

# Sustainability Report 2023

---



公司名稱  
TaiHan Precision Technology Inc.

---

# Table of Contents

<b>Preface (separator page)</b> .....	4
<b>Message from the Management</b> .....	5
<b>About this report</b> .....	7
<b>About TaiHan Technology</b> .....	9
<b>Affiliated companies</b> .....	10
<b>Participation and initiatives with external organizations</b> .....	11
<b>01 Sustainability Commitment and Management</b> .....	12
<b>1.1 The sustainable business goals of TaiHan Technology</b> .....	13
<b>1.2 Response to the United Nations sustainable development goals (SDGs)</b> .....	15
<b>1.3 Stakeholder engagement</b> .....	17
<b>1.4 Management of significant topics</b> .....	22
<b>02 People Foremost</b> .....	31
<b>2.1 Human rights policy</b> .....	32
<b>2.2 Workplace health and safety</b> .....	35
<b>2.3 Labor relations</b> .....	42
<b>2.4 Talent recruitment and retention</b> .....	45
<b>2.5 Social engagement</b> .....	54
<b>03 Corporate Governance</b> .....	57
<b>3.1 Corporate governance</b> .....	58
<b>3.2 Integrity and ethics</b> .....	71
<b>3.3 Operational performance</b> .....	74
<b>3.4 Supply chain management</b> .....	79
<b>3.5 Legal compliance</b> .....	84
<b>3.6 Information security</b> .....	85
<b>04 Environmental Sustainability</b> .....	90
<b>4.1 Climate change risk Analysis(TCFD)</b> .....	91
<b>4.2 Energy management</b> .....	97
<b>4.3 Water resources management</b> .....	101
<b>4.4 Waste management</b> .....	103

---

**05 Appendix ..... 104**

**Data errata ..... 105**

**GRI-standards comparison table ..... 110**

**SASB comparison table ..... 116**

**Third-Party verification statement ..... 118**

---

# Preface (separator page)

---

## Message from the Management

### GRI 2-22

Reviewing 2023, as the COVID-19 pandemic came to an end but followed with the prolonged standoff of Russia-Ukraine war and the quiet breaking out of Israel-Palestine conflict, these events not only heightened international tensions but also impacted industrial policies and supply chain arrangements. Meanwhile brand companies continued to adjust their inventories, and rising overseas labor costs have resulted consumer electronic component orders lowered than expected. TaiHan Precision Technology Inc., hereinafter referred to as TaiHan, steadfastly adheres to its core business, responds to customer needs, and continually generates values for all stakeholders via stepping up the planning and construction of its new Vietnam plant, strictly controlling various costs and expenses, as well as the scope expanding of business orders.

Furthermore, in response to a rapidly changing epoch, TaiHan continuously reviews issues of concern to various stakeholders through perspectives of environment, society (human rights), and corporate governance. While pursuing profits and growth, TaiHan focuses on integrating sustainability goals with its operational strategies, continues to strengthen its own resilience, and becomes a responsible enterprise that thrives with its employees and the society.

### Response to climate change:

As the increasingly severe global warming, COP28 has reaffirmed efforts to keep the global average temperature rise within 1.5 degrees Celsius above pre-industrial levels, and countries are intensifying their legislative efforts to impose carbon fees and carbon tariffs. In response to national net-zero policies, TaiHan proposes in accordance with the TCFD (Task Force on Climate-related Financial Disclosures) requirements, fulfills the disclosure of its climate-related risks, and completes annual carbon inventories for all its plants in accordance with ISO 14064. Moving forward, the Company will continue to promote relevant carbon reduction plans, replace outdated machinery, improve energy-use efficiency, and make steady progress towards its carbon reduction goals proposed.

### Social Care:

Employees are the foundation for an enterprise to preserve its technology and knowledge. Through data analysis, TaiHan actively arranges training and education in areas covering onboarding, information security, environmental safety, and general courses, and continually enhances the depth and breadth of its training programs. While improving employee competencies, TaiHan also promotes a safe and clean production environment through its Occupational Safety Committee, striving for zero accidents and zero injuries.

In 2023, TaiHan has organized a total of 7 public welfare activities which includes donations, blood donations as well as volunteer activities. These efforts included mooncake distributing during the lunar Moon Festival with the Huashan Social Welfare Foundation, educational fund donation for early intervention children through the Syin-Lu

---

Social Welfare Foundation, and the public welfare activities at overseas plants, and a total of 158 people participated in these initiatives co-aiming to society contribution in meaningful ways. °

**Sustainable Governance:**

TaiHan has established the Sustainable Development Committee in 2023 to assist the Board of Directors in supervising and implementing various sustainability issues across the Group. The Company has ranked in the top 6-20% of the corporate governance evaluation for listed companies for two consecutive years. In addition, TaiHan strengthens its capabilities of legal compliance and integrity management through independent regulatory identification and the mandatory courses of integrity management for all indirect personnel, aiming to achieve the goal of sustainable business operations.



---

## About this report

---

### GRI 2-3

#### To dear readers

We warmly welcome you to read the 3rd-edition Sustainability Report issued by TaiHan Precision Technology Inc. (Stock Code: 1336, hereinafter referred to as TaiHan). In this report, we disclose our strategies, management policies, and performance on various significant topics, hoping that our stakeholders who care about us will obtain better understandings of our efforts and achievements in implementing corporate sustainable operations.

#### Data calculation basis

The statistical data of various indicators disclosed in this report are the results of statistics and surveys conducted by various departments of TaiHan. The financial data sources are the financial statements publicly released after being certified by PwC Taiwan. Partial of the data is referenced from publicly available information on relevant government agency websites and presented in commonly used numerical descriptions. Description will be specifically stated in the report if any data conversions required. °

#### Standards followed

Issuing unit	Guidelines and norms followed/referenced
Global Sustainability Standards Board, GSSB	GRI Standards-2021
AccountAbility, AA	AA1000, Stakeholder Engagement Standards, SES
Taipei Exchange (TPEX)	Procedures for OTC Companies to Prepare and Submit Corporate Sustainability Reports

#### Report management method

The data in this report is collected and compiled by staffs from various departments, then submitted to the reviewing and confirmation by department supervisors. Once all the data completion is made, it undergoes level-by-level review by department managers to ensure accuracy. After external verification, the report will be issued after final approval by the Sustainable Development Committee and the Board of Directors.

#### Report Quality

The report is approved by the Executive Vice President (a Board member) and verified by BSI Taiwan (British Standards Institution, Singapore) in accordance with the AA1000AS v3 Type 1 standard against the GRI framework. This ensures that the report adheres to the quality principles of accuracy, balance, clarity, comparability, and timeliness.

#### Report boundary and scope

The information disclosure period of this report is from January 1, 2023, to December 31, 2023. The scope of the data covers major topics, actions and relevant information related to environmental protection, social participation, and corporate governance at operational sites in Taiwan, China, Vietnam, and Philippines. (The disclosure period and scope are the same as the annual report.)

#### Contact information

If any comments or inquiries regarding this report, please contact us.

Contact Person: Chien, Chih-Ming

---

Website: <http://www.thpt.com.tw/>  
Phone: 886-3-3112025

## About TaiHan Technology

### Company profile

#### GRI 2-1, 2-2

TaiHan Precision Technology Inc., established in 1987, is primarily focusing on mold design, development, and production, as well as the export of plastic injection, painting, assembly and other products. Over the years, the Company has adhered to the business philosophy of "Customer First, Quality Foremost", run with the vision of being as the industrial leading professional supplier of mechanical components, adopts advanced technology, comprehensive talent cultivation plans and a conducive development environment to create a win-win situation for mutual growth with its customers. °

To achieve vertical integration of supply chain, technological independence, and better customer services, TaiHan Technology established TAIHAN MOLD PRODUCTS (DONGGUAN) CO. LTD. in Dongguan, mainland China, in 2004, expanded with departments for molding, surface treatment and assembly, provides full-range services throughout the entire process from mold development, finished product injection to assembly. In recognition of investment growth potential in Vietnam lately years, TaiHan founded YONGHAN PRECISION TECHNOLOGY (VIETNAM) CO., LTD. in Hai Duong Province near Hanoi in 2006 for providing customer-related products and technical services nearby. There have been significant benefits after its dedication for more than 15 years. In 2012, in line with the expansion of customer production capacity to the Philippines, TaiHan Precision Technology (Philippines) Co., Ltd. was established in the LIMA Industrial Zone near Manila to supply nearby and continue to expand the Southeast Asian market.

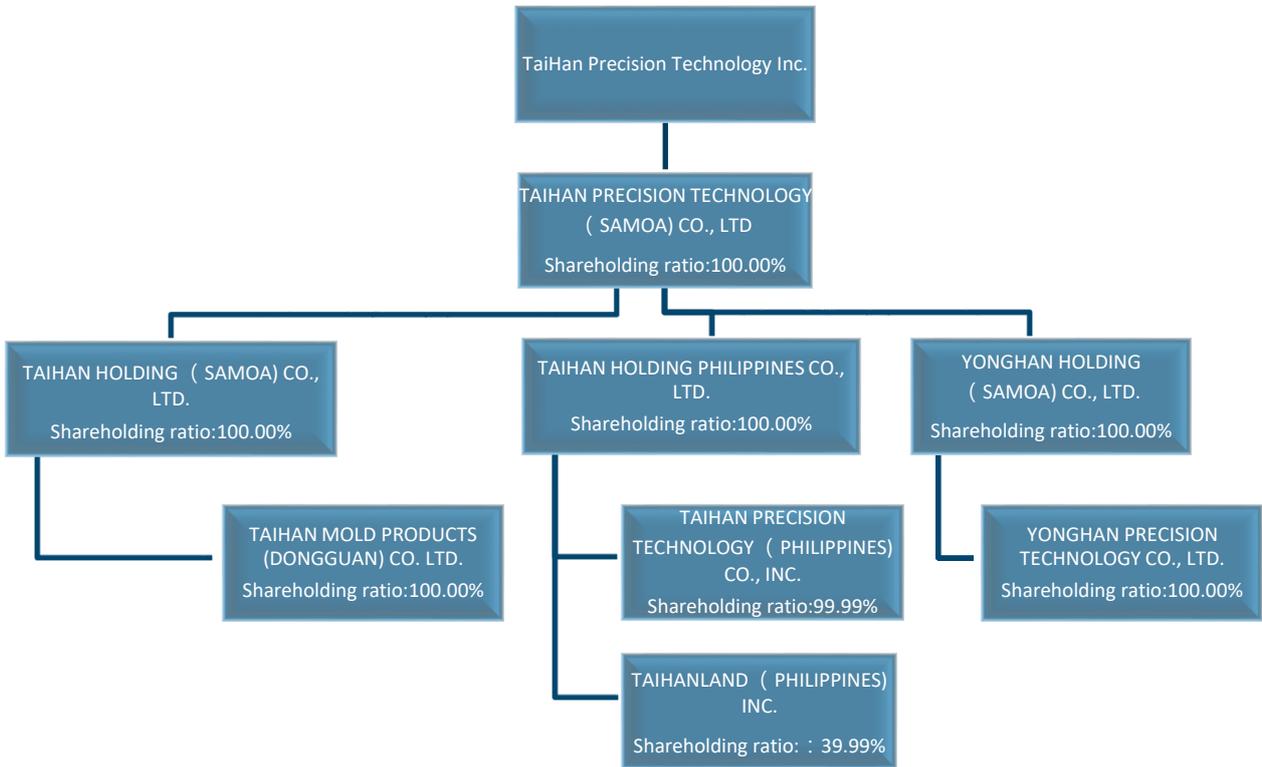
<b>Company name</b>	<b>TaiHan Precision Technology Inc.</b>		
Industry	Electronic components, mold Manufacturing, international trade		
Main products and services	Design, manufacturing and trading of various precision molds, jigs and plastic molding products		
Headquarters address	1 <sup>st</sup> Fl., No. 568, Section 1, Minsheng North Road, Guishan District, Taoyuan City (relocated in August 2021)		
Number of operating locations	4 locations including Taiwan, China, Vietnam and Philippines		
Markets Served	China (Dongguan)/Vietnam (Hanoi)/Philippines (Manila)		
Number of employees	1,291 employees		
Net sales amount	TWD 2.08 billion/year		
Capital amount	TWD 780 million		
Date of establishment	August 28, 1987		
Production volume	Mold (set)		377
	Plastic (sheet)		371,828,817

## Products and Services

Item	Description	Item	Description
Multi-Function Printer 	Accumulating years of manufacturing experience in components for printers and multi-function printers, TaiHan makes itself a trusted partner for customers.	Video/Video Conferencing Equipment 	In response to the massive demand for remote meeting and video conferencing during the epidemic, both production and demand have grown steadily.
Mouse 	TaiHan offers customers with high-quality and low-cost options to raise up competitive advantages.	Plastic Injection Molds 	TaiHan proceeds upstream and downstream integration to provide customers with one-stop service, making communications more precise and easier during various stages of product development. °

## Affiliated companies

To pursue overseas investment actively, achieve vertical integration in the supply chain, ensure technological autonomy, and provide better services to customers, TaiHan holds 8 subsidiary companies which are TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD., TAIHAN HOLDING (SAMOA) CO., TAIHAN MOLD PRODUCTS (DONGGUAN) CO., LTD., YONGHAN HOLDING (SAMOA) CO., LTD., YONGHAN PRECISION TECHNOLOGY CO., LTD., TAIHAN HOLDING PHILIPPINES CO., LTD., TAIHAN PRECISION TECHNOLOGY (PHILIPPINES) CO., and TAIHANLAND (PHILIPPINES) INC.. These reinvestments are consistent with the scope of the Company's financial statements, and the relevant shareholding ratios are as follows:



## Participation and initiatives with external organizations

### GRI2-28

As a global corporate citizen in face of complex challenges and impacts from external environment, , TaiHan is committed to advocating for sustainable development on key issues such as climate change, environmental protection, corporate governance, labor rights, and supply chain, etc. in collaboration with stakeholders.

In addition, to establish a culture of equality, inclusion, and open communication, TaiHan has formulated a human rights policy that supports and adheres the principles and spirit promulgated in the United Nations' "Universal Declaration of Human Rights", "Guiding Principles on Business and Human Rights", "Global Covenant", the International Labor Organization's " Declaration on Fundamental Principles and Rights at Work", and other international human rights conventions.

---

# 01 Sustainability Commitment and Management

## 1.1 The sustainable business goals of TaiHan Technology

TaiHan adheres to the business philosophy of "Customer First, Quality Foremost" striving for steady operations in its core business while valuing harmonious coexistence with the natural environment, and has been committed to sustainable development in recent years. It is not limited to the Company's internal implementation, but also expects to strengthen communication with all stakeholders through the establishment of transparent and effective interactive channels, integrate and promote environmental, social (human rights), governance and other issues and strategies, and regularly review performance against set goals and indicators to ensure their achievement.

Aspect	Short-term goals (2024)	Mid-to-long term goals (5 to 10 years) 2025 to 2030
<b>E Environmental issues</b>	<ul style="list-style-type: none"> <li>✓ Comply with Environmental Regulations</li> <li>✓ Continuously promote water and electricity conservation</li> <li>✓ Improve and monitor wastewater and waste treatment processes</li> <li>✓ Complete carbon emission calculations for the entire plant</li> <li>✓ Reduce electricity intensity to 32 GJ per million\$ output value</li> </ul>	<ul style="list-style-type: none"> <li>✓ Zero violations of environmental regulations</li> <li>✓ Promote and achieve ISO 14064-1 verification/certification for the entire plant</li> <li>✓ Replace all lighting equipment in the plant with energy-efficient bulbs</li> <li>✓ Phase out high-energy-consuming and outdated equipment</li> <li>✓ Reduce and recycle wastewater and waste</li> <li>✓ Reduce electricity intensity to 30 GJ per million\$ output value</li> </ul>
<b>S Social (human rights) issues</b>	<ul style="list-style-type: none"> <li>✓ Establish a comprehensive occupational safety risk assessment and provide a safe working environment</li> <li>✓ Maintain a turnover rate below 40%</li> <li>✓ Increase training hours for ESG-related courses, including human rights, greenhouse gas emissions, and information security</li> <li>✓ Implement internal human rights advocacy and assessments</li> </ul>	<ul style="list-style-type: none"> <li>✓ Create a safe work environment with zero occupational accidents</li> <li>✓ Maintain an employee turnover rate below 30%</li> <li>✓ Achieve 8 hours of training per employee annually</li> <li>✓ Continue to participate in and sponsor public welfare activities</li> </ul>

	<ul style="list-style-type: none"> <li>✓ Achieve 4 hours of training per employee annually</li> </ul>	
<b>G Corporate Governance Issues</b>	<ul style="list-style-type: none"> <li>✓ Maintain independent director seats at 40% or more</li> <li>✓ Improve corporate governance continuously</li> <li>✓ Maintain customer satisfaction at 85%</li> <li>✓ Continue pursuing profitability and growth</li> </ul>	<ul style="list-style-type: none"> <li>✓ Conduct comprehensive risk assessments in all aspects and formulate response strategies</li> <li>✓ Ensure 100% attendance of independent directors in the Audit and Compensation Committees</li> <li>✓ Continuously enhance the corporate governance evaluations rankings</li> <li>✓ Continue pursuing profitability and growth</li> <li>✓ Ensure no information security incidents occurred</li> </ul>

## 1.2 Response to the United Nations sustainable development goals (SDGs)

As a member of the global sustainable community, TaiHan aligns its sustainability goals with the United Nations Sustainable Development Goals (SDGs) through the three aspects of environment, society, and governance, aiming to comprehensively assess its impact and continuing to create more sustainable value for all stakeholders. °

ESG framework	SDGs alignment	Management guidelines	GRI indicators	Response chapters
E	 <p>12.5 Significantly reduce waste generation by 2030 via the methods of prevention, reduction, recycling, and reuse.</p>	TaiHan actively collaborates with customers in the use of recycled materials and continuously increases the proportion of packaging materials recycled to reduce waste generated during the production process.	<b>306-3 Generation of waste</b>	<b>4.4 Waste Management</b>
	 <p>13.3 Strengthen education, awareness, and institutional and personnel capacity on climate change mitigation, adaptation, impact reduction, and early warning.</p>	Assess relevant opportunities and risks through climate-related financial disclosures and implement risk controls accordingly.	<b>GRI 201-2: Financial and other impacts of climate change Risks and opportunities 2016</b>	<b>4.1 Climate change risk analysis (TCFD)</b>
S	 <p>1.5 By 2030, enhance the resilience and post-disaster recovery capabilities of impoverished and vulnerable groups, and reduce their exposure to extreme climate, economic, social (human rights), and</p>	While pursuing profitability and operational growth, Taihan Technology also pays attention to support vulnerable groups in society. For example, the Vietnam plant donates to the Vietnam Fatherland Front, an organization that provides basic housing and medical	<b>GRI 401: Employment Relations 2016</b>	<b>2.5 Social Participation</b>

	environmental shocks and disasters.	assistance to vulnerable groups.		
	 <p>4.5 By 2030, eliminate gender disparities in education and ensure that vulnerable groups, including people with disabilities, indigenous peoples, and disadvantaged children, have equal access to all levels of education and vocational training.</p>	<p>1. Regular professional skills and general education training are conducted to help employees enhance their knowledge.</p> <p>2. Fund the Syinlu Social Welfare Foundation, a foundation that supports its ongoing efforts in providing education to preschool-aged special needs children, helping them better adapt to interacting with others.</p>	<b>GRI 404: Training and Education 2016</b>	<p><b>2.4 Recruitment and Retention</b></p> <p><b>2.5 Social Participation</b></p>
G	 <p>8.8 Protect workers' rights by offering a safe and secure work environment for all workers including foreign migrant workers, especially women migrant workers and workers engaged in hazardous works. °</p>	<p>Enhance the economic performance while safeguarding employees' fundamental human rights from infringement, and providing a clean and sanitary workplace.</p>	<b>GRI 403 : Occupational Safety and Health 2018</b>	<p><b>2.2 Workplace Health and Safety</b></p> <p><b>3.3 Operational Performance</b></p>

---

## 1.3 Stakeholder engagement

### GRI 2-29

Based on the GRI Standards for sustainability reporting and the AA 1000 SES (Stakeholder Engagement Standards), TaiHan has developed a materiality analysis process that includes significance, inclusiveness, completeness, and sustainability as the basis for corporate sustainability reports. The Company collects feedback from various stakeholders to understand their concerns and provides further responses to meet the needs of all stakeholders.

