> <p>2. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, under the name of the Independent Retirement Fund Committee.</p>	<p>As of the end of 2021, the Company's asset fair value was NT\$40,569,000. The amount to be set aside according to law in the future has been accounted for as accrued pension liabilities, and as of the end of 2021, the amount was NT\$14,762,000.</p>
Verified Withdrawal Plans	<p>The Company's has transferred pensions to the Bureau of Labor Insurance's individual account in accordance with the "Labor Pensions Act."</p>	<p>The Company has allocated 6% of total employee salaries into the individual pension account every month.</p>

In accordance with the above-mentioned pension plan, the Company has recognized the expenses as NT\$13,385,000 for 2021.

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### 4.2.3 Welfare Policy

To attract outstanding talent and retain critical talent, Tai-Tech has formulated a comprehensive and excellent employee benefits policy, and in accordance with the law has established the Employee Welfare Committee to be responsible for the planning and implementation of employee benefits. We actively protect employees' basic benefits in cooperation with laws and regulations and have set many measures that are superior to what is stipulated in law, such as employee group insurance, employee gatherings for each unit, personal leave for new employees (one day per month without influencing the perfect attendance record), education scholarships for employees' children, and share allotment for employee subscription.

As for our work environment, we have set up electric scooter charging stations in the plants in line with the government's policy, while working with 7-11 to set up smart vendor machines in the plants for employees to buy beverages, desserts, bread, and rice balls during breaks to reward their hard work.

Furthermore, to encourage and commend senior employees, the Company has set up a system to present a gold medal to an employees' service for five (and multiples of five) years, to recognize their contribution. Due to the COVID-19 pandemic in 2021, many industries were affected, also impacting workers' employment and livelihood. However, we take good care of our employees and their families, and did not adjust our salary and benefit system due to the pandemic. The table below presents the four major aspects of the Company's benefits performance outcomes and benefits policy in 2021: bonuses and benefits, employee insurance, employee leave, and leisure activities.

#### 2021 Benefits Performance Outcomes

Item	Performance Results
Benefit Distribution	We have provided 3 festival gift certificates, birthday gift certificates, apply for employee and children education scholarships, wedding gifts, funeral condolences, unit social gatherings, model worker prizes, etc. When the epidemic was most severe in 2021, employees were issued a consumption revitalization subsidy of NT\$3,000 and a factory celebration gift voucher with a travel subsidy of NT\$3,000 per person. In 2021, welfare subsidy fees totaled NT\$6,295,697.
Group Insurance	The Company fully paid the group insurance fees and strengthened the insurance project in accordance with the plan. The insurances include occupational hazard insurance, accident insurance, medical treatment, hospitalization, critical illness insurance, and life insurance. The total insured amount was NT\$987,708 in 2021, and there were 26 subsidies this year, totaling NT\$232,317.
5-year multiple Gold Medal	To inspire and praise senior employees, the Company has established a "5-year Multiple Gold Medal Distribution" system to recognize employees who have served for 5 years each year. In 2021, a total of 41 eligible staff received a 107-qian gold coin, which translates to a total of NT\$801,904.
On-the-Job Training	The Company has fully subsidized tuition and miscellaneous fees for master's degrees every year according to the "On-the-Job Training Application Methods" to improve employees' quality and enhance their knowledge, skills, and work efficiency. In 2021, such subsidies totaled NT\$393,760.
Employee Health Exams	The annual physical exam for employees (including special medical personnel) is superior to those required by regulations. The medical examination rate in Taiwan was 100%, and the payment made in 2021 was NT\$220,640.
Retention Bonuses	The Company has issued retention bonuses for recognition to motivate employees to contribute to their work and stay on the job for longer. In 2021, a total of NT\$8,416,337 was issued.
Club Subsidy	The Company has increased employee welfare, promoted leisure activities, and encouraged employees to participate in more club activities by going outside and hanging out with the crowd to balance the body and mind. In 2021, club grant subsidies totaled NT\$60,000.

## Four Major Aspects of the Benefit Policy in 2021

### Employee leave



- Female employees' menstrual leave
- Family care leave
- New employees' personal leave
- Maternity leave
- Parental leave

### Employee insurance



- 6% contribution to employee pension funds
- Employee health exam
- Employee labor and health insurance
- Employee group insurance
- Occupational accident insurance
- Accident insurance

### Leisure/daily life/activity



- Kindergarten discounts
- Electric scooter charging stations
- Employee travel
- Employee club subsidy
- On-the-job training subsidy
- Employee gatherings for each unit
- Cooperating store discounts
- Smart vending machines
- Year-end party
- Employee dorm
- Breastfeeding rooms
- Medical rooms

### Bonuses



- Children education scholarships
- Gold medals for employees with five (or multiples of five) years of services
- New employee retention bonus
- Employee introduction bonus
- Mentorship bonus
- Hospitalization consolation money
- Year-end bonus
- Employee bonus
- Wedding cash gift
- Funeral white envelope (condolence money)
- Childbirth allowance
- Birthday gift certificates
- Gift certificates upon three major holidays
- Employee stock option

## 2021 Employee Benefits Photos



▲ Medical and health education courses in the factory



▲ Electric scooter charging stations



▲ Smart vending machines



▲ Employees social group activities



▲ Gold medal for five (or multiples of five) years of services



▲ Breastfeeding rooms

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## 4.2.4 Parental Leave Data

In 2021, the Company had 45 employees entitled to parental leave, of whom five applied for it. The percentage of individuals who requested for reinstatement after parental leave and had worked for one full year after reinstatement in 2020 was 50%, while the reinstatement rate after parental leave in 2021 was 100%. Please refer to the table below for more detailed data.

### 2021 Data on Employees in Taiwan on Parental Leave

	2021				2020		Reinstatement rate (B/A)	Retention rate (D/C)
	Total number of employees entitled to parental leave	Total number of employees applying for parental leave	Number of employees who should have been reinstated after parental stay (A)	Number of employees who were reinstated after a parental stay (B)	Number of employees who were reinstated after a parental stay (C)	Number of employees who have worked for one full year after the reinstatement after parental leave (D)		
Male	23	0	0	0	0	0	None	None
Female	22	5	2	1	1	1	50 %	100 %
Total	45	5	2	1	1	1	-	-

## 4.2.5 Labor-Management Communication

Tai-Tech has always been committed to harmonious labor-management relations. The Company adopts a two-way and open approach to communicating with employees. We have set up physical employee suggestion boxes internally, as per the Employee Suggestion Box Management Regulations. Employees can specify their opinions and suggestions in writing, put them in the employee suggestion box, or send them directly to the President by e-mail. All employees' opinions are handled in person and responded to appropriately by the President, and we promise to keep the information on the employees who raise such opinions absolutely confidential. If an employee puts forward a useful proposal for the Company's operation and management, those whose proposals have been adopted by the Company with effective results will be rewarded appropriately and commended publicly after we obtain such employees' consent. However, if such employees have any concerns and want to remain anonymous, we will respect their wishes and will not make it public.