#### **TaiHan stakeholder and the materiality identification analysis process**

##### ***Step 1: Identifying stakeholders***

The Sustainable Development Committee reviews the business responsibilities of each department and unit to identify the Company's stakeholders. Considering experiences from various departments as well as industry peers, the process adheres to the five principles of the AA1000 SES Stakeholder Engagement Standards, and the six major categories of identified stakeholders are: customers, shareholders/investors, suppliers, company employees, government agencies, and local communities.

##### ***Step 2: Collecting sustainability issues***

With comprehensive consideration which follows the new GRI Universal Standards published by the Global Sustainability Standards Board (GSSB) in 2021, bases on the GRI indicators, and deliberates the Climate-related Financial Disclosure (TCFD) recommendations and the Sustainability Accounting Indicators (SASB), the United Nations Sustainable Development Goals (SDGS) and domestic and international sustainability-related issues and other factors, the Company compiles a total of 20 major issues as a basis for communication with stakeholders.

##### ***Step 3: Questionnaire communication and survey***

TaiHan communicates and surveys stakeholders through a materiality questionnaire. Different from previous methods that prioritized issues based on stakeholder attention, in 2023 the Company follows GRI Standard 2021 to analyze the actual and potential positive and negative impacts of each issue and their likelihood of occurrence, and then identifies and ranks the importance of 20 material issues to TaiHan. A total of 154 questionnaires copies were completed.

##### ***Step 4: Identifying material topics***

Based on the feedback from stakeholder questionnaires, and referred to "the extent to which stakeholders pay attention to positive and negative sustainability issues" and "the degree of impact that senior managers believe the company has on various positive and negative issues", TaiHan adopts a "Materiality Matrix Analysis" method to prioritize material issues and to identify the 8 most significant material topics concerning economic, environmental, and people (including human rights) for 2023.

##### ***Step 5: Formulating and disclosing management guidelines***

After identifying the material topics, TaiHan, through the Sustainable Development Committee, follows the reporting requirements of the GRI standards, collects internal information and data on each major issue, formulates effective management policies to meet disclosure requirements, and continuously reviews the implementation effectiveness of its sustainability issues, thereby fulfills its vision for sustainable development.

**TaiHan stakeholder communication practices**

TaiHan believes that the tasks of advancing in promoting corporate social responsibility only can be done by understanding and deepening communication with our stakeholders. Therefore, the Sustainable Development Committee conducts stakeholder dialogues annually through questionnaires and various communication channels, collecting issues of concern from stakeholders to identify actual, potential, positive, and negative impacts. In addition, the Company reviews the communication frequency and effectiveness of relevant channels, and reports the stakeholder dialogue outcomes to the Board of Directors. (Tai-Han Technology respects opinions from all parties, has translated the questionnaires into the local languages of overseas plants, and all responses are kept confidential.)

Stakeholders and objectives of dialogue	Topics of concerns	Communication channels	Frequency of dialogue	Dialogue outcomes 2023
<p><b>Client</b> TaiHan is committed to establishing long-term partnerships with customers and providing products and services that meet customer needs and thereby enhancing customer satisfaction.</p>	<p>Workplace Health and Safety</p> <p>Raw material usage management</p> <p>Risk management</p> <p>Human rights assessment and labor rights</p>	<p>1. Customer satisfaction surveys</p> <p>2. Monthly quality and delivery review meetings</p> <p>3. Product project discussions and customer visits*</p> <p>Contact: alen@thpt.com.tw</p>	<p>1. Annually</p> <p>2. Monthly/quarterly</p> <p>Irregularly</p>	<p>Customer satisfaction survey</p> <p>2023 result: Overall average satisfaction score of 93.3 points</p>

<p><b>Shareholders/Investors</b> Every shareholder and investor are TaiHan’s crucial supporter. Therefore, balancing sustainability with continuous profitability keeps to be a long-term goal of the Company all the time.</p>	<p>Ethics and integrity Information security Operational performance Legal compliance</p>	<p>1. Shareholders' meetings, annual reports, sustainability reports 2. Financial reports 3. Telephone interviews, emails, institutional investor meetings, official website, press releases, MOPS (Market Observation Post System) Contact: alen@thpt.com.tw</p>	<p>1. Annually 2. Quarterly 3. Irregularly</p>	<p>1. The Company spokesperson addresses shareholder inquiries during visits or phone calls. 2. Quarterly board meetings and audit committee meetings are held as required by law to regularly review operational performance and risks. 3. An annual shareholders' meeting is held to present the Company's business results and future prospects. 4. Forty-one major announcements and disclosures were published on the MOPS. 5. The EPS 2023 was 1.39.</p>
<p><b>Suppliers</b> TaiHan maintains good communication with suppliers to reduce potential material shortages and sustainability risks, providing the best products for customers.</p>	<p>Workplace Health and Safety Operational Performance Risk Management Raw Material Usage Management</p>	<p>1. Supplier assessments 2. Emails, meetings, site visits, phone calls Contact: alen@thpt.com.tw</p>	<p>1. Annually 2. Irregularly</p>	<p>The sustainability assessment questionnaire for TaiHan suppliers revealed no significant risks.</p>

<p><b>Company employees</b> Excellent employees are key to our continuous growth. TaiHan is dedicated to providing a safe and comfortable work environment to enhance employee satisfaction.</p>	<p>Information security Workplace health and safety Community engagement Energy management</p>	<p>1. Employee Welfare Committee 2. Complaint hotline, emails, employee interviews, satisfaction surveys Contact: rita_chen@thpt.com.tw</p>	<p>1. Annually 2. Irregularly</p>	<p>1. No complaints regarding violations of laws and regulations. 2. The Employee Welfare Committee issued more than 10 internal updates, actively improving employee benefits. 3. The overall employee satisfaction score survey 2023 was 76.2 points.</p>
<p><b>Government agency</b> Government agencies are the foundation of corporate development. TaiHan actively complies with various policies to enhance internal corporate governance capabilities.</p>	<p>Community Engagement Information Security Raw Material Usage Management Workplace Health and Safety</p>	<p>Regulatory and policy dissemination On-site inspections Forums and seminars Official correspondence Major announcements Contact: alen@thpt.com.tw</p>	<p>Irregularly</p>	<p>1. The Company primarily addresses the operations center, audit office, finance and accounting management department, and administrative management department to handle communications with government agencies. 2. In 2023, TaiHan was ranked in the top 6%-20% of listed companies in corporate</p>

				governance assessment.
<p><b>Local Community</b> Community residents are stakeholders in TaiHan sustainability issues. We continue to listen and feedback to the community to reduce the Company's impact on the community.</p>	<p>Information Security</p> <p>Raw Material Usage Management</p> <p>Community Engagement</p> <p>Labor Relations</p>	<p>Company website</p> <p>Participation in public welfare activities*</p> <p>Community visits</p> <p>Reporting mailbox</p> <p>Contact: alen@thpt.com.tw</p>	<p>Irregularly</p>	<ol style="list-style-type: none"> <li>1. No reports were received from community residents in 2023.</li> <li>2. Irregular visits to community and neighborhood chiefs.</li> <li>3. Regular community care and public welfare activities are held at each plant.</li> </ol>
<p>Note 1: Channels marked with “*” indicate that board members participate in stakeholder dialogue in these instances.</p>				

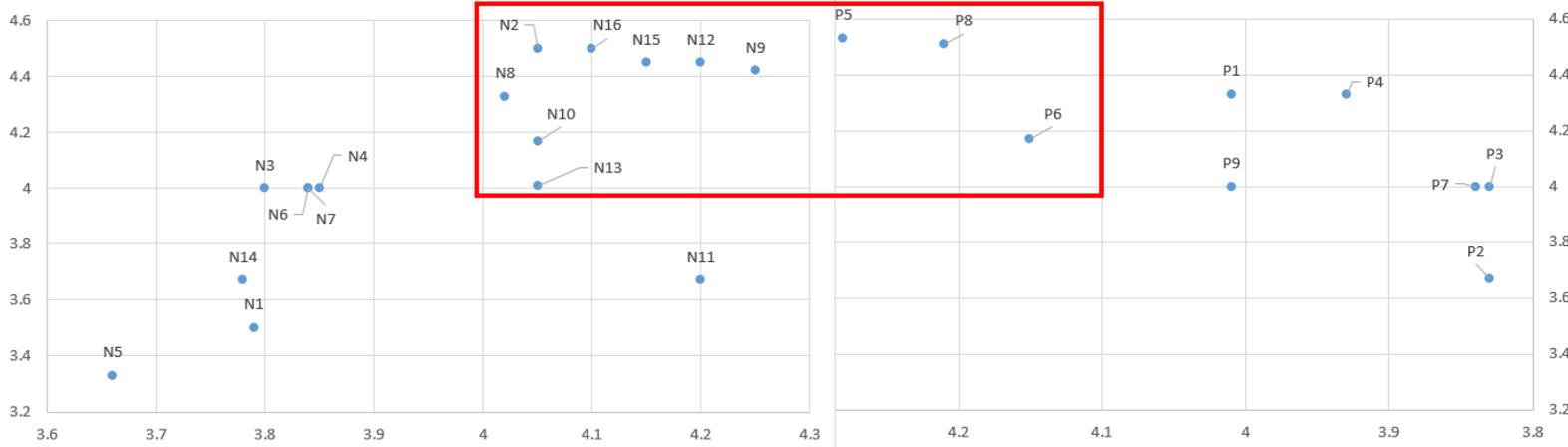
# 1.4 Management of significant topics

GRI 3-1, 3-2, 3-3

## Materiality matrix

Major negative issues of TaiHan

Major positive issues of TaiHan



### List of key topics 2023

Code	Positive/ Negative	Sustainability issues	Code	Positive/ Negative	Sustainability issues
P1	Positive	Raw material usage management	N5	Negative	Biodiversity
P2	Positive	Greenhouse gas emissions	N6	Negative	Supplier sustainability assessment
P3	Positive	Supplier Sustainability assessment	N7	Negative	Human rights assessment and labor rights
P4	Positive	Career development and training	N8	Negative	Labor relations
P5	Positive	Workplace health and safety	N9	Negative	Workplace health and safety
P6	Positive	Recruitment and retention	N10	Negative	Recruitment and retention
P7	Positive	Community engagement	N11	Negative	Community engagement
P8	Positive	Operational performance	N12	Negative	Operational performance
P9	Positive	Risk management	N13	Negative	Legal compliance
N1	Negative	Water resource management	N14	Negative	Climate change risks and opportunities
N2	Negative	Energy management	N15	Negative	Information security
N3	Negative	Greenhouse gas emissions	N16	Negative	Ethics and integrity
N4	Negative	Waste management			

### Significant Topics Adjustment List

The TaiHan Sustainability Task Force considers domestic and international industry trends and issues of concern, and examines the implications of each sustainability issue for the Company. The adjustments to this year's significant topics are as follows:

<b>Aspect</b>	<b>Significant topics</b>	<b>Adjustment method</b>	<b>Explanation for the adjustment</b>
Governance	Ethics and integrity	Topic adjustment	The original topic of "Corporate Governance" was too broad to focus on specific issues for stakeholders. Therefore, the topic has been replaced to the more specific "Ethics and Integrity." instead.
Social (Human rights)	Human rights assessment and labor rights	Topic Removal	This topic was not included as a significant issue for the Company in 2023 but will continue to be monitored.
Social (Human rights)	Recruitment and retention	New significant topic	This topic has newly included as a significant issue in 2023, the Company will continue to be monitored. °

## Significant topics management guidelines

Importance of significant topics	Actual and Potential impacts: Positive/Negative	Management guidelines	Goal achievement status 2023	Goals 2024
<p><b>Human rights assessment and labor rights</b></p> <p>Employees are a crucial asset for the Company's sustainable operations. TaiHan ensures every employee's fundamental human rights from being infringed.</p>	<p><b>Potential Negative</b></p> <p>Violations of human rights could severely impact the company reputation and result in losing trust from customers and suppliers.</p>	<p>◎ Establish and implement human rights policies</p> <p>◎ Develop fair and reasonable compensation policies</p>	<p>◎ No employee complaints related to human rights issues <input checked="" type="checkbox"/></p> <p>◎ No significant legal violations (fines exceeding NT\$1 million) <input checked="" type="checkbox"/></p> <p>◎ Internal human rights audit with a total score of over 80 points (actual score: 75.1) <input checked="" type="checkbox"/></p>	<p>Not listed as a significant topic in 2023, but will continue to be monitored.</p>
<p><b>Workplace safety and health</b></p> <p>TaiHan is committed to providing employees with a clean and safe working environment to</p>	<p><b>Potential Positive</b></p> <p>A safe and healthy work environment enhances employee efficiency and reduces personnel and operational costs.</p> <p><b>Potential Negative</b></p>	<p>◎ Establish and implement safety inspections for plant personnel</p> <p>◎ Regularly assess risks from potential hazards</p>	<p>◎ Reduce the proportion of recordable occupational injuries to below 5% <input checked="" type="checkbox"/></p> <p>◎ No death incidents or severe occupational injuries <input checked="" type="checkbox"/></p>	<ul style="list-style-type: none"> <li>➤ Zero cases of disabling injuries</li> <li>➤ No significant legal violations related to employee rights</li> <li>➤ No recordable occupational diseases among employees</li> </ul>

reduce the likelihood of work-related injuries.	Workplace safety incidents can damage the company's reputation and increase personnel and operational costs.			
<p><b>Labor relations</b></p> <p>TaiHan is dedicated to creating a harmonious labor relationship to enhance company competitiveness. We provide diverse and effective communication channels to protect employee rights.</p>	<p><b>Potential Negative</b></p> <p>Poor labor relations can increase communication costs and may lead to legal violations, causing distrust among stakeholders.</p>	<p>◎ Provide diverse and effective communication and grievance channels</p> <p>◎ Regularly review salary benchmarks and employee benefits</p>	<p>◎ Maintain employee grievance cases at 5 or fewer <input checked="" type="checkbox"/></p> <p>◎ Keep turnover rate below 40% (actual: 54%) <input checked="" type="checkbox"/></p> <p>◎ Achieve employee satisfaction survey score above 80 points (actual: 76.2) <input checked="" type="checkbox"/></p>	<p>➤ Employee satisfaction score above 78</p> <p>➤ Employee grievance cases lower than 5</p>
<p><b>Operational performance</b></p> <p>Adhering to the corporate philosophy of "Customer First, Quality Foremost",</p>	<p><b>Actual Positive</b></p> <p>Good profitability and operational performance will enhance stakeholders' investment willingness.</p> <p><b>Potential Negative</b></p>	<p>◎ Continuously provide high-quality products</p> <p>◎ Manage and control production costs</p>	<p>◎ Achieve annual profit growth <input checked="" type="checkbox"/></p>	<p>➤ Continue to grow profits</p> <p>➤ Increase revenue by 5%</p>

<p>the Company aims to offer comprehensive products and services that best meet customer needs, and ensure business operations more stable.</p>	<p>Failure to continuously improve profitability could reduce stakeholders' investment willingness.</p>			
<p><b>Legal compliance</b> TaiHan adheres to local regulations, implementing laws related to environmental, social, and economic aspects, and strictly follows regulations to minimize operational and compliance penalty risks.</p>	<p><b>Potential Negative</b> Violations of regulations could reduce stakeholders' trust and increase operational costs.</p>	<p>◎ Regularly assess risks related to regulatory violations ◎ Conduct relevant training courses periodically</p>	<p>◎ No incidents of regulatory violations <input checked="" type="checkbox"/></p>	<p>➤ Zero penalties resulting from legal violations</p>