In addition, the Company has established the "Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at workplace" in response to the Act of Gender Equality in Employment. When an employee is harassed sexually, he/she can file a complaint through the sexual harassment prevention hotline or e-mail, and the Company's internal Grievance Committee (composed of a total of seven members, of whom no fewer than one half are female) will handle the entire process in a confidential manner. In 2021, Tai-Tech received 0 human rights, equality, or other major labor complaints. The Company received 1 case of sexual harassment-related complaint, which has been properly handled and closed according to relevant regulations.



▲ Employee suggestion mailbox

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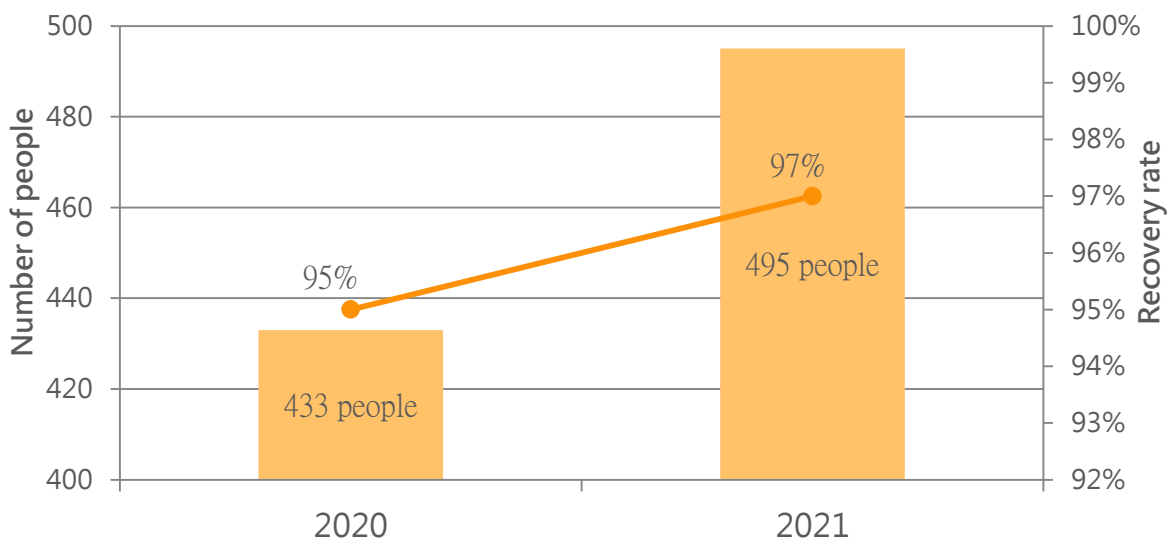
## 4.2.6 Employee Satisfaction Survey

The Company performs an anonymous employee satisfaction survey every year to determine their level of satisfaction regarding the Company's environment, supervisors, colleagues, salary, remuneration, and personal development.

The purpose of the employee satisfaction survey is to communicate more intimately with each employee and understand their true thoughts. The survey is conducted anonymously, and colleagues are free to express their ideas or suggestions. After the colleagues fill in the information, the Company will compile it and send it to the appropriate corresponding units for response and feedback. The goal is to improve colleagues' willingness to participate in the survey by making it clear that their opinions are appreciated.

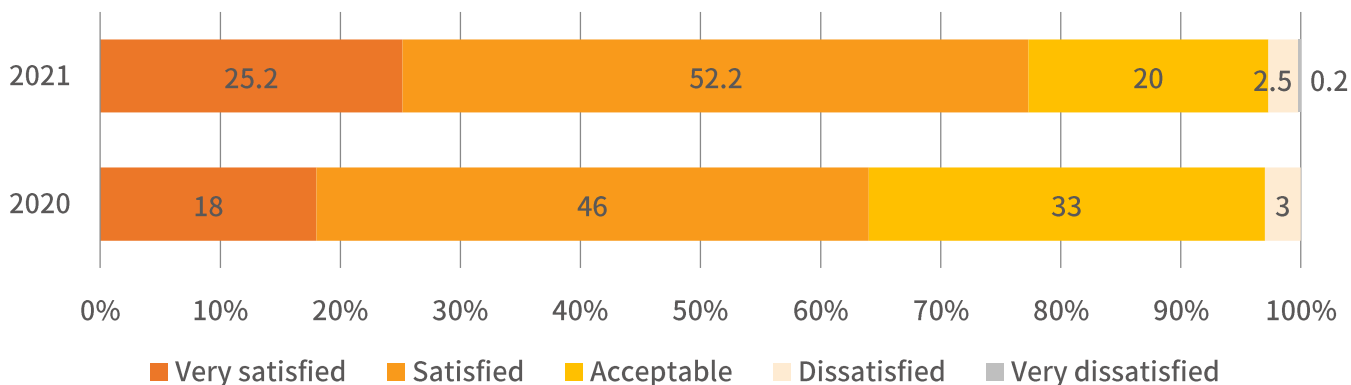
The figure below shows the questionnaire recovery rate of employee satisfaction surveys for the past 2 years. According to the data, both the overall number of employees and the questionnaire recovery rate have increased, forming a positive cycle that allows the Company to become more informed.

### Employee Satisfaction Survey Questionnaire Recovery Rate



The figure below shows the employee satisfaction survey results for the past two years. In 2021, those feeling satisfied or very satisfied increased from 64% to 77.4%, indicating that the company's efforts in all aspects are well recognized by employees.

### Employee Satisfaction Survey Results



# 4.3 Human Capital

## 4.3.1 Talent Cultivation

The Company prioritizes employee career development and is committed to talent growth by establishing training programs. After each unit submits its training needs every year, the management department's administrative division will compile and formulate the education and training plan for the next year. In addition to the existing training programs, the unit or employee may apply for additional training courses based on job requirements, external course status, and training operation processes. The goal is to continuously improve the ability of employees and drive the overall competitiveness of the Company.

For example, if the Company's product promotion staff believes they have encountered bottlenecks during the production of a promotional presentation and are unable to achieve the expected results when communicating with customers, an external unit is commissioned to design training courses such as product promotion briefing production skills improvement classes based on needs. The course is divided into two phases. This allows colleagues to implement what they've learned and record problems after completing the first phase, and then bring the issues up for discussion during the second phase to improve the effectiveness of practical application. Personnel training and completion rates were both 100%, and feedback suggested that the courses were beneficial and that the students could practically apply what they had learned at work.

In 2021, the average number of training hours per employee was 9.3 hours, an increase of 2.8 hours over 2020. They included 23.45 hours for supervisors and 7.25 hours for non-supervisors as shown in the table below:

### 2021 by gender and category

Item	Category	Number of people	Total training hours accepted	Average training hours
Gender	Male	250	3,188.5	12.75
	Female	293	1,866.5	6.37
Category	Executives	69	1,618	23.45
	Non-executives	474	3,437	7.25
Not categorized		543	5,055 hours	9.3 hours

Note: rounded to 2 decimal places.

The 2021 training courses were be divided into 4 aspects: core/general functions, professional functions, occupational safety and health, and degree training. There were 4 applicants for further study in 2021, and all 4 were approved (1 for the bachelor's program and 3 for the master's program). Tuition and other expenditures were fully subsidized by the Company so that colleagues may finish their education with confidence.

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## By Course Category

Course Type	Description	Hours of Education	Invested Funds
Core/General Functions	Covering topics such as newcomer orientation, anti-corruption education and training, trade secret law, English classes, international trade practices, etc.	988.5	5,458
Professional Functions <sup>Note 1</sup>	The personnel of each unit is based on their professional training, such as R&D, quality assurance, auditing room, or accounting.	369	312,075
Occupational Safety and Health Category	Training on occupational health and safety includes general safety and health education, training for recruits on registration day, on-the-job training, and noise hazard prevention.	2,437.5	41,287
Degree study <sup>Note 2</sup>	Bachelor's, Master's, and Doctoral Degrees	1,260	393,760
Total		5,055	NT\$752,580

Note 1: Training for occupational safety and health personnel as well as labor health service nurses are all classified as occupational safety and health

Note 2: Degree studies are counted as 1 credit = 18 hours. The semester recognition method is that the first semester is recognized in the current year, and the next semester is recognized in the following year.

### 4.3.2 Education & Training Satisfaction Rate

Besides student assessment during training, the students' opinions and suggestions on the training process are also an indispensable part of optimizing the education and training system. Therefore, we have conducted Education and Training Opinion Questionnaire surveys on 4 aspects: course content, lecturers, personal gains, and other suggestions. A five-point Likert scale was used for the first 3 aspects (extremely dissatisfied to extremely satisfied), and then the students filled in their suggestions.

The average satisfaction score from the 2021 education and training satisfaction survey was 4.6 points (out of 5 points). For the open-ended suggestion section, the post-class administration summarized the feedback from the 2021 students and found that they were mostly positive. In the suggestions section, the main problem is that the lecturer's volume was too low because the lecturer had doubts about using a microphone due to COVID-19. This issue was resolved by cleaning the microphone before and after each use and using disposable microphone covers.

### 4.3.3 Regular Performance Reviews

The Company has established the Employee Performance Appraisal Management Measures to ensure that the Company's employee appraisal is objective and fair and can motivate employees to improve work efficiency. The percentages of employees who received regular performance appraisal and career development reviews in 2021 are as follows:



Note: Managerial positions are defined as positions of unit supervisor and above



# 4.4 Friendly Workplace

## 4.4.1 Occupational Safety and Health Management System

We attach great importance to industrial safety, health, and hygiene. The ISO45001 occupational safety and health management system was implemented in 2019 in accordance with the law, and a third party was commissioned for audit verification. The audit result in 2021 indicated no major deficiencies.

The Company adheres to the spirit of full participation, advocacy, communication, and injury prevention. The Company employees, contractors, outsourcers, suppliers, etc., are all stakeholders that the Company values. To fulfill and improve our commitment to occupational safety and health, we have developed occupational safety and health policies, implemented occupational safety and health protection measures in the Company's working environment, and formulated employee personal safety protection measures. The Company provides the following specific measures:

### Five Major Items in Tai-Tech's Occupational Safety and Health Policy



Risk Management



Training and Education



Health Care



Compliance



Continuous Improvement

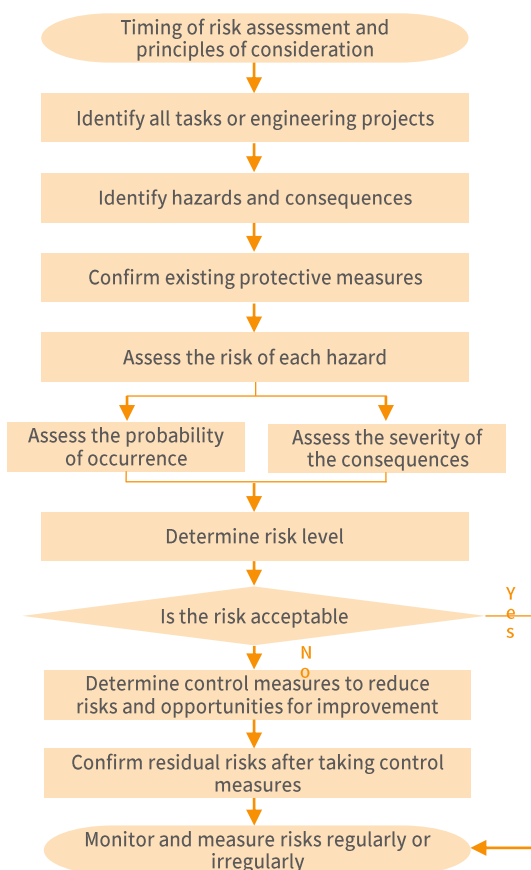
## 4.4.2 Risk Assessment and Control

The Company has formulated the “Occupational Safety and Health Risk Assessment Operating Procedures” according to the risk assessment guidelines promulgated by the Occupational Safety and Health Administration of the Ministry of Labor. The goal is to ensure occupational safety and health, protect the safety of all employees and other workers of the Company, and prevent the Company's operations and facilities from endangering the safety and health of personnel. The goal is to control risks to an acceptable level through continuous safety and health hazard identification, risk assessments, and project management improvements.

During recruitment and on-the-job education and training, the Company has repeatedly emphasized the content of Article 18 of the Occupational Safety and Health Act to ensure employee safety. The goal is to educate employees to escape to a safe area independently in the event of immediate danger without worrying about punishment.

The figure on the right is a flowchart of risk assessment operations, and the risk level table is on the next page. The probability of occurrence and the severity of consequences of a hazard are the two major factors that determine the risk level. Routine or non-routine operations must follow this process to divide all in-plant tasks into 5 risk levels. Corresponding control measures must be taken according to different risk levels to eliminate hazards and minimize risks.