<p><b>Corporate governance</b></p> <p>Adhering to the corporate governance practices for listed companies, TaiHan strengthens the functions of the Board of Directors and functional committees to oversee the sustainable development of corporate operations.</p>	<p><b>Potential Negative</b></p> <p>Improper corporate governance can lead to distrust from shareholders and customers, resulting in an increase of operational costs.</p>	<p>◎ Establish a sustainability task force</p> <p>◎ Perform board performance evaluations</p> <p>◎ Require new staff to sign a commitment to ethical management</p>	<p>◎ Maintain corporate governance evaluation within the range of 21%-35% (actual: range of 5%-20% )<input checked="" type="checkbox"/></p> <p>◎ Ensure board composition includes at least 12.5% female members<input checked="" type="checkbox"/></p>	<p>Adjusted topic for this year; will continue to monitor progress</p>
<p><b>Information security</b></p> <p>A comprehensive information security management system is essential to effectively protect the Company and</p>	<p><b>Potential Negative</b></p> <p>Inadequate information security systems can lead to hacking or shutdowns, causing work stoppages or reputational damage.</p>	<p>◎ Establish a reliable and comprehensive information security framework</p> <p>◎ Strengthen information security protection mechanisms</p>	<p>◎ No information security incidents<input checked="" type="checkbox"/></p> <p>◎ Provide an average of over 1 hour of information security training per person (actual: 0.48 hours)<input checked="" type="checkbox"/></p>	<p>➤ Zero information security incidents</p> <p>➤ Average of over 1 hour of information security training per person</p>

the privacy of its customers, thereby enhancing the trust of all stakeholders.		Reduce losses caused by information security risks		
<p><b>Energy management</b></p> <p>Enhancing energy efficiency through energy management not only reduces company costs but also decreases greenhouse gas emissions, contributing to global net-zero emission goals.</p>	<p><b>Actual Negative</b></p> <p>Improper energy management can lead to increased carbon emissions and higher energy costs.</p>	<p>◎ Prioritize the replacement of inefficient, high-energy-consuming equipment</p> <p>◎ Regularly review the achievement rate of energy-saving targets</p>	<p>◎ Reduce energy intensity per unit revenue to below 32 GJ per million production value (actual: 34.88)☒</p>	<p>➤ Reduce energy intensity per unit revenue to 32 GJ per million production value</p>
<p><b>Recruitment and retention</b></p> <p>Excellent employees are the cornerstone of TaiHan's continuous improvement and growth. Ensuring</p>	<p><b>Actual Positive</b></p> <p>Diverse training mechanisms effectively enhance employee work efficiency and reduce talent turnover.</p>	<p>◎ Provide various employee benefits</p> <p>◎ Establish good career planning for employees</p>	<p>New significant topic</p>	<p>➤ Employee turnover rate below 40%</p> <p>➤ No complaints related to recruitment and employment violations</p>

<p>employees work with worry keeps to be the Company's primary goal all the time.</p>		<p>◎Maintain a good work-life balance for employees</p>		
<p><b>Integrity and ethics</b>  TaiHan implements policies for ethical management to prevent any actions that could damage the its reputation and interests.</p>	<p><b>Potential Negative</b>  Major incidents of unethical behavior could lead to a decline in stakeholder trust, affecting revenue and market value.</p>	<p>◎ Regularly conduct educational training ◎Periodically publish promotional articles ◎ Establish effective grievance channels</p>	<p>New significant topic</p>	<ul style="list-style-type: none"> <li>➤ At least 1 hour of ethical management training per person</li> <li>➤ No incidents of unethical behavior</li> </ul>

## Boundaries of Significant Impacts

Topic	Significant Topic	Disclosure Item of GRI Topic	Stakeholders					Disclosure Chapter	
			Clients	Shareholders /Investors	Suppliers	Company employees	Government agencies		Communities
Social (Human rights)	Talent recruitment and retention	GRI 401: Labor relations 2016				○	○	※	2.4 Talent recruitment and retention
	Labor relations	GRI 402: Labor relations 2016		※		○	○	※	2.3 Labor relations
	Workplace health and safety	GRI 403: Occupational safety and hygiene 2018				○	○	※	2.2 Workplace health and safety
Governance	Operational performance	GRI 201: Economical performance 2016	△	○	※	○			3.3 Operational performance
	Information security	GRI 418: Customer privacy 2016	○		△	○			3.6 Information security
	Ethics and integrity	GRI 205: Anti-corruption 2016		※		○	○		3.1 公 Corporate governance
	Legal compliance	GRI 2-27: Legal compliance 2021	△	※	△		○	○	3.5 Legal compliance
Environment	Energy management	GRI 302: Energy 2016	△	※	△				4.2 Energy management

**Note:** ○Direct impact; ※Contributory impact; △Impact through business relationships

---

# 02 People Foremost

## 2.1 Human rights policy

### Human rights policy GRI 406, 407, 408, 409

To establish a culture of equality, inclusion, and open communication, TaiHan Technology has formulated its human rights policy with reference to international conventions e.g. the ILO Convention and the Universal Declaration of Human Rights (UDHR). The Company conducts annual reviews to assess whether there are any risks of human rights violations and establishes relevant regulatory documents as the basis for implementation, such as personnel appointment processes, work rules, administrative rewards and punishments, and attendance management regulations. We consistently uphold fairness and respect in practicing labor policies and their spirits, without any form of discrimination or exclusion based on race, color, gender, age, sexual orientation, disability, religion, political affiliation, or marital status. There should be no sexual harassment or other acts of violence, threats, or intimidation. Employees are encouraged to implement human rights in daily works, ensuring that these principles are internalized in their work. In 2023, no violations of human rights, forced labor, or child labor occurred.

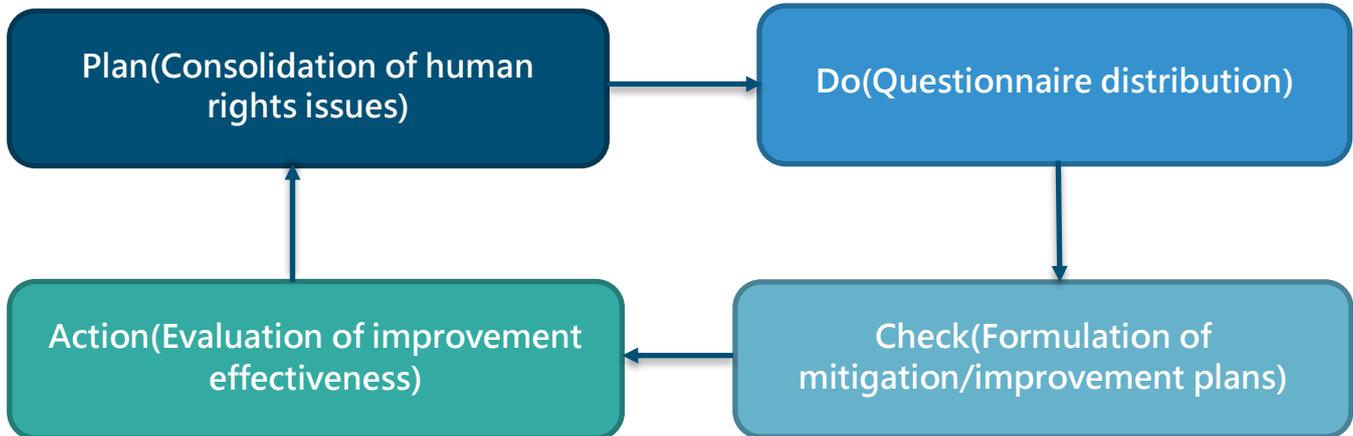
### Human Rights Due Diligence

Starting from 2022, TaiHan has conducted annual human rights due diligence, aiming to understand the impact of the Company on various stakeholders and prevent any human rights violations. Through internal anonymous questionnaires, we gauge employee satisfaction with various human rights issues within the company, and address upon areas with lower scores by arranging education and training. Meanwhile, suppliers' implementation of human rights policies will also be included in the Company's supplier assessment. Supplier will be replaced if its serious violation of human rights policies occurs.

Object	Human rights issues	Investigation method
Employee	Freedom of association and collective bargaining rights, working hours, diversity and fair treatment, sexual harassment, occupational health and safety, non-discrimination, maternity Protection	Employee satisfaction survey Internal human rights questionnaire
Supplier	Occupational health and safety, prohibition of forced labor	Supplier assessment
Client	Customer privacy, information security	Customer satisfaction survey

### Human rights questionnaire survey process

TaiHan consolidates the human rights issues and industrial chain conditions of RBA and relevant international conventions every year, adjusts the content of the questionnaire, distributes it anonymously and collects it, proposes improvement action plans and mitigation measures for issues with lower scores, and further formulates based on this Target score for next year.



### Human rights risk mitigation measures

TaiHan formulates various mitigation measures for different human rights risks and integrates these measures into daily operations. A smooth grievance channel is established for all employees to eliminate any human rights violations. In 2023, a total of 644 people and 1,286 hours of human rights-related education and training were completed, aiming to convey the concept of human rights protection into the hearts of every colleague.

Stakeholders	Human rights issue	Mitigation measures	Effectiveness 2023
Employee	Prohibition of human trafficking and forced Labor	<ul style="list-style-type: none"> <li>* Contracts with employees are made according to local laws, strictly prohibiting slavery, human trafficking, child labor, or any employment that violates human rights.</li> <li>* TaiHan "Work Code" sets limits on daily and weekly working hours for employees, conducts regular reviews to eliminate overtime and forced labor, and ensures adequate rest for every employee.</li> </ul>	Compliance with Regulations: All contracts and agreements comply with regulations, and there are no instances of overtime or forced labor.
	Protection of association freedom of and collective bargaining	* TaiHan respects and encourages all employees to organize and participate in unions, engage in collective bargaining, and participate in peaceful assemblies of their choice.	The Vietnam plant has established an Occupational Safety and Health Committee to enhance employees' collective bargaining rights.
	Diversity, inclusion, and non-discrimination	* TaiHan does not differentiate in recruitment, promotion, or compensation based on race, color, age, gender, disability, pregnancy, belief, politics, ideology, or marital status.	There have been no complaints related to discrimination or differential treatment.

	Occupational health and safety	*Regular occupational safety risk assessments are conducted, and immediate improvements and continuous tracking are implemented for high-risk items, aiming to create a zero-accident work environment.	No major occupational accidents have occurred.
	Prevention of inhumane and sexual harassment treatment	* TaiHan strictly prohibits corporal punishment, verbal abuse, mental oppression, sexual harassment, sexual assault, and other human rights violations, and has established "Sexual Harassment Statement," "Prohibition of Workplace Violence Statement," and "Workplace Sexual Harassment Prevention Measures, Complaints, and Disciplinary Measures" management methods.	* No incidents of sexual harassment or inhumane treatment have been reported. *. Strengthened advocacy for sexual harassment prevention.
	Maternity protection	* TaiHan protects maternity rights according to local regulations and clearly states the protection of female employees before and after childbirth in "Work Code," allowing them to apply for department transfers without affecting their salary and annual performance.	A total of 52 employees applied for parental leave, and no related complaints were filed in 2023.
<b>Supplier</b>	Labor human rights	*TaiHan has established "Supplier Management Guidelines" and conducts annual supplier evaluations according to these guidelines, reviewing suppliers' implementation of employee human rights. Suppliers with lower scores receive individual guidance. Cooperation with the Company will be aborted if serious human rights violations occur.	All supplier assessments meet the requirements, and no risks of human rights violations appear.
<b>Client</b>	Customer privacy and information security	* TaiHan has established "Personal Data Protection Management Measures" and "Information Security Management Measures" and formed an Information Security Committee to regularly review various aspects of information leakage risks. * Regular educational training is conducted to strengthen employees' information security awareness.	No information security incidents have occurred.

## 2.2 Workplace health and safety

Information	Content
Importance to TaiHan	TaiHan is committed to providing employees with a clean and safe working environment to reduce the likelihood of workplace injuries.
Management policies	Implement daily inspections and risk assessments to create a zero-injury working environment.
Goals 2024	<ul style="list-style-type: none"> <li>● No deaths or severe occupational injuries have occurred.</li> <li>● No records of occupational safety violations.</li> <li>● Employees receive regular health check-ups.</li> </ul>
Mid-and-long-term goals	<ul style="list-style-type: none"> <li>● No deaths or severe occupational injuries have occurred.</li> <li>● All high-risk factors have been addressed and improved.</li> <li>● Employees can report fewer than 3 occupational diseases.</li> </ul>
Evaluation results	<ul style="list-style-type: none"> <li>● No deaths or severe occupational injuries occurred in 2023 → Achieved.</li> <li>● The proportion of recordable occupational injuries across all factory locations remained below 5% in 2023. → Achieved.</li> <li>● No records of occupational safety violations in 2023. → Achieved.</li> <li>● Zero recordable occupational diseases among employees in 2023. → Achieved.</li> </ul>
Responsible units	Human Resources Department and General Affairs Section
Complaint channels	Company website, complaint Email, regular employee care

### Occupational safety and health committee

TaiHan has established Occupational Safety and Health Committees at its Vietnam and Philippines plants. These committees are composed of occupational safety and health personnel and relevant management department supervisors from each plant. The responsibilities of the Occupational Safety and Health Committee include planning, implementing, supervising, and improving the working environment at the factories. Regular occupational safety risk assessments are conducted to evaluate the hazards and risks posed by various equipment and operational processes to employees. The

Committee is also responsible for conducting accident investigations following any workplace incidents. TaiHan ensures that employees who provide feedback on occupational safety hazards or risks are protected from any retaliation. When employees report issues to the factory’s environmental safety personnel, the committee’s labor representatives, or provide anonymous feedback through suggestion mailboxes, the Company will discuss these reports within the committee to determine how to improve and eliminate the issues for ensuring the effectiveness of communication and complaint channels.

<b>Plant</b>	<b>Labor representatives (persons)</b>	<b>Management representative (persons)</b>
Vietnam	3	2
Philippines	9	2
Note 1: Setting up a committee in Taiwan region is not considered at this time due to no production operations. Note 2: The Dongguan plant is planned to be established in 2024; in the meantime, regular discussions and improvements to the working environment will continue.		

**Occupational safety risk identification**  
**GRI 403-2**

To effectively reduce the risk of employees suffering from occupational safety accidents, TaiHan regularly proceeds occupational safety risk identification to strengthen the awareness of personnel safety and hygiene and minimize risks within the plant. When identifying risks, each unit is required to classify potential hazards from different working environments, equipment, or processes, then the hazards reported are converted into risk levels based on their frequency, severity, and potential for causing loss. Occupational safety risks with a risk level over 40 points are classified as "unacceptable risks." For any identified unacceptable risks, immediate improvements are proposed and addressed within a set timeframe. If a risk cannot be completely eliminated, supplementary measures are put in place to reduce the potential harm it may cause.

<b>Risk identification</b>	The environmental safety units (all issued with local occupational safety certifications) collaborate with various departments to identify potential risk factors based on past incidents, incidents in similar industries, and current events.
<b>Hazard assessment</b>	Each department, coworking with the finance department, evaluates the severity of the risks in terms of the potential harm and losses that they could cause to employee safety and the Company.
<b>Risk management</b>	Management methods for each risk are proposed, and the improvement status is regularly tracked.
<b>Process management</b>	The Occupational Safety Committee annually reviews the effectiveness of various processes.

**Identification of unacceptable risks in 2023**

TaiHan identified two "unacceptable risks" within 2023, both of which have been addressed with relevant risk control measures. The Company also protects the retreat right of employees. If an immediate hazard or risk is found, employees can retreat to a

safe place and report to their supervisor without any repercussions, for ensuring that employees' own safety can be protected at the first sign of an incident.

Sources of Danger	Risk Value	Risk Control Measures
Volatile gases from inks and mold cleaning/releasing agents	48	Workers are required to wear masks, and air circulation in the workshop has been reinforced.
Noise from machine operation or mold striking	45	Employees in noisy working environments are required to wear earmuffs and undergo regular hearing tests.

### Occupational accident statistics and occupational diseases in 2023 GRI 403-9, 403-10

TaiHan adheres to local government regulations for reporting occupational accidents. A total of formal employees at all domestic and overseas operational sites is 1,297 (excluding informal employees). The occupational accident statistics for all employees are shown in the table. In 2023, there were zero fatalities and zero serious occupational injuries across all plant locations. There were only 3 recordable occupational injuries, for which the Company assisted employees with subsequent medical treatment and facilitated their return to work, and a further analysis of the causes of these occupational accidents was conducted, leading to further improvements to reduce the incident rate and create a safe, zero-injury work environment.

Occupational accident statistics 2023						
Item	Gender	Taiwan region	Vietnam plant	Dongguan plant	Philippines plant	Non-Employee Workers
Total Working Hours(hr)		43,648	2,078,320	270,912	847,888	658,600
Rate of fatalities due to occupational injuries	Male	0	0	0	0	0
	Female	0	0	0	0	0
Rate of serious occupational injuries	Male	0	0	0	0	0
	Female	0	0	0	0	0
Rate of recordable occupational injuries	Male	0	0	0	2.77	0
	Female	0	0	10.04	2.36	0
No. of recordable occupational injuries	Male	0	0	0	1	0
	Female	0	0	1	1	0
No. of recordable occupational diseases	Male	0	0	0	0	0
	Female	0	0	0	0	0

- Note 1: Serious occupational injuries: Occupational injuries that result in death or injuries that prevent the worker from returning to their pre-injury health status within 6 months.
- Note 2: Recordable occupational injuries: Injuries resulting in death, serious occupational injuries, or those requiring treatment (both on-site and off-site) and not including commuting accidents.
- Note 3: Total working hours: Total number of employees (as of December 31) × number of workdays × daily working hours (8 hours).
- Note 4: Fatality rate due to occupational injuries: Number of fatalities due to occupational injuries × 1,000,000 ÷ total working hours.
- Note 5: Serious occupational injury rate: Number of serious occupational injuries × 1,000,000 ÷ total working hours.
- Note 6: Recordable occupational injury rate: Number of recordable occupational injuries × 1,000,000 ÷ total working hours.
- Note 7: Occupational diseases: TaiHan employees have not reported any occupational diseases.
- Note 8: Non-employee workers: Refers to contracted personnel who are regularly present at the company (e.g., catering, cleaning, security, and maintenance staff) and dispatched employees.

### Occupational hazard risk management

Occupational injuries at TaiHan in 2023 decreased significantly compared to the previous year. Most incidents were caused by employees being distracted or careless during operations. The Company will continue to promote awareness and mitigate factors of harm-causing to employees, striving to create a zero-accident workplace.

Type of injury	No. of incidents 2023	Improvement measures
Machine malfunction crushing injuries	1	It will strengthen equipment maintenance and occupational safety training, and implement hazard identification, labeling, and follow-up management measures.
Foreign objects in eyes	2	It will enhance occupational safety training and implement SOP to reduce occupational injuries caused by accidents and improper operations.