### Occupational Health and Safety Risk Assessment Process



## Risk Level Determination Table

Risk Level	Determination Criteria	Countermeasures
5	Extremely high risk	An unacceptable risk level. We will review the integrity of existing protection and control measures immediately, and continue to set out improvement plans
4	High risk	Barely acceptable risk level. Each unit must prioritize improvement to this level of risk when drawing up a management plan to further review and determine improvement measures
3	Medium risk	A temporarily acceptable risk level, but we need to pay attention to the current control situation
2	Low risk	An acceptable risk level. We manage it using the existing method
1	Ignorable risk	Such risks can be ignored without the need for improvement

### 4.4.3 Accident Investigation Process and Subsequent Improvement

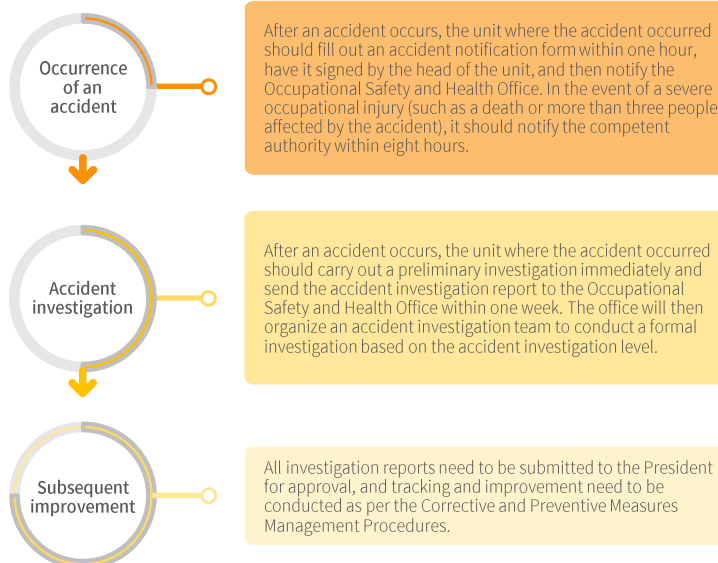
To actively reduce the probability of accidents, Tai-Tech has established relevant handling procedures and investigation mechanisms for after an accident so employees can report in accordance with the Emergency Response Procedures when an accident occurs. Please refer to the flowchart below for the detailed notification process. After the incident, the accident unit conducts a preliminary investigation according to the Accident Investigation Procedures. It prepares an investigation team to conduct a formal investigation to investigate the cause of the accident in detail.



We aim to improve project management through accident investigation reports and risk assessments. The goal is to establish safety barriers and widen the distance between employees and hazard factors to ensure the safety of employees.

Prevention in advance is always better than remediation afterward, so we are also committed to follow-up improvement measures. Colleagues will pass the accident report detailing the cause of the accident and the improvement method to other departments so they can also learn from the experience and prevent the same incident from occurring again.

#### Accident Investigation Process



**Table. Data on work-related injuries in Taiwan in 2021**

	Employees	Contractors
Number of recordable work-related injuries	10	0
Number of deaths caused by work-related injuries	0	0
Number of people suffering from serious occupational injuries caused by work-related injuries	0	0
Death rate of work-related injuries (%)	0	0
Proportion of severe work-related injuries (excluding deaths)	0	0
Proportion of recordable work-related injuries (%)	1.84	0
Total number of hours	1,086,000	72,000

Note 1: The formula for calculating the number of working hours is the total number of people in this category multiplied by eight hours of work per day and by 250 workdays

Note 2: The death rate caused by work-related injuries = (Number of deaths caused by work-related injuries/Total working hours) \* 200,000

Note 3: Proportion of the number of severe work-related injuries = (Number of severe work-related injuries/Total number of working hours) \* 200,000

Note 4: Proportion of recordable work-related injuries = (Number of recordable work-related injuries/Total number of working hours) \* 200,000

Note 5: All nine cases in the recordable work-related injury category were physical injuries

Note 6: Severe work-related disasters are defined as those with deaths caused, more than three people affected in the same accident, one or more people involved in the same accident with the need for hospitalization, or other disasters designated and announced by the central competent authority.

Note 7: In accordance with Article 18 of the Occupational Safety and Health Act, the Company has established a policy and procedure to allow workers to report occupational hazards and dangerous working conditions and to leave working conditions that they believe may cause injuries or disorders, without being subject to punishment.

Note 8: The company's occupational injury statistics do not exclude any workers, and all personnel are included in the statistics.

### Case 1

According to the investigation and analysis of the accident, the main reason the operator was vulnerable to this hazard was that the finished product reclaiming area was too close to the machine operating area. During material retrieval, the employee's hands were prone to getting caught on the equipment. For this reason, the Occupational Safety and Hygiene Office discussed with the engineers to determine if there was room for engineering improvement, and eventually decided to add a slide to the retrieval area, so the finished product can slide down to the reclaiming position, far away from the operation area. This enables the operator to avoid the machine working area during material retrieval.

### Case 2

The media reported the frequent factory fire accidents, and the accident investigation determined that the causes were mostly electrical wiring faults. As a precaution, the Industrial Safety and Health Association of the R.O.C. dispatched personnel to use infrared thermal imaging devices to measure equipment in the factory. The goal was to detect abnormal electrical equipment as soon as possible and prevent fire or explosion caused by faulty electrical equipment. All other questionable parts were replaced during the annual major power system maintenance to ensure the plant's safety.



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Improvement Aspects	Improvement Methods	Performance
Machine Equipment Improvement	Add production slides to increase the distance from hazards.	A total of 731 TBV winding machines
Machine Equipment Improvement	Install acrylic baffles to isolate hazards.	A total of 72 automatic forming machines
Electrical Wiring Improvement	Electroplated troughs were re-crimped, and sleeves were installed to isolate hazards.	7 electroplated troughs
Fire Prevention Improvement	Add a set of manual shut-off valves for emergency or abnormal use.	1 set of LNG manual shut-off valve
Fire Prevention Improvement	Comprehensive inspection and maintenance of high-temperature equipment such as sintering furnaces and ovens.	7 sintering furnaces 15 ovens
Electrical Wiring Improvement	Substation has no fuse switch, and the capacity load is insufficient. The circuit switches and cables in the laboratory power distribution panels were replaced.	Distribution panel 1 set Substation attached expansion 2 sets Laboratory replacement cable 1 room

#### 4.4.4 Occupational Health Services

To ensure employees' physical and mental health, the Company has provided better care than that required by the law by appointing occupational medicine specialists, full-time labor health service nurses, and occupational safety and health personnel in the factory to check colleagues' health. The Company has also formulated labor health service manuals and established 4 programs (the Motherhood Health Protection Program, Abnormal Workload Disease Prevention Program, Human Hazard Prevention Program, and Wrongful Harm Prevention Program). The relevant records from the colleagues are managed by full-time labor health service nurses and stored according to labor health protection rules. The participants' various health service participation (such as interviews) is confidential. It shall not be disclosed to third parties (such as unit supervisors) unless otherwise required by the law or deemed necessary. The goal is to ensure no favorable or unfavorable treatment of the participants.

##### Health Exam

In terms of general health tests, in addition to abiding by the labor health protection regulations, we also offer annual health checks that go beyond the requirements of the law and include additional items with colleagues' consent. We know the importance of how the price of personal health checkups change over the years. Instead of focusing primarily on price, we have chosen cooperative hospitals authorized to conduct health exams. We also demand these hospitals provide comparison reports to show how examinees' inspection results change over time. These reports not only enable colleagues to quickly understand their health status, but they also help labor health service nurses and contracted doctors perform health management more accurately and provide individualized health education advice.

The particularly hazardous process operations of the Company's products include noise, dust, nickel, and ionizing radiation. We have implemented regular environmental monitoring as required by the law and provided health exams, hierarchical management, and related education and training courses for personnel involved in particularly hazardous work. The 2021 annual inspection results indicated no personnel above Level-III management.

## 2021 Annual Health Exam

	Number of people		Percentage of total employees <sup>Note 1</sup>	Content description	Total subsidies Amount
	Superior to legal requirements Inspection	Should be inspected within required time frame			
General Health Exam	295 people	7 people	64.6%	In addition to the items required by law, abdominal ultrasonography is also provided.	217440
Special Health Exam	N/A	Noise work: 66 people Ionizing radiation: 4 people Nickel: 20 people Dust: 40 people	21.8%	According to Labor Health Protection Regulations	3200 <sup>Note 2</sup>

Note 1: The ratio of the total number of employees is calculated based on the total number of 467 full-time employees in October, 2021.

Note 2: Some people did not meet the requirements of the Labor Insurance Bureau-Labor Insurance Health Inspection Subsidy for Occupational Diseases Prevention due to their seniority during the inspection (9 people total). To facilitate colleagues to receive exams, the Company has included the annual health exam cost in its unified subsidy fee, so there is no need to go to the hospital for an examination.

## Health Promotion

Due to the unstable epidemic situation, the various health promotion activities in 2021 were individualized and miniaturized to reduce the risk of clustering. The abnormal body temperature detection rate for 2021 decreased by 1% compared to 2020.

### Health Promotion Activities

Health Promotion Activities and Advocacy	Activity Content Description	Frequency	Number of participants	Percentage of total employees
Mobile Health Care Action	The labor health service nurses provided focused health education for individual personnel during plant-wide temperature monitoring activities.	Daily	All Colleagues in the Factory	100%
Health Related Advocacy	Letter Promotion, Bulletin Board Posting	From time to time	All Colleagues in the Factory	100%
AED Application Education Training (Chung Yuan Office)	In addition to the AED installed in the Yangmei factory, a new AED was installed in the Chung Yuan Office in 2021 under the recommendation of the labor representative to efficiently deal with sudden emergencies, and training was offered to plant staff.	From time to time	7	1%
Top-to-bottom Communication Skill Training	A good workplace communication environment can promote colleagues' physical and mental health. We specifically include top-to-bottom communication skill training in supervisor education and training activities to prevent unlawful infringement of obligations at work. The goal is to encourage leaders to lead by example by establishing a good communication environment.	Once	Leaders at Division Level or Higher	8%



▲ Special health exam



▲ General health exam



▲ AED Application education training (Chung Yuan Office)



▲ Top-to-bottom communication skill training

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## Protective Measures Related to the COVID-19 Outbreak

We extended the 2020 epidemic prevention model, and our biological pathogen disaster response team has continued to actively cooperate with government policies to adjust epidemic prevention measures on a rolling basis. In addition to the existing passive control measures, we gave paid quarantine leave to colleagues who were in high-risk fields that was superior to legal requirements, after assessing the risk and manpower burden. In 2021, a total of 773.5 hours were applied for.

To more proactively face the epidemic and comply with the Enterprise Rapid Antigen Screening Guidelines requirements by the Centers for Disease Control or MOHW, the Company obtained the colleagues' consent to cooperate with A7 Family Clinic in June 2021 to implement rapid antigen screening for a total of 613 colleagues. The results were negative, and the effort was awarded the Gu'an Project Encouragement Certificate from the Taoyuan City Government. In response to a wide-range cell broadcast, the Company promptly initiated a personnel survey in September 2021, and statistics revealed that 40 colleagues got the text message. After receiving consent from the colleagues and performing 2 rapid on-site screenings, the results were all negative.

### Epidemic Prevention Measures

Aspects	Content
Eating	Widen the distance between seats, prohibit face-to-face or talking during meals, and add partitions
Transportation	Provide subsidies for airport transportation (anti-epidemic taxi) expenses for the Company's colleagues returning to Taiwan on business
Housing	<ol style="list-style-type: none"> <li>1. Workplace shifts for migrant workers are arranged to be at the same post, in the same class, and meals are arranged to be together</li> <li>2. Workplace management (e.g., flexible commuting and temperature checks)</li> <li>3. Access control at migrant workers' dormitory (such as temperature measurement and visitor management)</li> <li>4. Promote safety in the native language of</li> </ol>
migrant workers	<ol style="list-style-type: none"> <li>1. Allow employees to apply for overseas business trips due to business needs when the epidemic subsides. Plan overseas business trips during the epidemic period, require the factory doctor to evaluate staff health status, provide health education, and provide necessary protective equipment for business travelers. Cooperate with the government's epidemic prevention policies after returning to Taiwan, and enable colleagues to stay in anti-epidemic hotels at public expense.</li> <li>2. Implement shift and zone divisions, work at home, access control, and epidemic prevention-related publicity in accordance with changes in COVID-19 status and rolling adjustment of government policies.</li> <li>3. Ensure alcohol and bleach are available for disinfection, cleaning, and disinfecting the entire factory in accordance with the status of the epidemic.</li> <li>4. Daily Staff Health Monitoring</li> </ol>
Others	<ol style="list-style-type: none"> <li>1. Established a biological pathogen disaster response team and a clear division of work to ensure that the Company can maintain normal operations during the epidemic.</li> <li>2. We gave paid quarantine leave to colleagues who were in high-risk areas that was superior to legal requirements, after assessing the risk and manpower burden. In 2021, a total of 773.5 hours were applied for.</li> <li>3. Continue cooperating with government policies to encourage colleagues to vaccinate against COVID-19 and provide relevant health and education resources. We also respect each individual's choices and do not require mandatory immunization.</li> </ol>



▲ Migrant workers are taught in their native language



▲ The cafeteria was widened, and partitions were added



▲ Epidemic prevention kits provided to overseas business colleagues



▲ Quick screening provided for visitors



▲ Certificate of Encouragement from the Gu'an Project of the Taoyuan City Government

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#### 4.4.5 Occupational Safety and Health Worker Participation and Training

The Company has established an Occupational Safety and Health Committee in accordance with the Occupational Safety and Health Act. Its purpose is to ensure workers' work safety and health-related measures and to regularly review the factory's safety environment and operation models.