### Emergency response to occupational accidents

#### GRI 403-5

To enhance employees' ability to respond to emergencies and ensure their proficiency in the necessary knowledge and skills under emergency situations, TaiHan conducts regular fire safety drills and emergency response training every 6 months at all plant locations. This training helps employees familiarize themselves with evacuation routes, the nearest escape exits, and assembly points after evacuation, ensuring prompt and efficient personnel checks. These measures aim to minimize injuries caused by confusion during disasters.

A work environment introduction, including the locations and usage of first aid kits, fire extinguishers, and escape ladders, is provided for new-coming employees. Annual health seminars are also held to promote overall employee health. Additionally, Automated External Defibrillators (AEDs) are installed in workplaces, and external instructors are invited to conduct training. This enables non-medical personnel to become familiar with

emergency procedures for cardiac arrest, optimizing the first golden-five minutes of response.



(Injury treatment drill in Vietnam plant)



(Factory nighttime fire drill in Philippines plant)

TaiHan implemented safety and environmental fire safety training courses totaling 1,298 participants and 2,979.5 hours in 2023. These courses included occupational safety training for new employees, equipment and operational risk identification, as well as fire drills, and the efforts to enhance employees' fire safety and emergency response capabilities will be continued.

<b>Fire safety and occupational safety training statistics</b>		
Fire safety & occupational safety education training	Participants	1,298 ptcp
	Hours	2,979.5 hr

### **Occupational disease prevention management**

The Company's production model presents a low risk of occupational diseases for employees. However, TaiHan continues to improve the working environment by implementing preventive management measures for common occupational disease categories. These measures include regular health checks to monitor employees' health, ensuring the use of protective equipment, and promptly alerting employees if any abnormalities are detected. Employees may be reassigned to other positions if necessary. No cases of occupational diseases occurred in 2023.

<b>Occupational disease categories</b>	<b>Hazard factors</b>	<b>Preventive management measures</b>
Physical	Noises of machine and waste crushing	Pre-employment hazard education training, use of

		personal protective equipment ( earmuffs, earplugs), special health checks (hearing tests)
Chemical	Organic Solvents	Installation of local exhaust ventilation, pre-employment hazard education training, use of personal protective equipment (masks), special health checks (respiratory function, benzene exposure tests)
	Dust	
Ergonomic	Long-term heavy lifting (lower back pain, disc herniation, etc.)	Replacing/reducing manual heavy lifting with machinery, on-site nurses for preliminary diagnosis, and regular health information sharing
	Long-term computer use (carpal tunnel syndrome, cervical displacement, etc.)	

**Health promotion**  
**GRI 403-6**

TaiHan provides blood pressure monitors for employees to measure their blood pressure at any time and places thermometers and alcohol at each entrance for employee use. Regular health seminars and related health knowledge promotions are held, such as "Work Without Overworking, Feel Without Fatigue" and "Conquer Uncontrolled Body Fat, Maintain Health and Reduce Illness," along with managing the ingredients in the employee cafeteria to cultivate good eating habits, which help employees develop a strong sense of health physically and mentally.



(Photos of "Avoid Overwork, Prevent Fatigue" seminar)

<b>Health information</b>	Regular health seminars, health information dissemination
<b>Healthy work environment</b>	Employee work hours monitoring, occupational disease and operational risk assessment

<b>Healthy lifestyle habits</b>	Regular health check-ups (general and special examinations), healthy employee meals
---------------------------------	---

### Employee health check-ups

#### GRI 403-3

TaiHan cares about the health of its employees and offers general health check-ups. Based on each employee's work environment and risk factors, special health check-ups are also provided to monitor their physical condition. If abnormalities are found or a doctor diagnosis that an employee is not suitable to continue their current work, the Company will assist in transferring them to a less hazardous position. Future tracking of employees' physical and mental health will continue. No abnormalities were found in both general and special health check-ups in 2023.

#### Employees participants in health check-ups 2023

Types of health check-ups / Plant locations	Taiwan region	Vietnam plant	Philippines plant	Dongguan plant
General health check-ups (no. of people)	14	590	355	124
Special health check-ups (no. of people)	N/A	106	28	42

Note 1: No personnel participate in special hazard operation health check-ups in Taiwan region because no employees engaged in high-risk operations there.

### Contractor safety management

TaiHan places great importance on the safety management of contractors and suppliers. To enhance operational safety in plants, the dangerous operations are accompanied and supervised by dedicated personnel. Pre-operation risk assessments are conducted for high-risk tasks to ensure the safety of the workers. Before entering the plant, contractors undergo a physical and mental assessment, temperature measurement, and alcohol disinfection to ensure they are in optimal condition for work.

## 2.3 Labor relations

Information	Content
Importance to TaiHan	TaiHan aims to enhance the company's competitiveness by fostering a harmonious labor-management relationship and providing diverse and open communication channels to protect employees' rights.
Management policies	Provide multiple communication channels and establish a culture of equality, inclusiveness, and open communication.
Goals 2024	<ul style="list-style-type: none"> <li>● Employee satisfaction score above 78 points</li> <li>● Less than 5 employee complaints</li> </ul>
Mid and long-term goals	<ul style="list-style-type: none"> <li>● Employee satisfaction score above 80 points</li> <li>● Less than 3 employee complaints</li> </ul>
Evaluation results	<ul style="list-style-type: none"> <li>● Employee turnover rate 2023 below 40%→Not achieved (actual 54%)</li> <li>● Employee satisfaction score 2023 above 80 points→Not achieved (actual 76.2)</li> <li>● Zero employee complaints in 2023→Achieved</li> <li>● No complaints related to recruitment and employment violations→Achieved</li> </ul>
Responsible units	Human resources department
Complaint channels	Company website, complaint mailbox

### Employee benefits GRI 401-2

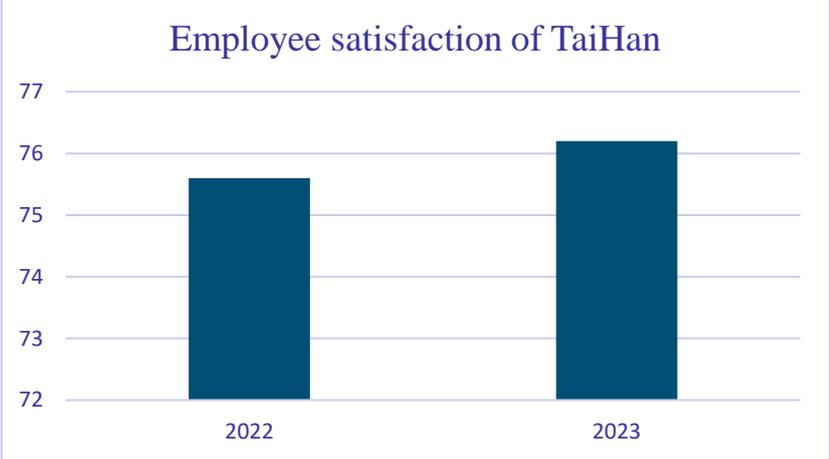
TaiHan places great emphasis on the work-life balance of its employees and has established the "Employee Welfare Committee" in accordance with the law to plan various welfare systems. In addition to regular salary contributions, the Company allocates welfare funds monthly based on profit amounts to support various employee welfare measures. In 2023, TaiHan held a total of 10 Welfare Committee meetings to discuss employee welfare measures and regularly organized employee birthday parties and family day activities to promote family interaction and boost employee morale. (The employee benefits in Taiwan region are provided as follows.)

<b>Bonus benefits</b>	Year-end bonus, employee bonuses, employee stock options
<b>Dining Benefits</b>	Employee cafeteria, meal allowance
<b>Gifts money and subsidies</b>	Birthday gifts, festival bonuses, Chinese New Year gifts, meal allowance, maternity allowance, travel subsidies, employee

	training subsidies, marriage and bereavement allowances, group dinner subsidies, year-end lottery draws, etc.
<b>Leave system</b>	Annual Leave, maternity Leave, paternity Leave, bereavement leave, menstrual leave, family care leave, home return leave (for overseas staff), etc.
<b>Health and care</b>	Labor and health insurance, group life insurance and accident insurance, overseas travel insurance for expatriates and business travelers, employee health check-ups, on-site nurses (for overseas locations)

**Employee satisfaction survey**

To enhance the physical and mental well-being of employees and provide a healthy and safe work environment, TaiHan places significant importance on employee opinion surveys. These surveys evaluate employee satisfaction with the work environment and atmosphere, sense of belonging and communication, policies and benefits, supervisor satisfaction, and employee development satisfaction. In 2023, 1,536 surveys were distributed, with a coverage rate of 94%. The target employee satisfaction score was 80, and the actual score achieved was 76.2, which, while not meeting the target, showed a slight improvement from the previous year's 75.6. In addition, the Company analyzes weaknesses based on survey results and adjusts accordingly, considering industry standards and local employee benefits, with the aim of continuously strengthening the connection with employees and creating a happy workplace.



**Employee communication**

TaiHan complies with legal requirements by regularly announcing operational status to keep employees informed about the company's performance. Additionally, the Company utilizes various channels for employee communication, including satisfaction surveys, suggestion boxes, labor unions, employee care interviews, and welfare committees. Employees are also provided with accessible grievance channels, allowing them to submit suggestions or complaints anonymously. These are handled by designated units that address, communicate, and investigate to ensure that every employee's voice is heard

and valued. Issues raised are addressed and improvements are made accordingly. In 2023, a total of 4 suggestions were submitted, all of which were accepted and resolved. No complaints were received.

**Employee unions**

TaiHan encourages employees to form unions to collaborate with the company in understanding and addressing employee needs and continuously improving the work environment. Currently, unions are established only in China and Vietnam, with no related requests from Taiwan or Philippines. Employees who are not part of a union or do not participate still receive all benefits provided by TaiHan. The Company ensures that the work environment and rights of all employees are protected. °

Plants	Union membership	Total employees	Rate of employees participating in the Union
Vietnam plant	720	761	95%
Dongguan plant	112	142	79%

Note 1: TaiHan allows employees to form unions, but currently, there have been no employee-initiated requests for unions in the Taiwan and Philippines plants.

**Minimum notice period for significant operational changes**

**GRI 402-1**

TaiHan addresses labor-management issues arising from significant operational changes that severely impact employee rights according to Labor Standards Act or relevant local regulations in Taiwan. The Company strives to inform employees as early as possible. For termination notice periods, the requirements are based on the TaiHan employee resignation and retirement management regulations:

For employees who have worked for...	notice must be given
more than three months but less than one year	at least 10 days in advance
one year but less than three years	at least 20 days in advance
three years or more	at least 30 days in advance

## 2.4 Talent recruitment and retention

Information	Content
Importance to TaiHan	Excellent employees are the cornerstone of TaiHan's continuous progress and growth. Ensuring that employees can work without concerns has always been the top priority of the Company.
Management policies	Enhancing employee benefits and reducing talent turnover
Goals 2024	<ul style="list-style-type: none"> <li>● Employee turnover rate below 40%</li> <li>● No violations related to recruitment and employment complaints</li> </ul>
Mid and long-term goals	<ul style="list-style-type: none"> <li>● Employee turnover rate below 30%</li> <li>● No violations related to recruitment and employment complaints</li> </ul>
Evaluation results	<ul style="list-style-type: none"> <li>● Employee turnover rate in 2023 below 40%→Not achieved(actual 54%)</li> <li>● No violations related to recruitment and employment complaints→Achieved</li> </ul>
Responsible units	Human resources department
Complaint channels	Company website, complaint mailbox

### Employee distribution

#### GRI 2-7, 2-8

TaiHan adheres to principles of fairness and diversity in employment. In recruitment, promotion, performance evaluation, and career advancement, the company treats employees of different ages, genders, races, religions, political affiliations, marital statuses, and union backgrounds equally. The primary consideration is suitability for the position. The company provides employment opportunities in many countries, contributing to economic growth. As of December 31, 2023, the total number of employees is 1,297, with 343 non-employee workers. The ratio of full-time male to female employees is approximately 1:0.82, with a slightly higher number of males due to the greater labor demands of certain positions.

Employee Job Distribution at Taihan Technology											
Plant		Taiwan region		Vietnam plant		Dongguan plant		Philippines plant		Total	
Gender	Age	No.	Ratio	No.	Ratio	No.	Ratio	No.	Ratio	No.	Ratio
Male	Under 30 years old (inclusive)	2	55%	148	51%	11	65%	89	61%	318	19%
	31-50 (inclusive) years old	8		225		68		134		425	33%
	51 years old (inclusive) and above	2		16		13		3		31	3%

Female	Under 30 years old (inclusive)	3	45%	123	49%	7	35%	68	39%	246	15%
	31-50 years old (inclusive)	6		237		35		78		371	28%
	51 years old (inclusive) and above	1		12		8		0		22	2%
<b>Total</b>		<b>22</b>	<b>2%</b>	<b>761</b>	<b>59%</b>	<b>142</b>	<b>10%</b>	<b>372</b>	<b>29%</b>	<b>1,297</b>	

Note 1: The number of employees is based on the headcount as of December 31 of the respective year.  
Note 2: The above statistics include both full-time and temporary employees. The Company does not employ permanent employees, employees without guaranteed hours, or part-time employees. There has been no significant change compared to the previous year.  
Note 3: The employee count for Dongguan includes 6 male temporary workers aged 31-50 (inclusive).

## Non-employee workers

Distribution of non-employee workers at TaiHan					
Plant/Gender	Taiwan region	Vietnam plant	Dongguan plant	Philippines plant	Total
Male	0	25	0	161	186
Female	0	13	0	144	157

Note 1: Non-employee workers include labor dispatch personnel and contractors. The Company does not have apprentices, telecommuters, interns, independent contractors, subcontractors, or volunteers.

Note 2: The number of non-employee workers is based on the headcount as of December 31 of the respective year, with no significant change compared to the previous year.

## Talent recruitment and retention programs

TaiHan has established a comprehensive recruitment standard mechanism and utilizes various recruitment channels to continuously attract new talent, sustain development momentum, and drive growth. For keeping on attracting high-quality talent and providing excellent job opportunities while fulfilling corporate responsibilities, the Company adopts its main recruitment channels including online platforms, employee referrals, and recruitment agencies. In addition to help new employees quickly integrate into the corporate culture, the Company dedicated personnel handle onboarding training and job adaptation, enhancing employees' understanding and alignment with TaiHan management philosophy.

To ensure the retention of top talent and optimize salary competitiveness, the Company offers specific retention programs, including employee compensation, annual salary adjustments, year-end performance bonuses, and stock options. °

## Employee turnover

### GRI 401-1

TaiHan has established a comprehensive recruitment standard mechanism and utilizes a variety of recruitment channels to continually attract new talent, sustaining development momentum and growth. To maintain the stability of the company's human resources and attract more outstanding talent, the main recruitment channels include online platforms, recruitment agencies, and employee referrals. The company prioritizes local talent recruitment, providing job opportunities within the community and fulfilling its

corporate responsibility. In 2023, TaiHan hired a total of 543 new employees, accounting for approximately 42% of the workforce.

All employees have the legal right to voluntarily terminate their employments, and all labor conditions, benefits, and rights comply with local regulations. In 2023, TaiHan experienced a total of 695 employee departures, representing about 54% of the workforce. The overview of new hires and departures for 2023 is as follows:

### New Hires Overview 2023

Plant	Age	Under 30 years old (inclusive)		31-50 (inclusive) years old		51 years old (inclusive) and above		Total employees	Newcomers ration (%)
		Count	Rate (%)	Count	Rate (%)	Count	Rate (%)		
Taiwan region	Male	0	0%	2	25%	0	0%	22	18%
	Female	0	0%	2	33%	0	0%		
Vietnam plant	Male	169	114%	63	28%	6	37%	761	48%
	Female	86	70%	37	15%	1	8%		
Dongguan plant	Male	21	190%	52	76%	2	15%	142	81%
	Female	16	228%	24	68%	0	0%		
Philippines plant	Male	27	30%	10	7%	0	0%	372	17%
	Female	17	25%	8	10%	0	0%		
Total	Male	217	86%	127	29%	8	23%	1,297	42%
	Female	119	59%	71	20%	1	4%		

Note 1: New hire rate (%) = Number of new hires in the category for the year / Total number of employees in the category.

Note 2: Number of new hires excludes temporary staff and employees who have not yet been converted to permanent status.

Note 3: Total number of employees is calculated based on the number of permanent employees as of December 31.

## Departures Overview 2023

Plant	Age	Under 30 years old (inclusive)		31-50 (inclusive) years old		51 years old (inclusive) and above		Total employees	Resignation ratio (%)
Taiwan region	Male	0	0%	1	12%	0	0%	22	4%
	Female	0	0%	0	0%	0	0%		
Vietnam plant	Male	240	162%	80	35%	4	25%	761	68%
	Female	123	100%	66	27%	1	8%		
Dongguan plant	Male	29	263%	38	55%	5	38%	142	77%
	Female	17	242%	19	54%	1	12%		
Philippines plant	Male	18	20%	20	15%	0	0%	372	19%
	Female	15	22%	18	23%	0	0%		
Total	Male	287	114%	139	32%	9	26%	1,297	54%
	Female	155	77%	103	29%	2	9%		

Note 1: Turnover rate (%) = Number of employees who left the category for the year / Total number of employees in the category.

Note 2: Departing employees include those who voluntarily resigned, were terminated, retired, or passed away in the line of duty.

Note 3: Number of departing employees excludes temporary staff and employees who have not yet been converted to permanent status.

Note 4: Total number of employees is calculated based on the number of permanent employees as of December 31.

Note 5: The higher turnover rate in Dongguan is mainly due to the relocation of the factory in 2022, which required some employees to commute longer distances, leading to difficulties in adaptation and subsequent departure.

Note 6: The higher number of departures in 2023 is attributed to significant seasonal fluctuations, with permanent employees being hired during peak seasons. Additionally, Vietnam's lower acceptance of temporary or dispatched work has contributed to the higher turnover for the year.

## Childbirth encouraging

### GRI 401-3

To protect the rights of female employees and acknowledge the challenges associated with childbirth and family care, while promoting a balance between work and family life, TaiHan provides maternity leave, paternity leave, and childbirth allowances at all its facilities. 32 employees applied for parental leave, and 27 of them returned to work, resulting in a 84% return-to-work rate within 2023. This indicates that the Company's support and consideration for employees after childbirth are effective.