We offer all new employees three hours of orientation training on their first day of work, including occupational safety and health information as well as emergency response training. The Company generally holds regular emergency response and fire drills every 6 months. The goal is to enable employees to quickly organize, mobilize, and take corrective actions in the event of an accident to effectively control the disaster.

The Company also provides relevant education and training to enhance employees' safety and health knowledge and attitudes toward common hazards in the plant, encouraging employees to develop good safety and health habits and create a culture of safety and health.

##### 2021 Education and Training Records

Course	Number of trainees	Training hours	Total hours
New recruits Safety and Health Education	187	3	561
New Contractor Safety and Health Education and Training	319	3	957
On-the-Job Safety and Health Education and Training	17	3	51
Organic Solvent Education and Training	57	3	171
Internal Audit Education and Training	26	3	78
Traffic Safety Promotion	24	3	72
Breathing Protection Education and Training	9	1	9
Noise Hazard Prevention Training and Education	22	3	66
Carbon Monoxide Poisoning and Fire Explosion Education and Training	20	3	60

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# 4.5 Care for Society

## 4.5.1 Charitable Donations

Tai-Tech treats employees as family members, provides various emergency relief services, and pays visits to underprivileged families in villages and townships to help them meet their daily needs. We aim to give back to society through various channels, including long-term donations to disadvantaged groups, adoption of plants outside the factories, and handing over waste cardboard boxes in the plants to the Tzu Chi Foundation for recycling.

To give back to local people, the subsidiary TAIPAQ Electronic Components (Sihong) Co., Ltd. participated in several charitable events in Sihong County of Jiangsu Province in 2021. They included delivering towels, cold beverages, and soap to hardworking cleaning staff, donating gifts on Teachers' Day, and a children's education subsidy project. The local government has even commended the subsidiary as a model enterprise for contributing to the common good through the local community. The table below summarizes participation in major charitable events in 2021.

Table of participation in major charitable events in 2021

Event	Relevant Data
We have long supported the Fangzhou Nursing Home to care for mentally disabled elders	We have donated RMB¥30,000-RMB¥60,000 every year since 2014, and <b>cumulative donations have reached RMB¥270,000</b>
We have adopted plants outside the factories, and pruned flowers and trees to make the environment look more beautiful	Contributed a total of <b>RMB¥95,000</b>
We hand over waste cardboard boxes in the plants to the Tzu Chi Foundation for recycling.	<b>We donated the total amount from such recycling to the Tzu Chi Foundation as a charity fund</b>
Subsidiary TAIPAQ Electronic Components (Si-Hong) Co., Ltd.' s charitable projects (including care for cleaning staff, donation of gifts on Teachers' Day, children' s education subsidy project, fire brigade condolences, and condolences for financially disadvantaged employees)	<b>Donated a total RMB¥66,000</b>

Qingbang Electronic Components (Sihong) Co., Ltd.' s participation in charitable events and awards received



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Harmonious Communities



## 4.5.2 Social Participation

With the second outbreak of the COVID-19 pandemic in May 2021, all of Taiwan entered level 3 pandemic alert, which caused a huge impact on people's daily life and also forced many medical staff on the front lines to work around the clock to safeguard the public.

Tai-Tech handled this unexpected challenge calmly, provided rapid tests to all employees and suppliers' personnel stationed in the plants at our own expense, and launched various work-at-home shifts. The goal was to protect the health and safety of our employees and their family members while ensuring we could continue supplying our clients. In addition, to thank all the medical staff for their sacrifices and dedication, we sent free coffee to National Taiwan University Hospital and the Taipei City Hospital a number of times from July 2021, to cheer for the hard-working medical staff and express our deepest respect and gratitude.

### Photos of heartwarming activities during the pandemic



### Campus Sports Development Funds

Business operations do impact the community. We have participated in community developments through donations, corporate volunteer services, or other public welfare professional services.

Regarding social welfare and care activities in 2021, we sponsored the Taitung National Chenggong Commercial Fisheries Vocational School Youth Baseball Team with NT\$50,000 per month. We supported the Taipei University of Technology's swimming team with NT\$20,000 per month.



▲ Taitung National Chenggong Commercial Fisheries Vocational School Youth Baseball Team



▲ Certificate of appreciation from National Taipei University of Technology's swimming team



▲ Letter of appreciation from National Taipei University of Technology's swimming team

# Appendix 1.

## GRI Standards Index Table

### GRI 102: General Disclosures

General Disclosures	GRI Standards	Disclosure Contents	Chapters and Supplements	Page
Organizational Profile	102-1	Name of the organization	About this Report	3
	102-2	Activities, brands, products, and services	About Tai-Tech Advanced Electronics	7
	102-3	Location of Headquarters	About Tai-Tech Advanced Electronics	7
	102-4	Operating locations	About Tai-Tech Advanced Electronics	7
	102-5	Ownership and legal form	About Tai-Tech Advanced Electronics	7
	102-6	Markets served	About Tai-Tech Advanced Electronics	7
	102-7	Scale of the organization	About Tai-Tech Advanced Electronics	7
	102-8	Information on employees and other workers	4.1.1 Employee Composition and Diversity	79
	102-9	Supply chain	2.2 Supply Chain Management	42
	102-10	Significant changes to the organization and its supply chain	No Major Changes	3
	102-11	Precautionary principle or approach	1.2.1 Risk Identification and Management	25
	102-12	External initiatives	The organization did not engage in any external initiatives this year	
	102-13	Membership in associations	Operational Overview - Relevant Associations	8
Strategy	102-14	Statement from senior decision-maker	Statement from the Management Team	5
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	1.1.2 Ethical Management and Important Management Regulations	23
Governance	102-18	Governance structure	Corporate Sustainability Management Organization	9
Stakeholder Engagement	102-40	List of stakeholder groups	Stakeholder Engagement	12
	102-41	Collective bargaining agreements	The Company has no collective bargaining agreement in place. Instead, we hold quarterly labor-management and retirement meetings to build a consensus between both parties.	
	102-42	Identifying and selecting stakeholders	Stakeholder Engagement	12
	102-43	Approach to stakeholder engagement	Stakeholder Engagement	12
	102-44	Key topics and concerns raised	Stakeholder Engagement	12
Reporting practices	102-45	Entities included in the consolidated financial statements	About this Report	3
	102-46	Defining report content and topic boundaries	About this Report Identification of Major Themes	3 14
	102-47	List of material topics	Identification of Major Themes	14
	102-48	Restatements of information	No information restated this year	
	102-49	Changes in reporting	Identification of Major Themes	14
	102-50	Reporting period	Overview of issuance	4
	102-51	Date of most recent report	Overview of issuance	4
	102-52	Reporting cycle	Overview of issuance	4
	102-53	Contact point for questions regarding the report	Contact methods	4
	102-54	Claims of reporting in accordance with the GRI Standards	Basis for Preparation	3
	102-55	GRI content index	Appendix. GRI Standards Index Comparison Table	98
102-56	External assurance	Appendix CPA's Limited Assurance Statement	103	