Parental leave return and retention status									
Item		Taiwan region		Vietnam plant		Dongguan plant		Philippines plant	
		Male	Female	Male	Female	Male	Female	Male	Female
Annual Status	No. of Employees Eligible for Parental Leave in the Year	0	1	0	35	7	12	0	0
	No. of Employees Actually Taking	0	0	0	35	7	10	0	0

	Parental Leave in the Year								
Return-to-Work Status	A: Expected No. of Employees Returning to Work After Parental Leave in 2023	0	1	0	14	7	10	0	0
	B: Actual No. of Employees Returning to Work After Parental Leave in 2023	0	1	0	10	7	9	0	0
	Return-to-Work Rate = B / A	0%	100%	0%	71%	100%	90%	0%	0%
Retention Status	C: No. of Employees Returning to Work After Parental Leave in 2022	0	1	0	7	18	10	0	1
	D: No. of Employees Continuing to Work One Year After Returning from Parental Leave in 2022	0	1	0	0	15	7	0	0
	Retention Rate = D / C	0%	100%	0%	0%	83%	70%	0%	0%
<p>Note 1: There is no parental leave without pay system in the overseas plants. The above statistics on parental leave are based on maternity/paternity leave and reflect the actual number of applicants.</p> <p>Note 2: The lower retention rate is due to employees seeking more family care for their children after parental leave, as per the survey results.</p>									

## Talent Development

### GRI 404-1

TaiHan appreciates each employee as a valuable asset and recognizes that continuous improvement of employees drives the Company's growth. The Company encourages all employees to participate in training programs organized by consulting firms, training institutions, government agencies, or business associations, as well as to obtain domestic and international certifications to enhance their professional skills and diverse knowledge. Training budgets are allocated annually to encourage active participation in these programs. Additionally, to help new employees quickly adapt to their roles, pre-job training is arranged based on job categories. In 2023, a total of 24,901 hours of education and training were provided to all employees, averaging 15.2 hours per person. The table below shows the average training hours by gender and job category. TaiHan keeps to review and increase training opportunities for employees with insufficient training hours and areas, helping employees develop a broader range of skills and knowledge.

Plant		Taiwan region	Vietnam plant	Dongguan plant	Philippines plant	Total average training hours
Job	Gender					
Management positions	Male	13.1	8.4	2.3	3	6.9
	Female	18	16.4	1.7	5	13.7
Non-management positions	Male	51.8	35.2	0.8	4.6	17
	Female	17.5	25.3	0.4	5.1	15.8
Average training hours		22.2	26.3	1	4.8	15.2

Note 1: Managerial positions in Taiwan refers to employees at the level of section manager or above.

Note 2: Managerial positions in overseas plants refers to employees at the level of production line supervisor or above.

### Category of education and training

TaiHan proceeds its employee education and training needs survey every fourth quarter, and relevant education and training plans and budgets are formulated based on the needs of each unit. The courses are divided into new employee training, professional skills training, information security training, environmental safety training, and general education training. These 5 areas provide a comprehensive view of the Company's educational training directions for continuous enhancement. Corresponding course information is provided promptly for employees to participate in. The training hours for the 5 areas in 2023 are shown in the table below.

Category	New employee training (hrs)	Professional skills training (hrs)	Information security training (hrs)	Environmental safety training (hrs)	General education training (hrs)
Male	155	8,047.5	163	3,024.5	1,480
Female	94	7,200	311	2,935	1,491

New employee training	Professional skills training	Information security training	Environmental safety training	General education training
Introduction to the company environment, culture, and current status to help new employees integrate more quickly.	Courses on professional knowledge and skills in production, sales, finance, engineering, and other fields.	Courses related to information security risks and preventive measures.	Courses on accident prevention, disaster drills, and understanding hazardous chemicals.	Courses on law, integrity management, human rights, health lectures, etc..

## Compensation and performance evaluation

TaiHan has built up a compensation and performance evaluation system. Salaries are determined based on position and educational background without differences due to gender or age, as well as based on performance achieving measurement through organizational management indicators and team goals to serves as a reference for promotions, salary adjustments, employee compensation, and the distribution of year-end and performance bonuses, and to help identifying areas where employees need improvement. Performance evaluations are conducted annually and are strictly implemented by each operational unit according to regulations. There is also a Compensation Committee, composed of independent directors, to review the salary policies for managers. Currently, only indirect personnel are evaluated, with a total of 787 employees undergoing evaluation.

<b>Employees undergoing performance evaluation in 2023</b>					
<b>Job/Gender</b>		<b>No. of employees required to participate in evaluation</b>	<b>Actual No. of employees participating in evaluation</b>	<b>Ratio of employees participating in performance evaluation</b>	
Management positions	Male	<b>140</b>	<b>140</b>	<b>100%</b>	
	Female	<b>64</b>	<b>64</b>	<b>100%</b>	
Non-management positions	Male	<b>347</b>	<b>347</b>	<b>100%</b>	
	Female	<b>236</b>	<b>236</b>	<b>100%</b>	
<p><b>Note 1: Only indirect employees participated in the performance evaluation in 2023, thus direct employees are not included in the data above.</b></p> <p><b>Note 2: Employee performance evaluations are conducted in September each year, resulting in slight differences between the number of managerial/non-managerial positions and the employee distribution statistics.</b></p>					

## Salary and Benefits of TaiHan

### GRI 2-21

To attract more talented individuals, TaiHan has established an incentive system to attract and retain outstanding employees, regularly reviews salary and benefit measures in the market and adjusts employee salaries accordingly for allowing more talented individuals to create value for the Company. In 2023, the Company's total annual compensation ratio was 5.13, and the annual total salary and compensation change ratio was 3.58, both distributed according to the company's internal performance evaluations.

$$\begin{aligned}
 &\textbf{Total annual compensation ratio} = 5.13 \\
 &\quad \textbf{Annual total compensation of the highest paid individual} \\
 &\quad \textbf{in the organization} \\
 &= \frac{\quad}{\quad} \\
 &\quad \textbf{Median annual total compensation of all employees} \\
 &\quad \textbf{(excluding the highest – paid individual)}
 \end{aligned}$$

**Annual total salary and compensation change ratio = 3.58**

$$= \frac{\text{Percentage increase in annual total compensation of the highest paid individual in the organization}}{\text{Percentage increase in median annual total compensation of all employees (excluding the highest – paid individual)}}$$

Note 1: The above disclosed information includes only employees in Taiwan (the same as the disclosure information in section 2.4 "Employee distribution").

Note 2: The calculation of the Company's total annual compensation is based on total cash compensation, including: basic salary, bonuses, cash dividends, and other forms of cash compensation °

### **Ratio of standard entry-level salary to local minimum wage**

#### **GRI 202-1**

TaiHan ensures that the salaries and benefits provided to all employees comply with and exceed local legal requirements. There is no difference based on gender, race, marital status, ethnicity, religious beliefs, etc. Additionally, the Company adjusts employee salaries based on industry standards and local employment conditions to maintain its competitive edge in talent acquisition and meet employee expectations.

<b>Plant</b>	<b>Vietnam plant</b>	<b>Dongguan plant</b>	<b>Philippines plant</b>
Employee salary/local minimum wage	1.09	1.58	1.06
Note 1: Taiwan is excluded from this statistic as there are no production operations there. Note 2: The provided employee salaries are based on the standard salaries of production line Note 3: Standard salary includes base salary, meal allowance, and work-shift allowance.			

### **Full-time employee salaries (Non-managerial positions)**

In accordance with the regulations of the Securities and Exchange Act, TaiHan excludes employees with less than 6 months of service and managerial positions when calculating the number of non-managerial staff for salary reporting. Based on this definition, in 2023, the number of full-time employees in non-managerial positions was 16, with an average salary of NT\$934,441 and a median salary of NT\$708,289.

<b>Full-time employee salary information for non-managerial positions</b>			
<b>Year</b>	<b>2022</b>	<b>2023</b>	<b>Increase/(decrease) Rate (%)</b>
No. of employees	12	16	33%
Average salary (NT\$)	759,649	934,441	23%
Median salary (NT\$)	590,578	708,289	19.93%
Note 1: This statistical data only includes employees in Taiwan, and does not include employees from other overseas plants.			

## Retirement system

In accordance with statutory retirement systems, TaiHan allocates sufficient retirement funds for employees, with 100% employee participation in the retirement plan. Employees in Taiwan are covered under the Labor Standards Act and the Labor Pension Act. Those who joined the Company before July 1, 2005, enjoy the benefits of the old pension system. TaiHan complies with relevant laws to allocate funds, and actuaries are commissioned annually at the end of the year to ensure the accurate calculation and adequate provision of retirement funds, protecting employees' future pension rights. Employees in overseas factories are also provided with retirement systems in accordance with local regulations, ensuring their retirement life is well-protected

Plant	Legal compliance	Retirement fund contribution as a percentage of Salary	
Taiwan region	Labor Standards Act Labor Pension Act	Employer (old system)	4%
		Employer (new system)	6%
		Employee (new system)	0-6%
Dongguan plant	Interim Measures of the State Council on Workers' Retirement and Resignation	Employer	15%
		Employee	8%
Vietnam plant	Labor Law Social Insurance Law	Employer	14%
		Employee	8%
Philippines plant	Social Security System	Employer	9.5%
		Employee	4.5%

## 2.5 Social engagement

TaiHan holds annual public welfare and social care events at all its plants to respond to the SDGs (Sustainable Development Goals revealed by UN. In 2023, the Company observed that the impact on many disadvantaged groups in society has been couple times more severe than that on the general population due to the ongoing pandemic. Therefore, this year's public welfare and social return projects have been particularly focused on social aspects. TaiHan aims to leverage its influence to attract more colleagues and members of the public who are willing to contribute to society, working together to build a beautiful community.

Projects of Public Welfare	Manpower (employee)	Impact	Projects of Public Welfare Impact Location
Walk Together Every Good Days—Challenge event	17	TaiHany, through the Syin-Lu Social Welfare Foundation, held its annual charity walk and challenge event, inviting colleagues and their families to participate and understand the real situations of the disadvantaged children cared for by the foundation. This event aimed to enhance employees' recognition of the Company's public welfare activities. A total of 17 employees and their families participated in the event. Additionally, TaiHan donated NT\$50,000 to the Foundation, hoping to help provide better learning resources and environments for these children	Taiwan
TaiHan Technology - Moon Festival Warmth campaign	7	On the eve of the Moon Festival, TaiHan donated 60 gift boxes of mooncakes cooked by the Shelter Workshop of Children Are Us Foundation. Through the Huashan Social Welfare Foundation, they distributed mooncakes and daily necessities to elderly people living alone in nearby communities, checking on their current situation and assisting with blood pressure measurements. The goal was to share the joy of the festival with the elderly and help them have a warm Moon Festival.	Taiwan
TAIHAN Dongguan - Community blood donation event	16	Adhering to the belief that "Unpaid blood donation is an act of love and a noble act of saving lives," TAIHAN Dongguan annually cooperates with local community needs to carry out blood donation plans. A total of 5,700 milliliters of blood was donated, hoping to contribute more to the local community this time.	Dongguan
Yonghan Vietnam –	-	The Vietnam Fatherland Front has carried out many poverty alleviation and social	Vietnam

Donation to the Poverty Fund		security activities in Vietnam, such as building temporary houses and providing free medical treatment and medicines. YONGHAN Vietnam donated VND 30 million (approximately NT\$38,000) to the Foundation account, hoping to provide basic guarantees for the poor or disaster-affected people.	
Yonghan Vietnam - Donation to the Red Cross Orphanage and Elderly Care Center Material in Hai Duong Province	3	YONGHAN Vietnam found that due to the impact of the pandemic, the Hai Duong Province Red Cross Orphanage and Elderly Care Center received significantly fewer donations. Therefore, the Company proactively contacted them and donated water dispensers and other daily necessities (totaling approximately NT\$35,000), hoping to provide a safe and secure place for them within their limited capacity.	Vietnam
TAIHAN Philippines - Blood donation event joint with the Lipa branch of the Red Cross	84	With the belief that "Every drop of blood is like a breath for someone," TAIHAN Philippines recruited a total of 84 colleagues (donating 33,300 milliliters in total) willing to donate their blood to hospitals in need. They also took the time to listen to the history of the Red Cross Philippines, further enhancing employees' recognition of the Company's social contributions.	Philippines
TAIHAN Philippines – Warmth care activity of the Cancer Warriors Foundation	10	The Cancer Warriors Foundation aims to promote understanding and awareness of cancer among children and provide appropriate management and care. TAIHAN Philippines brought food (100 servings) and gifts (40 mugs) to participate in simple group activities with children fighting cancer and their parents, hoping to help them temporarily forget the struggles against illness (the cost of food and mugs amounted to approximately NT\$12,000).	Philippines



**Acknowledgement certificate from the Syin-Lu Social Welfare Foundation**



**TaiHan donated mooncakes cooked by the Shelter Workshop of Children Are Us Foundation to the Huashan Social Welfare Foundation**



**YONGHAN Vietnam - Donation and support activity to the Red Cross Orphanage and Elderly Care Center in Hai Duong Province**



**TAIHAN Philippines - Cancer Warriors Foundation**

---

# 03 Corporate Governance

# 3.1 Corporate governance

## Current status of corporate governance

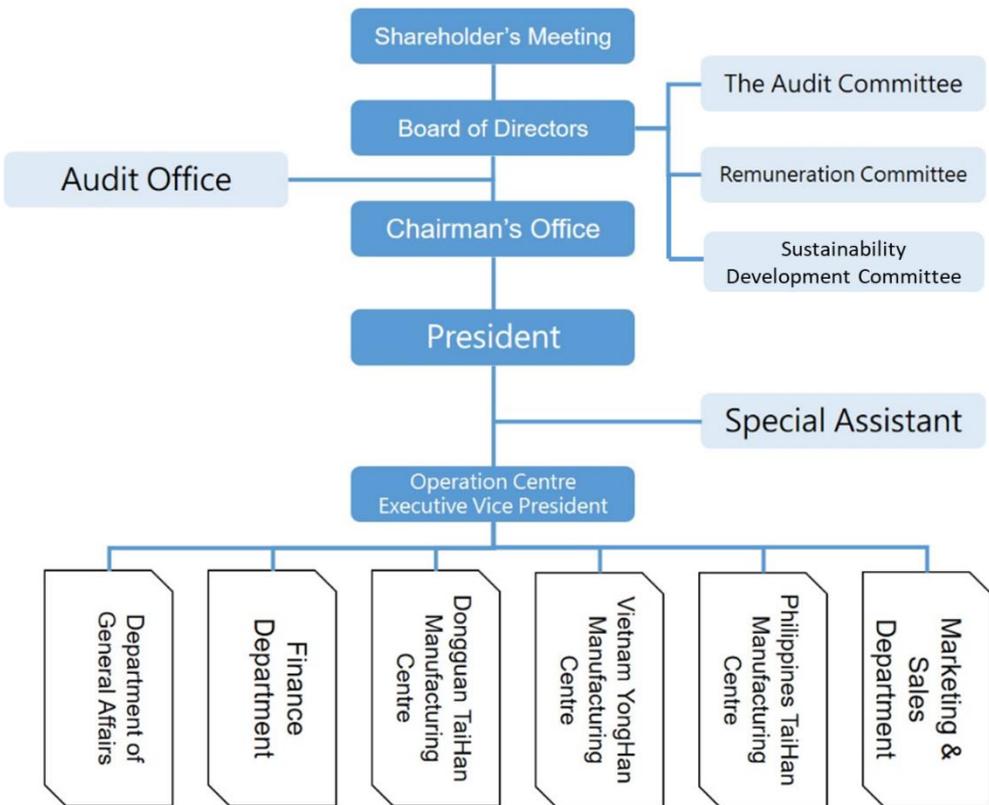
### GRI 2-11

TaiHan Technology regards the shareholders' meeting as the highest authority of the company. The Board of Directors, chaired by the Chairman, executes and supervises various company affairs. Internally, the General Manager formulates business plans and coordinates between departments based on market conditions and competitive situations. Due to the current Chairman's familiarity and expertise with the industry characteristics, the Chairman also serves as the General Manager. The board's procedural regulations explicitly define conflict-of-interest clauses for directors. Directors or their representatives with vested interests must abstain from voting. To ensure sustainable development, the General Manager, along with relevant departmental heads, is responsible for consolidating and disclosing corporate sustainability information, as well as planning and implementing corporate sustainability projects.

## Governance structure

TaiHan has organized an effective corporate governance structure to enhance the functions of the Board of Directors, protect shareholders' rights, and gather the opinions of various stakeholders. In accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," the Company ensures the transparency of operational and financial information. TaiHan has achieved corporate governance evaluations for two consecutive years, ranking in the top 6-20% among TPEX-listed companies, and in 2023, it ranked in the 2-10% category for companies with a market value below NT\$5 billion. This demonstrates the company's excellent internal management mechanism. An Audit Committee, a Compensation Committee, and a Sustainability Development Committee have also been established to facilitate the Board of Directors in performing its duties. Through various levels of management, major or sustainable policies are promoted and managed.

Organization Chart



## Six principles of TaiHan's corporate governance system

<p>Establish an effective corporate governance structure</p>	<p>To establish an effective internal control system, the formulation or amendment of TaiHan's internal control system must be approved by the Audit Committee and submitted to the Board of Directors for resolution. If independent directors have opposing or reserved opinions, these will be recorded in the board meeting minutes. TaiHan constantly monitors the overall business activities of itself and its subsidiaries, conducting rolling reviews to respond to changes in internal and external environments, ensuring that the design and implementation of the internal control system remain effective. In addition to thoroughly conducting self-assessments of the internal control system, TaiHan places great importance on the internal audit unit and personnel, granting them sufficient authority to perform audits, evaluate deficiencies in the internal control system, and measure operational efficiency. The Board of Directors and management review the self-assessment results of each department and the audit reports of the audit unit annually, under the supervision of the Audit Committee.</p>
<p>Protect shareholders' rights</p>	<p>Shareholders are encouraged to participate in corporate governance through various methods and channels. This includes the use of technology for information disclosure, such as uploading the annual report, annual financial report, shareholder meeting notice, agenda handbook, and meeting supplementary materials simultaneously. Electronic voting is also adopted to increase shareholder meeting attendance rates and ensure shareholders can exercise their rights at the meeting according to the law. TaiHan values shareholders' right to know and strictly complies with information disclosure regulations, frequently and promptly providing information on the company's financial status, business operations, insider shareholdings, and corporate governance through the MOPS or the Company's website. TaiHan clarifies the management responsibilities and authorities regarding personnel, assets, and finance within related enterprises, conducting thorough risk assessments and establishing appropriate firewalls. It also establishes sound financial, business, and accounting management systems in accordance with relevant laws and regulations.</p>
<p>Enhance the functions of the Board of Directors</p>	<p>In accordance with the board-member diversity policy, TaiHan has regulated the "Director Election Method" to ensure a diverse board, considering basic qualifications and values such as gender, age, nationality, and culture, as well as professional knowledge and skills, including professional background (law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience. Based on its operations, business type, and development needs, the Company formulates appropriate diversity guidelines. Taihan Technology has established an independent director system, as well as set up an Audit Committee and other functional committees to improve the supervisory functions of the Board of Directors and enhance management capabilities. Board members are required to faithfully execute their duties and perform their obligations with the care of a good manager, exercising their authority with high self-discipline and prudence.</p>
<p>Utilize the functions of supervisors</p>	<p>The Audit Committee supervises the execution of the Company's business and the due diligence of directors and managers. It also monitors the implementation of the Company's internal control system to reduce financial crises and operational risks.</p>
<p>Respect the rights of stakeholders</p>	<p>TaiHan maintains open communication channels with banks, creditors, employees, consumers, suppliers, the community, and other stakeholders, respecting and protecting their legitimate rights. While striving for normal business development and maximizing shareholder interests, TaiHan also pays attention to consumer rights, community environmental protection, public welfare issues, and emphasizes corporate social responsibility.</p>

Improve information transparency	In accordance with relevant laws and regulations and the requirements of the Taipei Exchange, TaiHan faithfully fulfills its information disclosure obligations, revealing corporate governance-related information through the company's website or other appropriate channels.
----------------------------------	--

## Composition and operation of the Board of Directors GRI 2-9, 2-10, 2-17, 405-1

In accordance with the Company Act and the Company's director election procedures, the election adopts a candidate nomination system where shareholders elect from the list of candidates. This term, the board comprises eight directors (including four independent directors) with a term of 3 years, from June 13, 2023 to June 12, 2026.

The 13th Board of Directors of TaiHan includes one female member. As the highest TaiHan governance body to ensure the board has the complete ability to guide operational strategy as well as supervise the Company's operating system, the director's selection is based on the principles of professionalism and diversity (however the inclusion of ESG impact management in the director selection criteria is still under planning). All members have rich experience and professional backgrounds, and stakeholder (shareholders) perspectives are considered to ensure the accuracy of overall board decision-making and leadership direction. In 2023, a total of 6 meetings were held, with major resolutions disclosed on the MOPS and the Company's website. To implement corporate governance, improve supervisory functions, and enhance management functions, the company has established rules of procedure for board meetings in accordance with the relevant provisions of the "Regulations Governing Procedure for Board of Directors Meetings of Listed Companies".

Core diversity items Director's name	Gender	Age	Operational judgment ability	Accounting and financial analysis ability	Management ability	Crisis management ability	Industry knowledge	International market perspective	Leadership ability	Decision-making ability
Representative of SPEED TECH CORPORATION: Tsai, Chen-Lung	Male	51 (inclusive) years old and above	v		v	v	v	v	v	v
Representative of SPEED TECH CORPORATION: Lee, Jin-Cheng	Male	31-50 (inclusive) years old	v		v	v	v	v	v	v
Representative of SPEED TECH	Male	31-50 (inclusive) years old	v	v	v	v	v	v	v	v

CORPORATION: Chang, Chih-Jen										
Yang, Chien-Ping	Male	51 (inclusive) years old and above	v		v	v	v	v	v	v
Chuang, Wei-Min	Male	51 (inclusive) years old and above	v	v	v	v		v	v	v
Chen, Yi-Ping	Female	51 (inclusive) years old and above	v	v	v	v		v	v	v
Lin, Chun-Yi	Male	31-50 (inclusive) years old	v		v	v		v	v	v
Chung, Ting-Chun	Male	51 (inclusive) years old and above	v	v	v	v		v	v	v
Note 1: Board Diversity: 0% are 30 years old or below, 37.5% are between 31 and 50 years old, and 62.5% are 51 years old or above; 87.5% are male, and 12.5% are female.										

### Board of Directors members list of TaiHan in 2023

Title	Name	Major Education/Experience	Current Positions in the Company and other companies
Chairman	Representative of SPEED TECH CORPORATION: Tsai, Chen-Lung	Bachelor in Information Systems, West International University, USA; Master in Electrical and Computer Engineering, Arizona State University; Vice President of Marketing and Sales, Luxshare Precision Industry Co., LTD.	Chief Strategy Officer, Strategic Committee, Luxshare Precision Industry Co., Ltd. Director, Stech International Co., Ltd. Director, Tianxun Technology Co., Ltd. Representative, Luxshare-ICT, Inc. Director, Lide Precision Industry (Dongguan) Co., Ltd. Director, Luxshare Precision Components (Kunshan) Co., Ltd. Chairman, Speed Tech ICT SDN. BHD. Director, CASTLE ROCK, INC. Chairman, ASSEM TECHNOLOGY CO., LTD. Director, Speedtech (HK) Co., Limited Chairman, Speedtech Intelligence Co., Ltd. Representative Director, Cyber Acoustics, LLC

			<p>Representative Director, Caldigit Holding Limited</p> <p>Representative Director, Caldigit Limited</p> <p>Representative, FORTUNE SHARE CORPORATION</p> <p>Chairman, Xin-Aan Investment Co., Ltd.</p> <p>Chairman, Xin-Feng Investment Co., Ltd.</p> <p>Chairman, SPEED TECH CORPORATION</p> <p>Chairman, TaiHan Precision Technology Inc.</p>
Director	Representative of SPEED TECH CORPORATION: Lee, Jin-Cheng	Bachelor in Information Engineering, Hungkuo Delin University of Technology; Head of LUXSHARE-ICT CO., LTD.	Head, Castle Rock Co., Ltd. Head, ChengXin Investment Co., Ltd.
Director	Representative of SPEED TECH CORPORATION: Chang, Chih-Jen	Master in Mechanical Engineering, National Central University; Director of Marketing and Sales, SPEED TECH CORPORATION	Special Assistant, TaiHan Precision Technology Inc. Factory Director, Speed Tech ICT Sdn Bhd
Director	Yang, Chien-Ping	Bachelor in Mechanical Engineering, Asia Eastern Institute of Technology; Senior Manager of Strategic Customer Sales, LUXSHARE-ICT CO., LTD.	Senior Manager of Operations Center, TaiHan Precision Technology Inc. Senior Manager of Strategic Customer Sales, LUXSHARE-ICT CO., LTD.
Director	Chuang, Wei-Min	Mechanical Drafting, Kai-Nan Vocational High School; Director, Yu-Guang Investment Ltd.	Director, Yu Guang Investment Ltd. Chairman, Be Ample company LTD.
Independent director	Chen, Yi-Ping	MBA, City University of New York; CFO, XiangYu Biomedical Technology Co., Ltd.	Director of Finance (and Management), KWAN'S INTERNATIONAL CO., LTD.
Independent director	Lin, Chun-Yi	Master in Finance, National Taiwan University; Director, FOR WIN ASSETS MANAGEMENT LTD.	Head and Director, FOR WIN ASSETS MANAGEMENT LTD. Head and Director, GLORIA BEAUTY CO., LTD. Director, Toplogis, Inc. (Cayman Islands) Director, TOPLOGIS INC. Director, JFT International

			Marketing Co., Ltd.
Independent director	Chung, Ting-Chun	Bachelor in Law, Fu Jen Catholic University; Completed 42nd -term, Judicial Officers Training Institute	Managing Attorney, Hengsheng Law Firm Representative Director, Wiselink CO., LTD. Representative Director, TAIWAN SPORTS LOTTERY CO., LTD Independent Director, SPEED TECH CORPORATION Independent Director, SHIN RUENN DEVELOPMENT CO., LTD. Independent Director, JIIN YEEH DING ENTERPRISE CORP.
Independent director	Representative of SPEED TECH CORPORATION: Tsai, Chen-Lung	Master in International Business, National Taiwan University; Director, AB Value Asset Management Co., Ltd.	Director, COMPUCASE ENTERPRISE CO., LTD. Representative Director, LOYALTY FOUNDER ENTERPRISE CO., LTD. Representative Director, OPTIMA HEALTHCARE INC. Representative Director, TRANSWELL BIOTECH CORPORATION LTD.
<p>Note 1: The relevance of board members' backgrounds to the Company's major ESG topics in 2023 includes: information security, corporate governance, legal compliance, and operational performance.</p> <p>Note 2: Board members include stakeholders such as investors/shareholders and employees of the Company.</p>			

## Conflict of interest

### GRI 2-15

The Board of Directors operates and performs its functions in accordance with the relevant rules and laws, ensuring adherence to conflict-of-interest policies, supervising the management team, and being responsible for the overall operation of the company to protect the interests of the company and its shareholders. TaiHan's major shareholder is SPEED TECH CORPORATION (with a 29% shareholding). Other controlling shareholders can be referred to in the Company's annual report (P46). There is no cross-shareholding with suppliers or other stakeholders. The following are instances of board members recusing themselves from matters involving conflicts of interest in 2023:

(1) Board Meeting Date: January 11, 2023

Agenda: Year-end bonus distribution for managerial staff for the year 2022

Directors Recusing Themselves: Chairman Tsai, Chen-Lung and Director Chang, Chih-Jen

Reason for Recusal and Voting Participation: The aforementioned directors have a conflict of interest in this matter. Apart from the conflicted directors who recused

themselves from the discussion and resolution, the remaining directors unanimously approved the proposal.

(2)Board Meeting Date: November 6, 2023

Agenda: Proposal for the Executive Vice President’s compensation, salary adjustment for managerial staff for the year 2023, and distribution of employee compensation for 2022

Director Recusing Himself: Director Lee, Jin-Cheng

Reason for Recusal and Voting Participation: The mentioned director has a conflict of interest in this matter. Apart from the conflicted director who recused himself from the discussion and resolution, the other directors unanimously approved the proposal.

## Board members' continuing education

### GRI 2-17

To enhance the professional expertise of each director, TaiHan arranges for all directors to complete at least 6 hours of professional development courses annually. This ongoing education helps directors stay updated with the latest information from both domestic and international sources, thereby improving the Board’s collective knowledge on environmental, social (human rights), and economic issues. In 2023, Board members participated in sustainability-related courses such as "Green Chemistry for Sustainable Development" and "Sustainable Development Action Plan for Listed Companies", accumulating a total of 66 hours of continuing education.

Board members' continuing education in 2023 is listed as follows:

Title	Name	Training date	Course name	Training hours
Chairman	Tsai, Chen-Lung	2023/05/26	Green Chemistry: Co-creating Sustainability	3
		2023/07/18	Seminar on Transformational Finance and Sustainability Disclosure 2023	3
		2023/07/04	2023 Sustainable Finance and Climate Change Summit, hosted by Cathay	6
Director	Chang, Chih-Jen	2023/04/27	Seminar on Action Plans for Sustainable Development of Listed Companies	3
		2023/05/26	Green Chemistry: Co-creating Sustainability	3
Director	Lee, Jin-Cheng	2023/07/25 ~2023/07/26	Practical Training Course for Directors and Supervisors (including Independent) and Corporate Governance Executives, Taipei Class	12
Director	Yang, Chien-Ping	2023/05/26	Green Chemistry: Co-creating Sustainability	3
		2023/07/18	Seminar on Transformational	3

			Finance and Sustainability Disclosure 2023	
Independent director	Chuang, Wei-Min	2023/08/09	Seminar on Insider Equity of OTC and Emerging Stock Companies	3
		2023/12/07 ~2023/12/08	Continuing Education Course for Accountants of Issuers, Securities Firms, and Stock Exchanges	9
Independent director	Chen, Yi-Ping	2023/09/19	How the Board Can Use OKRs to Improve Corporate Governance Efficiency	3
		2023/09/21	Corporate Governance Lecture: Operational Management Model Transformation under Emerging Technologies	3
Independent director	Lin, Chun-Yi	2023/05/11	Discussing Corporate Governance, Integrity Management, and the Three Principles of Sustainable Corporate Development and Prevention of Insider Trading	3
		2023/10/04	How Non-Financial Directors and Supervisors Review Financial Reports	3
		2023/11/08	Trends and Risk Management of Digital Technology and Artificial Intelligence	3
Independent director	Chung, Ting-Chun	2023/06/09	Insider Trading Prevention Seminar 2023	3
		2023/11/22	Seminar on Legal Compliance for Insider Equity Transactions 2023	3
Note 1: The relevance of the training courses for Board members to the Company's major ESG topics in 2023 includes: energy management, corporate governance, legal compliance, and operational performance.				

<b>Specific management objectives of the Board of Directors</b>	
Gender Equality	The Company's board of directors also emphasizes gender equality among its members, requiring at least one director of a different gender.
Operational and crisis management capabilities	The Board focuses on operational judgment, business management, and crisis handling capabilities, with more than two-thirds of the directors possessing relevant core competencies.
Independence	The Company's 13th Board of Directors consists of 8 members, 4 of whom are independent directors, meeting the following criteria: (1) Neither the director, their spouse, nor relatives within the second degree of kinship serve as directors, supervisors, or employees of the Company or its affiliates. (2) Neither the director, their spouse, nor relatives within the second degree of kinship (or through nominees) hold more than one percent of the company's issued shares or are among the top ten natural person shareholders. (3) They do not serve as directors, supervisors, or employees of companies with specific relationships with the Company (in reference to the provisions of Articles 5 to 8, Paragraph 1, Article 3 of the Regulations Governing the Appointment of Independent Directors and Compliance Matters for Public Companies). (4) In the past two years, they have not received cumulative remuneration exceeding NT\$500,000 for business, legal, financial, accounting, or other services.

---

## **Establishment of corporate governance supervisor**

TaiHan has established a corporate governance supervisor, approved by the Board of Directors on May 3, 2023. The position is held by the assistant general manager of the Company's Financial Management Department. The main responsibilities include handling matters related to the Board of Directors and shareholders' meetings in accordance with the law, such as assisting directors with further education, providing necessary information for Board decisions, and helping directors comply with relevant regulations.

## **Board performance evaluation**

### **GRI 2-18**

TaiHan has established the "Board Performance Evaluation Method," which mandates at least one annual performance evaluation of the Board of Directors as a whole, individual board members, and each functional committee. The evaluation period is from January 1, 2023 to December 31, 2023. The 2023 internal self-assessment of the Board's performance includes an objective evaluation of five key areas: participation in company operations, improvement of board decision-making quality, board composition and structure, director selection, and internal control (ESG performance evaluation criteria are still being formulated and have not yet been implemented). The evaluation results show that the Board scored above 4.5 out of 5 in all areas, indicating excellent Board performance. The evaluation results will be reported to the Board on March 8, 2024. The Company's Board of Directors is subject to performance evaluation by an external professional independent organization at least once every three years. The most recent external performance evaluation was conducted in 2022 by the Taiwan Investor Relations Institute, an external independent evaluation agency, which assessed the performance of the Board of Directors and issued an evaluation report on January 30, 2023.

## **Audit Committee**

TaiHan's Board of Directors has approved the "Audit Committee Charter" for compliance. The current term is from June 13, 2023 to June 12, 2026. The current committee members are Independent Directors Chen Yi-Ping, Chuang Wei-Min, Lin Chun-Yi, and Chung Ting-Jun, with Chuang Wei-Min serving as the convener and the meeting chair.

The primary purpose of the Audit Committee's execution of its duties is to supervise the following matters:

- ◆ The Company's annual business report
- ◆ The fair presentation of the Company's financial statements
- ◆ Appointment, dismissal, and remuneration of the certifying accountant
- ◆ Effective implementation of the Company's internal controls
- ◆ The Company's compliance with relevant laws and regulations
- ◆ The management of existing or potential risks to the Company

Committee/ Director name	Board of Directors		Audit Committee		Remuneration Committee		Attendance rate
	Should attend	Actual attendance	Should attend	Actual attendance	Should attend	Actual attendance	
Chairman: Tsai, Chen- Lung	6 (Chairman)	5	0	0	0	0	83%
Director: Chang, Chih- Jen	6	6	0	0	0	0	100%
Director: Lee, Jin- Cheng	3	3	0	0	0	0	100%
Director: Lee, Jia-Ho	3	2	0	0	0	0	67%
Director: Yang, Chien- Ping	6	6	0	0	0	0	100%
Independent director: Chuang, Wei-Min	6	6	6 (Convener)	6	5	5	100%
Independent director: Chen, Yi- Ping	6	6	6	6	5	5	100%
Independent director: Lin, Chun-Yi	6	6	6	6	5 (Convener)	5	100%
Independent director: Chung, Ting- Chun	3	3	4	4	1	1	100%

## Remuneration Committee

### GRI 2-20

The Remuneration Committee consists of 3 members. The current term is from June 16, 2023, to June 15, 2026. The current members are Independent Directors Chen Yi-Ping, Chuang Wei-Min, Lin Chun-Yi, and Chung Ting-Jun, with Mr. Lin Chun-Yi serving as the convener and the meeting chair.

TaiHan 's Board of Directors has approved the "Remuneration Committee Charter" for compliance. The Committee meets at least twice a year and may convene meetings as needed. The committee members are expected to fulfill their duties with the care of a good manager and faithfully execute the following responsibilities, submitting their recommendations to the Board of Directors and reporting to the shareholders' meeting. (The operation and resolutions of the Remuneration Committee can be found in the Company's annual report or on the official website.)

1. Regularly review the Remuneration Committee Charter and propose amendments. °
2. Establish and periodically review the annual and long-term performance goals and

---

remuneration policies, systems, standards, and structures for the company's directors, supervisors, and managers.

3. Regularly evaluate the achievement of performance goals for the Company's directors, supervisors, and managers, and determine their individual remuneration packages and amounts.

## Remuneration policy

### GRI 2-19

The remuneration for the directors and managers of TaiHan fully considers their professional capabilities and the contributions they have made to the Company in their respective roles. To implement the concept of sustainable operations, the Company annually reviews its sustainability development goals and future risk assessments, as well as the performance evaluations of environmental and human rights goals at each plant. These evaluations serve as the basis for remuneration adjustments, strengthening the link between the Company's sustainability performance and remuneration policy.