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Appendix

## GRI Material Topics Disclosure

Material Topics	GRI Standards			Disclosure Contents	Chapter	Page
Compliance	GRI 103	Management Approach	103-1 103-2 103-3	Explanation of the material topic and its boundaries The management approach and its components Evaluation of the management approach	Material Topics - Legal Compliance	19
	GRI 307	Environmental Laws and Regulations Compliance	307-1	Violation of environmental laws and regulations	1.2.6 Legal Compliance	31
	GRI 419	Society and Economy Compliance	419-1	Violation of laws and regulations in the social and economic fields	1.2.6 Legal Compliance	31
Customer Relationship Management	GRI 103	Management Approach	103-1 103-2 103-3	Explanation of the material topic and its boundaries The management approach and its components Evaluation of the management approach	Material Topic: Customer Relationship Management	36
	GRI 418	Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.3.1 Customer Relationship Maintenance	47
Supply chain Management	GRI 103	Management Approach	103-1 103-2 103-3	Explanation of the material topic and its boundaries The management approach and its components Evaluation of the management approach	Material Topic: Supply Chain Management	34
	GRI 204	Procurement Practices	204-1	Proportion of purchase expenditures from local suppliers	2.2.4 Raw Materials Management	43
	GRI 308	Supplier environmental assessment	308-1	Screening new suppliers via environmental standards	2.2.5 Supplier Management and Regulation	43
Innovation and R&D	GRI 103	Management Approach	103-1 103-2 103-3	Explanation of the material topic and its boundaries The management approach and its components Evaluation of the management approach	Material Topic - Innovative R&D	33

Material Topics	GRI Standards			Disclosure Contents	Chapter	Page
Energy Management	GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries The management approach and its components Evaluation of the management approach	Material Topic: Energy Management	60
			103-2			
	103-3					
	GRI 302	Energy	302-1	Energy consumption within the organization	3.1 Energy Management	64
302-3			Energy Intensity	3.1 Energy Management	64	
302-4			Reduce Energy Consumption	3.1 Energy Management	64	
Water Resources Management	GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries The management approach and its components Evaluation of the management approach	Material Topic - Water Resource Management	61
			103-2			
	103-3					
	GRI 303	Management Approach Disclosure	303-1	Interactions with water as a shared resource	3.2 Water Resource Management	67
			303-2	Management of water discharge-related impacts	3.2 Water Resource Management	67
		Water and Effluents	303-3	Water withdrawal	3.2 Water Resource Management	67
			303-4	Water discharge	3.2 Water Resource Management	67
303-5			Water consumption	3.2 Water Resource Management	67	
Waste Management and Recycling	GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries The management approach and its components Evaluation of the management approach	Material Topic - Waste Management	62
			103-2			
			103-3			
	GRI 306	Wastewater and Waste	306-1	Waste Generation and Significant Waste-Related Impacts	3.3 Waste Management	69
			306-2	Management of significant waste-related impacts	3.3 Waste Management	69
			306-3	Waste generated	3.3 Waste Management	69
			306-4	Waste diverted from disposal	3.3 Waste Management	69
			306-5	Waste directed to disposal	3.3 Waste Management	69
	Pollution Prevention	GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries The management approach and its components Evaluation of the management approach	Material Topic - Pollution Prevention
103-2						
			103-3			
	GRI 305	Emissions	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.4 Pollution Prevention	73

Material Topics	GRI Standards			Disclosure Contents	Chapter	Page
	GRI	Management Approach	Code			
Occupational Safety and Health	GRI 103	Management Approach	103-1 103-2 103-3	Explanation of the material topic and its boundaries The management approach and its components Evaluation of the management approach	Material Topic - Occupational Safety and Health	78
	GRI 403	Management Approach Disclosure	403-1	Occupational Safety and Health Management System	4.4.1 Occupational Safety and Health Management System	89
			403-2	Hazard identification, risk assessment, and incident investigation	4.4.2 Risk Assessment and Control	89
			403-3	Occupational health services	4.4.4 Occupational Health Services	92
			403-4	Worker participation, consultation, and communication on occupational safety and health	4.4.5 Occupational Safety and Health Worker Participation and Training	95
			403-5	Occupational Safety and Health Training	4.4.5 Occupational Safety and Health Worker Participation and Training	95
			403-6	Promotion of worker health	4.4.4 Occupational Health Services	92
			403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	4.4.5 Occupational Safety and Health Worker Participation and Training	95
	Occupational Safety and Health	Occupational Safety and Health	403-8	Workers covered by the Occupational Safety and Health Management System	4.4.1 Occupational Safety and Health Management System	89
			403-9	Work-related injuries	4.4.3 Accident Investigation Process and Subsequent Improvement	90
Talent Attraction and Retention	GRI 103	Management Approach	103-1 103-2 103-3	Explanation of the material topic and its boundaries The management approach and its components Evaluation of the management approach	Material Topic - Employee Care	75
	GRI 401	Employment	401-1	New employee hires and employee turnover	4.1.2 Data on New and Resigned Employees	80
			401-2	Benefits provided to full-time employees (excluding temporary or part-time employees)	4.2.3 Welfare Policy	83
			401-3	Parental leave	4.2.4 Parental Leave Data	85
	GRI 405	Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	4.1.1 Employee Composition and Diversity	79
			405-2	Female-male proportions of basic salary and remuneration	4.2.1 Remuneration System	81
	GRI 201	Economic Performance	201-3	Definition of benefit obligations and other retirement Plans	4.2.2 Pension Qualifications	82
Talent Cultivation	GRI 103	Management Approach	103-1 103-2 103-3	Explanation of the material topic and its boundaries The management approach and its components Evaluation of the management approach	Material Topic - Talent Cultivation	77
	GRI 404	Training and Education	404-1	Average hours of training per year per employee	4.3.1 Talent Cultivation	87
			404-3	Percentage of employees receiving regular performance and career development reviews	4.3.3 Regular Performance Reviews	88