Remuneration and retirement benefits are executed in accordance with the Company's internal management regulations (Performance Evaluation Management Methods, Personnel Retirement Management Methods, Directors' Remuneration Methods, etc.). The benefits and retirement benefits for managers are the same as those for general employees.

**1. Director remuneration policy:** This can be divided into fixed director remuneration and variable director compensation (with no severance pay, retirement benefits, or reclaim mechanisms). Director remuneration is handled according to Article 17 of the Company's Articles of Association: "When performing their duties, directors are entitled to receive remuneration from the Company regardless of the Company's profit or loss, with the authorization of the Board of Directors based on the extent of their participation and contributions to the Company's operations." Director compensation is determined according to Article 21 of the Company's Articles of Association: "The Board of Directors may allocate up to 3% of the Company's earnings as director compensation. If the Company has accumulated losses, a reserve for such losses should be set aside in advance."

**2. Manager remuneration policy:** In addition to a fixed monthly salary, manager remuneration includes bonuses for the three major festivals, year-end performance bonuses, and other incentives based on the company's annual profitability (without severance pay or reclaim mechanisms). Manager remuneration will be based on performance evaluations, industry standards for similar positions, individual roles, and contributions to the company. It is reviewed by the Remuneration Committee and then submitted to the Board of Directors for approval.

**3. Linkage of manager compensation to sustainability performance:** To incentivize senior managers and accelerate sustainable development, TaiHan has integrated performance indicators with sustainability goals at each plant. These are divided into financial, management, and sustainability indicators. The aim is to provide a more comprehensive evaluation of senior managers' contributions to the Company and offer appropriate rewards. (The weightings and explanations for each category are shown in

the table below.)

Indicator item	Weight ratio	Description
Financial indicators	40%	Company financial performance and comparison with industry peers and recent profitability levels, such as revenue performance and gross profit amount.
Management indicators	30%	Internal control and production management effectiveness, such as production yield and inventory rate.
Sustainability indicators	30%	Implementation status according to publicly disclosed sustainability goals, such as the number of work-related injuries, legal compliance, and energy consumption intensity.

## Sustainability Development Committee

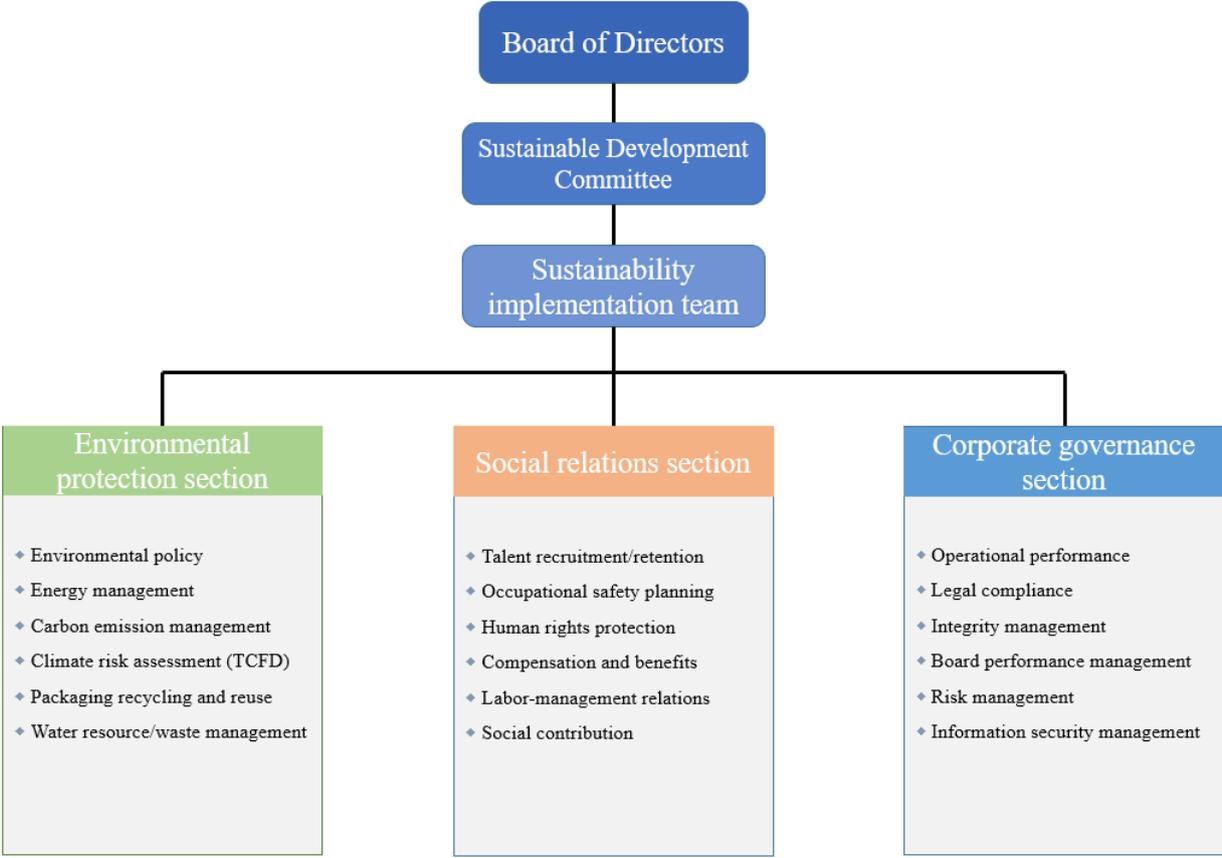
### GRI 2-12, 2-13, 2-14, 2-16

To strengthen the Company's sustainability governance, TaiHan established the Sustainability Development Committee in November 2023. As a functional committee, it assists the Board of Directors in overseeing and addressing various sustainability issues (stakeholder engagement results, major issue formulation and responses, annual sustainability goals and plans, etc.). The Committee is composed of 3 members: the Executive Vice President and two independent directors, with the Executive Vice President serving as the Chair. The Committee helps formulate sustainability strategies and goals and reports the execution results, stakeholder engagement status, and sustainability reports to the board of directors semi-annually (with 0 key major events reported in 2023). To enhance the efficiency of corporate sustainability management, a sustainability implementation team is established with 3 working groups: Corporate Governance Group, Environmental Protection Group, and Social Relations Group, to better coordinate and plan across units, ensuring the implementation of sustainability strategies and goals.

Sustainability Development Committee report agenda 2023: (The meeting was first held on December 26, 2023)

1. Report on major issues and stakeholder engagement in 2023
2. Report on the effectiveness of integrity management in 2023
3. Review of the social contribution proposal for 2024
4. Report on energy saving and carbon reduction plans at each plant
5. Report on SASB response
6. Report on TCFD analysis

# Organizational structure for sustainability development



## 3.2 Integrity and ethics

Information	Content
Importance to TaiHan	TaiHan implements policies for ethical business practices to prevent any actions that could damage the Company's reputation and interests.
Management policy	It has established comprehensive review systems and complaint channels and carry out education and training to ensure these policies are effectively implemented.
Goals 2024	<ul style="list-style-type: none"> <li>● Ethical business training: 1 hour per person</li> <li>● Number of incidents violating ethical business practices: 0</li> </ul>
Mid- and long-term goals	<ul style="list-style-type: none"> <li>● Number of incidents violating ethical business practices: 0</li> </ul>
Evaluation results	<ul style="list-style-type: none"> <li>● Average hours of ethical business training per person: 1.05 hours → Achieved</li> <li>● Number of incidents violating ethical business practices: 0 → Achieved</li> </ul>
Responsible units	General administration department
Complaint channels	Company website, complaint mailbox, investor conference, and meetings of shareholders

### Internal Control & Ethical Business Practices

GRI 2-25, 205-1

TaiHan has regulate an internal control system following the guidelines of the "Regulations Governing Establishment of Internal Control Systems by Public Companies" and has set up an "Audit Office" under the Board of Directors. Additionally, the Company has formulated the "Ethical Corporate Management Best Practice Principles" and the "Code of Conduct," and we conduct regular internal audits to independently and objectively assess the completeness and effectiveness of the Group's (including nine subsidiaries) legal compliance, financial reporting accuracy, and operational performance. We timely provide improvement recommendations for each unit. In 2023, TaiHan achieved a 100% completion rate for corruption risk assessments at all operational sites, with no confirmed corruption incidents or significant corruption risks. The Company also places great emphasis on issues related to ethical business practices, such as anti-corruption and bribery, confidentiality responsibilities, and corresponding disciplinary measures. TaiHan strictly require directors, managers, employees, and those with substantial control capabilities to refrain from any acts of bribery or improper benefits. Since 2022, it has required all new employees to sign a commitment to integrity upon joining the Company to reinforce a sound corporate culture of ethical business practices and good professional ethics.

Implementation of anti-corruption policies by TaiHan in recent years			
	2021	2022	2023
Total of reported/complaint cases	0	0	0
No. of cases confirmed to violate anti-corruption policies after investigation	0	0	0

Implementation of ethical business practices:

3 aspects	Content	Implementation status 2023
Diligent promotion	<ul style="list-style-type: none"> <li>◎ Implementing new employee and at least annual routine ethical business training</li> <li>◎ Employees sign a commitment to integrity upon joining</li> </ul>	<ul style="list-style-type: none"> <li>➤ In 2023, all participants in the ethical business training scored above 80 on the post-training test, totaling 1,666 hours; 938 participants.</li> <li>➤ The signing rate for new employees was 100% in 2023.</li> </ul>
Anti-corruption	◎ Conducting annual reviews of suppliers' ethical business practices	No violations of ethical business practices were found in the supplier evaluations in 2023.
Easy complaint process	<ul style="list-style-type: none"> <li>◎ TaiHan Technology has regulated a "Procedure for Reporting Illegal, Unethical, or Dishonest Conduct", providing appropriate complaint channels for all stakeholders to prevent any dishonest behavior.</li> <li>Report Email: <a href="mailto:relationship@thpt.com.tw">relationship@thpt.com.tw</a></li> <li>Official Website: &lt;<a href="#">Contact Us</a>&gt;</li> </ul>	No complaints of dishonest behavior were received in 2023.



(Photo of ethical business training in 2023)

### TaiHan audit process:

**Formulate annual audit plan → Submit for Board of Directors' approval → Conduct audit operations → Prepare audit report (highlight deficiencies) → Respond to audit report and submit to Board of Directors**

### Insider trading prevention management operations

TaiHan has established a robust internal system for handling and disclosing significant information to prevent improper information leaks and ensure that information released

externally is consistent, accurate, and timely. In accordance with the Financial Supervisory Commission's promotion of insider trading prevention management, the Company established an "Insider Trading Prevention Management Operations" and its procedures on March 16, 2009, by revising the Article 8, Paragraph 2 of the "Regulations Governing Establishment of Internal Control Systems by Public Companies" issued by FSC.

**Procedures for handling reports of illegal, unethical, or dishonest conduct**  
**GRI 2-25**

To uphold ethical behavior and integrity, TaiHan encourages reporting of illegal, unethical, or dishonest conduct, and regulated the "Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct." To alleviate concerns related to the reporting process, TaiHan commits to maintaining the confidentiality of the reporter's personal information and any data that could reveal their identity. Both internal and external personnel, as well as stakeholders, can anonymously report with supporting evidence via our company website or the reporting mailbox. The reports will be directly received by the Executive Vice President to ensure the reporter's rights are protected and to prevent any unfair treatment. Reporters can also provide suggestions on the reporting process through all reporting channels to help us improve the procedure. Cases confirmed through investigation to violate the "Code of Conduct" or "Ethical Corporate Management Best Practice Principles" will be disciplined according to regulations. In condition of severe case, the individual may be dismissed, and legal action will be pursued.

Reporting channels	Investigation	Adjudication announcement	Improvement action
Company website <a href="#">&lt;Contact us &gt;</a> Report mailbox relationship@thpt.com.tw	<ol style="list-style-type: none"> <li>1. Spokesperson: Handles reports from shareholders, investors, and other stakeholders.</li> <li>2. Operations center: Handles reports from customers, suppliers, and contractors.</li> <li>3. Human Resources Department: Handles reports from internal employees.</li> </ol>	If the accused is found to have violated relevant laws or the Company's integrity management policies and regulations, they will be required to cease the related activities immediately and appropriate measures will be taken. If necessary, the matter will be reported to regulatory authorities or referred to judicial authorities for investigation, or legal action will be taken to seek damages.	The relevant units will propose review and improvement plans. Increasing educational training for the concerned category.

### 3.3 Operational performance

Information	Content
Importance to TaiHan	Adhering to the corporate philosophy of "Customer First, Quality Foremost," the Group aims to make products and services more comprehensive, providing holistic services that best meet customer needs, ensuring more stable business operations.
Management policy	Continuously provide high-quality products and expand niche markets.
Goals 2024	<ul style="list-style-type: none"> <li>● Achieve sustained profit growth.</li> <li>● Increase operating revenue by 5%.</li> </ul>
Mid- and long-term goals	<ul style="list-style-type: none"> <li>● Achieve sustained profit growth.</li> <li>● Increase revenue by 8% by 2025.</li> </ul>
Evaluation results	<ul style="list-style-type: none"> <li>● Operating revenue for 2023 was NT\$ 2.31 billion</li> <li>● Sustained profit growth. →Not achieved</li> <li>● 5% increase in operating revenue. →Not achieved</li> </ul>
Responsible units	General Administration Department General Accounting Department
Complaint channels	Company website, complaint mailbox, investor conference, and meetings of shareholders

#### TaiHan operational layout

##### 1、Operational strategy

At current stage, TaiHan's development strategy focuses on molds for industries such as information technology, communications, electronics, optoelectronics, transportation, and high-value products in traditional industries. Looking forward, the changes in downstream industries will become more apparent. The requirements for molds in the information electronics industry will become increasingly stringent, with closer collaboration between mold manufacturers and product manufacturers. The trend towards precision, multifunctionality, and complexity will continue. Additionally, the development of rapid mold technology to quickly produce parts for functional testing will become another key focus.

Facing new industrial environment, the development and implementation of green manufacturing technologies to achieve energy saving, material reduction, process simplification, and manpower efficiency are urgent. In the plastic mold and injection molding industry, these goals can be reviewed from the

---

perspectives of materials, molds, molding equipment, and molding processes. Material savings can be considered through lightweight machine structures, the lightweighting of molds with similar lifespans, the thinning of plastic products, and the use of hot runner systems to reduce runner material. However, lightweighting requires structural design techniques to maintain the original functions of the product, and understanding material characteristics is crucial, which requires a foundation of professional knowledge.

Given that future 3C products and medical devices will continue to develop towards being "light, thin, short, and small," TaiHan will continue to enhance its technical capabilities, focusing on the development of ultra-precision and complex mold manufacturing. In a lean-profit environment, the Company aims to enhance market competitiveness, potentially moving away from a cost-competition operational model and creating new opportunities on the international stage. The production of precision molds also requires a foundation of professional knowledge. The traditional accumulation and transmission of experience from seasoned craftsmen need to be gradually transformed into knowledge-guided design platform operations, utilizing refined system management to accumulate, transmit, and effectively apply experience and knowledge.

## **2 、 Short-and-long term operational development plan**

### **( 1 ) Short-term business expansion plan**

- ① Enhance the ability to attract and introduce new customers, improving the product and customer structure.
- ② Optimize product lines and production capacities across various plants to improve capacity utilization and asset efficiency.
- ③ Raise funds through multiple channels to ensure sufficient capital for future development needs.
- ④ Implement education and training, cultivate top talent, fully grasp future opportunities, and create the goal of sustainable operations.

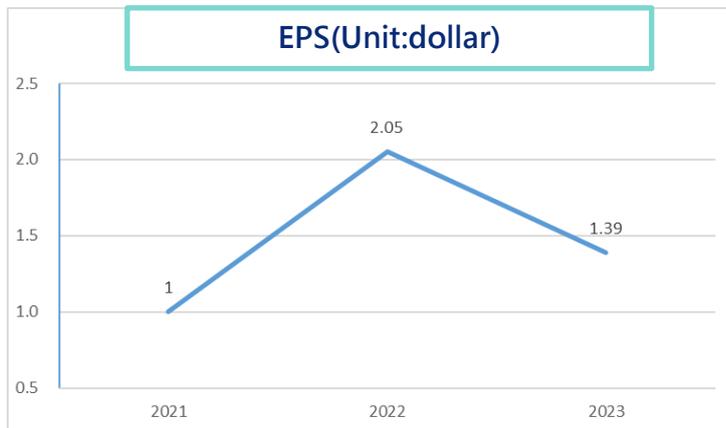
### **( 2 ) Long-term business expansion plan**

- ① Improve mold design capabilities and product process design, focusing on mechanization, automation, and rationalization of processes to reduce reliance on labor, lower costs, and improve quality.
- ② Actively pursue advancements in ultra-precision and ultra-fine processing technologies and high-speed processing to maintain product market competitiveness, effectively establish market differentiation, and avoid malicious price competition.
- ③ Establish long-term cooperative relationships with customers, increasing demand for the group's mold design and production capabilities to maintain market competitiveness.
- ④ Grow together with employees, strengthen internal talent training, emphasize the transmission of experience, and enhance pre-employment and on-the-job training to improve employee quality, improve working conditions, and promote labor-management harmony.

## Financial performance report 2023

### GRI 201-1, 201-4

TaiHan continues to innovate, pursue diversification, and enhance shareholder returns while maintaining a good balance between sustainable development and profitability. In 2023, although the consumer electronics industry faced ongoing challenges due to weak end-user demand, as well as impacted the stability of the supply chain, TaiHan continued to advance plans for introducing new products, focusing more on the post-processing of plastic injection-molded products. By incorporating more complex new models, the Company aims to optimize the overall product sales mix and enhance overall operational performance for steady growth. Moving forward, TaiHan will continue to leverage the strengths in quality and yield to remain a trusted partner for investors and customers. °



( Unit: NT\$ thousand )

Item	Basic elements	2021	2022	2023
Generated Direct Economic	Operating Revenue (Note 1)	2,085,430	2,669,152	2,316,598
Value Distributed Economic Value	Operating Costs (Note 2)	1,525,576	1,957,800	1,636,913
	Employee Salaries and Benefits	395,047	420,404	448,249
	Payments to Investors	Cash dividends 2022 distributed for 2021: 30,839	Cash dividends 2023 distributed for 2022: 32,316	Cash dividends 2024 distributed for 2023: 32,104
	Payments to the Government (Note 3)	56,910	100,779	91,781
	Social Contributions	0	46	161
Retained Economic Value (Note 4)		77,058	157,807	107,390

Note 1: Operating Revenue refers to sales revenue.  
Note 2: Operating Costs include cost of goods sold plus operating expenses.  
Note 3: Payments to the Government refer to business income tax expenses.  
Note 4: Retained Economic Value refers to net profit after tax.