# Appendix 2.

## SASB Standards Index Table

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SASB Topic	Index Code	Disclosure Contents	Chapter	Page
Raw material procurement	RT-EE-440a.1	Describes the risk management associated with the use of critical raw materials	2.2.2 Identify Key Raw Materials and their Risk Management Strategies	41
Energy Management	RT-EE-130a.1.	(1) Total energy usage (2) Proportion of grid electricity usage (3) Proportion of renewable energy use	3.1 Energy Management	64
Hazardous waste management	RT-EE-150a.1	Proportion of hazardous waste recycling	3.3 Waste Management	69

# Appendix 3.

## CPA's Limited Assurance Statement



### 會計師有限確信報告

資會綜字第 21020520 號

西北壹慶科技股份有限公司 公鑒：

本事務所受西北壹慶科技股份有限公司（以下稱「貴公司」）之委任，對 貴公司選定民國 110 年度永續報告書所報導之績效指標執行確信程序。本會計師業已確信竣事，並依據結果出具有限確信報告。

#### 確信標的資訊與適用基準

有關 貴公司選定民國 110 年度永續報告書所報導之績效指標（以下稱「確信標的資訊」）及其適用基準詳列於 貴公司民國 110 年度永續報告書第 104 頁之「確信項目彙總表」。前述確信標的資訊之報導範圍業於永續報告書第 3 頁之「報告書期間與範疇」段落述明。

#### 管理階層之責任

貴公司管理階層之責任係依照適當基準編製永續報告書所報導之績效指標，且維持與績效指標編製有關之必要內部控制，以確保績效指標未存有導因於舞弊或錯誤之重大不實表達。

#### 會計師之責任

本會計師係依照確信準則公報第一號「非屬歷史性財務資訊查核或核閱之確信案件」，對確信標的資訊執行確信工作，以發現前述資訊在所有重大方面是否有未依適用基準編製而須作修正之情事，並出具有限確信報告。

本會計師依照上述準則所執行之有限確信工作，包括辨認確信標的資訊可能發生重大不實表達之領域，以及針對前述領域設計及執行程序。因有限確信案件取得之確信程度明顯低於合理確信案件取得者，就有限確信案件所執行程序之性質及時間與適用於合理確信案件者不同，其範圍亦較小。

本會計師係依據所辨認之風險領域及重大性以決定實際執行確信工作之範圍，並依據本委任案件之特定情況設計及執行下列確信程序：

- 對參與編製確信標的資訊之相關人員進行訪談，以瞭解編製前述資訊之流程，以及攸關之內部控制，以辨認重大不實表達之領域。
- 基於對上述事項之瞭解及所辨認之領域，對確信標的資訊選取樣本進行包括查詢、觀察、檢查及重新執行等測試，以取得有限確信之證據。

資誠聯合會計師事務所 PricewaterhouseCoopers, Taiwan  
110208 臺北市信義區基隆路一段 333 號 27 樓  
27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei 110208, Taiwan  
T: +886 (2) 2729 6666, F: +886 (2) 2729 6686, www.pwc.tw



此報告不對民國 110 年度永續報告書整體及其相關內部控制設計或執行之有效性提供任何確信，另外，民國 110 年度永續報告書中，除 109 年自來水總取水量外，餘屬民國 109 年 12 月 31 日及更早期間之資訊未經本會計師確信。

#### 會計師之獨立性及品質管制規範

本會計師及本事務所已遵循會計師職業道德規範中有關獨立性及其他道德規範之規定。該規範之基本原則為正直、公正客觀、專業能力及盡專業上應有之注意、保密及專業態度。

本事務所適用審計準則公報第四十六號「會計師事務所之品質管制」，因此維持完備之品質管制制度，包含與遵循職業道德規範、專業準則及所適用法令相關之書面政策及程序。

#### 先天限制

本業諸多確信項目涉及非財務資訊，相較於財務資訊之確信受有更多先天性之限制。對於資料之相關性、重大性及正確性等之質性解釋，則更取決於個別之假設與判斷。

#### 有限確信結論

依據所執行之程序與所獲取之證據，本會計師並未發現確信標的資訊在所有重大方面未依適用基準編製而須作修正之情事。

#### 其它事項

貴公司網站之維護係 貴公司管理階層之責任，對於確信報告於 貴公司網站公告後任何確信標的資訊或適用基準之變更，本會計師將不負就該等資訊重新執行確信工作之責任。

資誠聯合會計師事務所

會計師 李燕娜  

中華民國 111 年 9 月 28 日

# Appendix 4.

## Assurance Statement Summary Table

No.	Assurance subject	Page	Applicable benchmarks
1	Yangmei Plant purchased 7 energy-saving air compressors with a power-saving rate of 1.06% in 2021	64	The annual power saving rate of the 7 additional energy-saving air compressors was calculated in accordance with the Regulations on Setting Energy Conservation Objectives and Execution Plans for Energy Users, Jing-Neng-Zi No. 10804605770 of MOHA, Executive Yuan.
2	In 2021, the total tap water intake of the Yangmei Plant was 144,553 tonnes	67	The total tap water intake in 2021 was calculated according to the water fee payment certificate from the Taiwan Water Corporation.
3	In 2020, the total tap water intake of the Yangmei Plant was 149,365 tonnes	67	The total tap water intake in 2020 was calculated according to the water fee payment certificate from the Taiwan Water Corporation.
4	The results of this year's evaluation indicated that all 21 suppliers receiving the written audit were qualified	45	<p>A "Supplier Audit Checklist" was issued according to the 2021 supplier audit plan, and relevant units rated the suppliers after self-assessment. A score of 80 or higher is considered a passing grade for qualified suppliers.</p> <p>The scoring items of the survey included customer market development, new product process development, production preparation, product production inspection, cooperation services, education and training, outsourcing supplier management, equipment, facility management verification, non-conforming product control, corrective and preventive measures, and operation management. There were 139 questions in total, and each question was worth 2 points. The total score was divided by 278 points, and scores of over 80 points were considered qualified.</p>
5	The 2021 employee satisfaction survey results showed that 77.4% of the employees were satisfied or very satisfied with the Company as a whole.	86	According to the Employee Satisfaction Survey issued by the internal Training Operational Procedures in mid-2021, the percentage of respondents who responded to the overall satisfaction with the Company as very satisfied or satisfied in valid questionnaires.

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Appendix