## Major investment

### GRI 203-1

#### New plant investment project in Vietnam

##### Investment purpose

In response to the rapid changes in costs and technology in the electronic components industry in recent years, TaiHan plans to establish a second plant in the Phuoc Tien Industrial Park, Hai Duong Province, Vietnam. This new facility aims to incorporate more Industrial-2.0-level automation and intelligent technologies to quickly meet the diverse processing needs of customers. It will also enhance the group's maximum shipment capacity, securing more high-end technology orders and large-volume orders, thereby contributing to future revenue growth.

##### Investment amount and benefits

1. Upon approval from relevant authorities, TaiHan Technology, through its subsidiary YONGHAN PRECISION TECHNOLOGY (VIETNAM) CO., LTD., will invest approximately USD\$ 15 million in constructing the new plant in the Phuoc Tien Industrial Park.
2. TaiHan strengthens its vertical integration capabilities, expands mold processing capabilities, enhances coating technology, and increases maximum production capacity to offer customers more diverse and comprehensive processing services.
3. TaiHan plans to purchase new intelligent machinery, which will provide more precise carbon footprint calculations and efficient energy usage to meet customers' green production requirements.

##### Assessment of potential positive and negative impacts of the plant construction

TaiHan has conducted a comprehensive assessment of the potential positive and negative environmental, social (human rights), and economic impacts of the new plant construction, and have proposed relevant remedial measures to mitigate any adverse

effects on the local area while maximizing positive impacts, as a part of our commitment to fulfilling corporate social responsibility.

Impact dimension	Nature of impact	Assessment results	Remedial measures
Environmental	Negative	Potential destruction of vegetation on the original land that absorbs carbon dioxide	TaiHan plans to install solar power generation on the roof to reduce the subsequent consumption of non-renewable energy, and effectively implement resource and waste management.
Environmental	Negative	Possible increase in energy and water resource usage and pollution.	
Economic/Social (Human Rights)	Positive	The new plant is anticipated to bring employment opportunities to the Phuoc Tien Industrial Park area, offering around 500-700 jobs with good working conditions and welfare measures.	None.

#### Investment milestones

- (1) Land acquisition (September 2023)
- (2) Obtaining Land Use Rights (February 2024)
- (3) Obtaining construction permit (February 2024)
- (4) Official start of construction (March 2024)
- (5) Estimated completion date (November 2024)
- (6) Estimated trial operation Date (December 2024)



(Illustration of the new plant entrance)



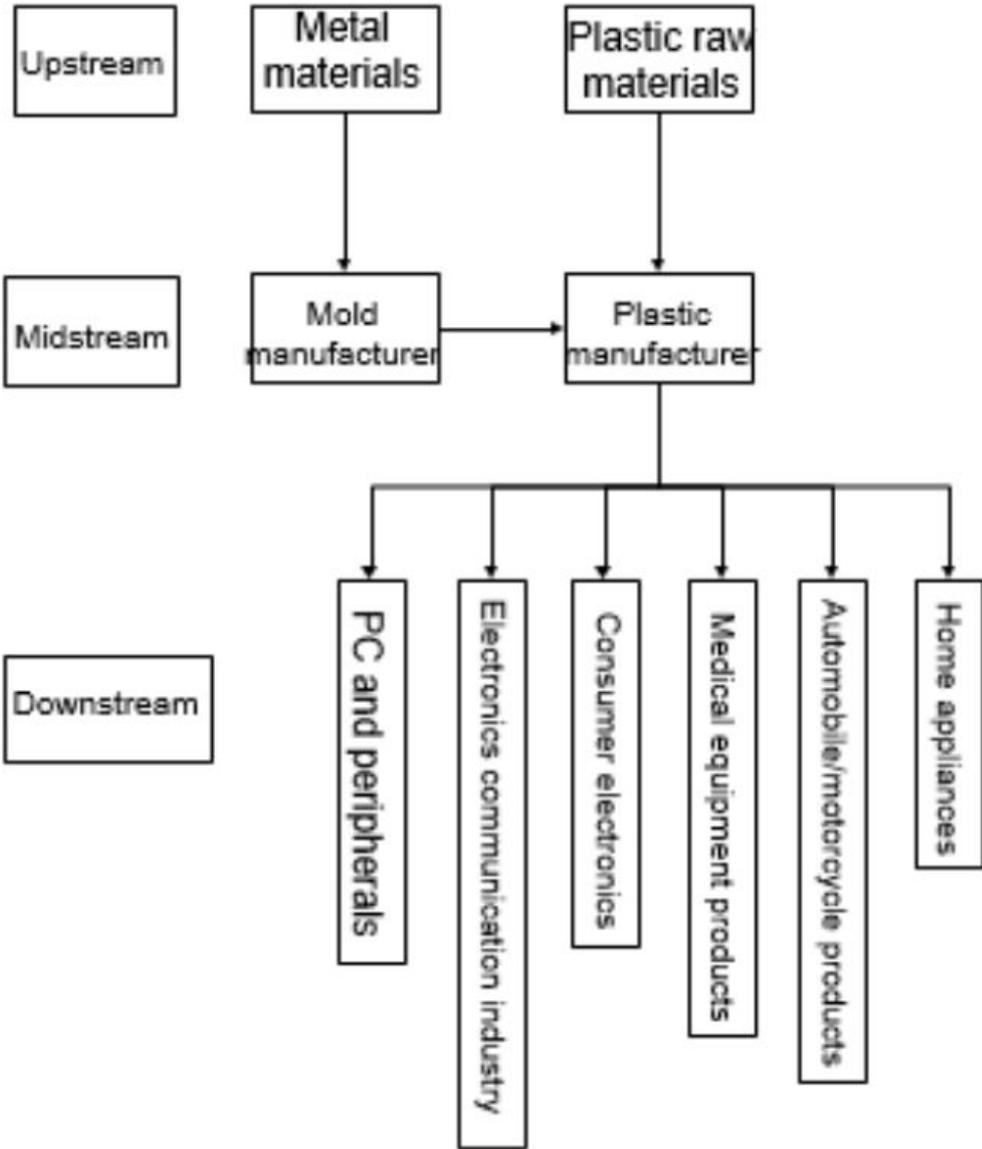
(Illustration of the new plant lobby)

### 3.4 Supply chain management

#### Overview of TaiHan supply chain

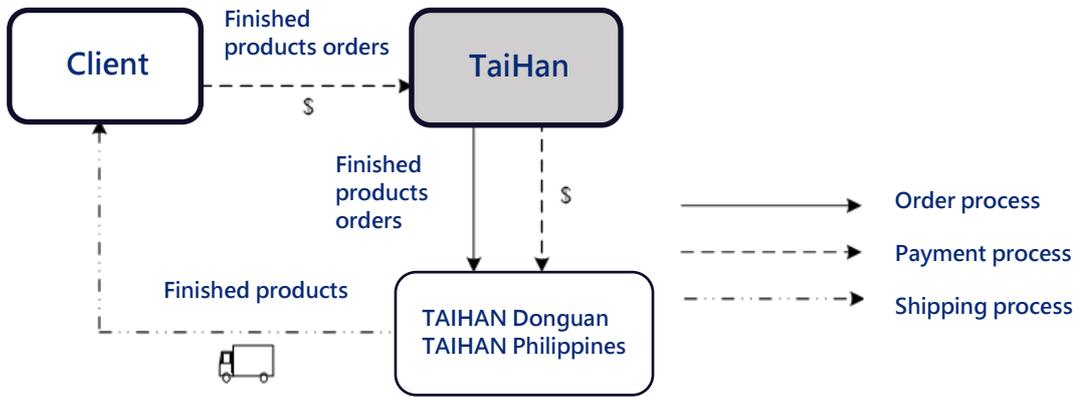
The upstream materials in the mold and plastics industry mainly include raw materials of metal and plastic. And its industrial downstream have covered the industries of computers and peripherals, electronics and telecommunications, consumer electronics, medical devices, as well as automotive and motorcycle ones, all of which widely use plastic products.

The following diagram, illustrating the connections between upstream, midstream, and downstream industries, is as below. The main raw materials for TaiHan products are steel billets and PC pellets, the Company places no monopoly in the market, and its major suppliers have closely long-term cooperation, ensuring a stable supply without significant fluctuations.



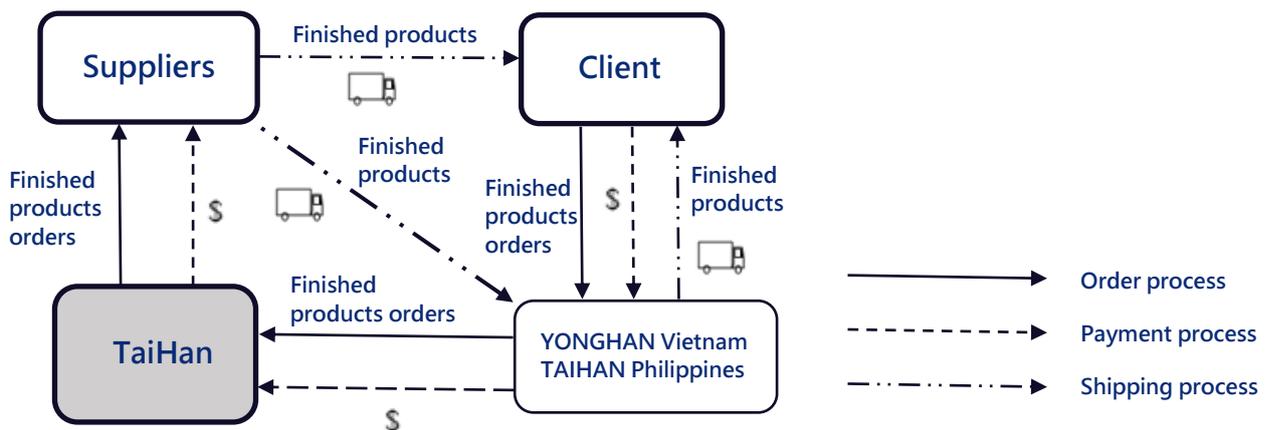
(1) Procurement and operation process

TaiHan, as a professional manufacturer of various molds, receives customer orders and deliberates the production costs, then commissions processing to TAIHAN (DONGGUAN) or the manufacturing company in the Philippines. The finished products are directly shipped from TAIHAN (DONGGUAN) or the Philippines company to the locations designated by customers. The operational flowchart is as follows:



(2) Sales and Operations Process

When YONGHAN (VIETNAM) or the manufacturing company in the Philippines receives customer mold orders, partial of the orders will be transferred to TaiHan Technology, then TaiHan purchases the molds from suppliers, and ships them to the customer-designated location directly, or transports to YONGHAN (VIETNAM) or the Philippines company, and subsequently YONGHAN (VIETNAM) or the Philippines company delivers the molds to the customer-designated location. The operational flowchart is as follows:



## Supplier assessment

GRI 2-23, 2-24, 2-26

### Supplier assessment

TaiHan Technology has established a "[Supplier Code of Conduct](#)" approved by the Board of Directors, serving as the basis for supplier selection and assessment. Annually, TaiHan conducts regular assessments of its cooperating suppliers. The evaluation criteria, referring to the supplier self-assessment questionnaire of RBA, includes aspects such as labor and human rights, health and safety, environment, and business ethics. Suppliers are required not only to maintain product quality and pricing but also to fulfill corporate social responsibility alongside TaiHan. In cases of serious violations, cooperation with the supplier will be terminated. If any supplier partners have sustainability-related suggestions, they can submit inquiries and proposals via [relationship@thpt.com.tw](mailto:relationship@thpt.com.tw). (No reports of illegal or unethical conduct were received in 2023.)

In 2023, TaiHan has evaluated the top 35 suppliers based on transaction amounts, covering over 80% of the total transaction volume. The assessment results indicated that all suppliers were rated at the highest level, demonstrating that TaiHan has relatively low supplier-related risks and has established effective communication channels. The Company aims to develop a sustainable supply chain in collaboration with its suppliers.

Grade	Score	Management approach	Statistics (No. of Suppliers)
First Grade	85 and above	Excellent suppliers, procurement volume may be increased.	35
Second Grade	60-84	Qualified suppliers, will undergo promotion and training.	None
Third Grade	Below 60	Suppliers rated as third grade for two consecutive years will have their cooperation terminated.	None

## Supplier management policy

<b>Supplier risk identification</b> ↓	<ol style="list-style-type: none"> <li>1. New suppliers must undergo an evaluation process and be approved before being added to the transaction list.</li> <li>2. Regularly assess supplier sustainability to ensure compliance with human rights, health and safety, environmental, and ethical standards.</li> </ol>
<b>Supplier risk mitigation</b> ↓	<ol style="list-style-type: none"> <li>1. Increase the proportion of local suppliers to reduce the likelihood of international shipping delays.</li> <li>2. Reduce the proportion of suppliers using non-substitutable raw materials.</li> </ol>
<b>Supplier management plan</b>	<ol style="list-style-type: none"> <li>1. Establish long-term partnerships with excellent suppliers.</li> <li>2. Continuously increase the proportion of suppliers participating in evaluations and work collaboratively with them toward sustainable production.</li> </ol>

## Localization of suppliers

TaiHan understands that the carbon footprint from transporting raw materials and other components is a significant contributor to carbon emissions. To uphold our commitment to local sustainability, reduce the uncertainties associated with long-distance transport of production materials, and support local economic development, the Company is dedicated to promoting supplier localization. After review, the proportion of local suppliers in 2023 was 84%, with 88% of production materials sourced locally. Some materials and consumables are specified by customers or require special specifications, making it challenging to replace them with local suppliers. Nevertheless, the Company will continue to strive to increase the localization of suppliers in the future.

Supplier category	Production material suppliers		Non-production material suppliers	
Definition	Suppliers providing raw materials for product manufacturing		Suppliers providing raw materials not used in product manufacturing	
Geographic location of supplier	Local	Oversea	Local	Oversea
Dongguan plant	75	0	40	0
Vietnam plant	13	12	177	49
Philippines plant	29	6	57	6

## Customer satisfaction

All the TaiHan plants are certified under the ISO 9001 Quality Management System to ensure that product quality and internal management meet customer expectations. The Company places a high value on customer feedback and conducts a customer satisfaction survey every six months to gather opinions on the various products and services provided. The survey covers aspects such as product quality, delivery time, service, and complaint handling. Areas with lower satisfaction levels are investigated and reviewed, applying the PDCA principle to continuously optimize production processes and customer service, aiming to provide better products and services to customers. In 2023, customer satisfaction with TaiHan products and services reached 93.3 points, a significant improvement from 88.6 points in 2022, reflecting the Company's ongoing commitment to the "Customer First, Quality Foremost" business philosophy.

## Taihan Customer Satisfaction



<b>Quality</b>	<b>Delivery time</b>	<b>Service</b>	<b>Complaint handling</b>	<b>Environment</b>
----------------	----------------------	----------------	---------------------------	--------------------

Five key elements of customer satisfaction

### 3.5 Legal compliance

#### GRI 2-27, 206-1, 416-2, 417-2

Information	Content
Importance to TaiHan	TaiHan complies with local regulations, implementing environmental, social (human rights), and economic regulations while adhering strictly to laws to minimize operational and regulatory penalty risks.
Management policy	Regular regulatory audits are conducted to avoid penalties for violations.
Goals 2024	● Number of penalty incidents due to violations: 0
Mid- and long-term goals	● Number of penalty incidents due to violations: 0
Evaluation results	● Number of penalty incidents due to violations in 2023: 0 → Achieved
Responsible units	Board of Directors, General Administrative Office
Complaint channels	Company website, complaint mailbox

The customers of TaiHan are scattered in various countries. To avoid penalties due to differences in regulations in different regions, the Company strictly adheres to local laws to prevent substantial fines that could reduce company profits. In 2023, the Company encountered zero legal lawsuits and none of significant violations related to labor rights, corporate governance, or financial regulations. To ensure that operational activities comply with regulations, the Company's internal operations are updated promptly according to laws and undergo regular annual checks to meet regulatory requirements. Additionally, the latest legal information is communicated to all employees. Furthermore, to enhance transparency in communication with stakeholders, TaiHan classifies significant incidents that severely impact company operations, legal violations with fines exceeding NT\$ 1 million, or legal violations resulting in non-monetary penalties (such as revocation of business licenses or suspension of operations) as major violations. These will be disclosed in the annual sustainability report. (The deadline for disclosing major violations in this report is August 15, 2024)

In terms of legal compliance, the Company implements the following three measures:

1. Keep abreast of the latest legal developments and communicate them promptly: Coordinate with government agencies' policy promotions and assess their relevance to the company's business.
2. Adjust and update internal regulations in accordance with legal revisions: Develop corresponding response operations and adjust internal norms.

3. Regularly review whether the Company's business complies with regulatory requirements to ensure diverse and innovative development while adhering to government regulations.

### Regulatory risk detection across various aspects.

<b>Environmental regulations</b>	<ol style="list-style-type: none"> <li>1. No violations of waste disposal regulations</li> <li>2. No involvement in water pollution discharges</li> </ol>
<b>Social (Human rights) regulations</b>	<ol style="list-style-type: none"> <li>1. Adherence to labor standards regulations</li> <li>2. No involvement in discrimination or forced labor</li> <li>3. No infringement on freedom of association and assembly</li> </ol>
<b>Corporate governance regulations</b>	<ol style="list-style-type: none"> <li>1. No involvement in monopolistic or anti-competitive practices</li> <li>2. No violations of corporate laws</li> <li>3. No violations of commercial regulations</li> <li>4. No involvement in corruption incidents</li> <li>5. No violations of regulations related to product health, safety, and labeling</li> </ol>

## 3.6 Information security

<b>Information</b>	<b>Content</b>
Importance to TaiHan	Effective information security management is essential for protecting the privacy of the company and its customers, further enhancing the trust of all stakeholders.
Management policy	Strengthening data recovery capabilities, implementing information security awareness, education, and prevention, and establishing a company information security management system are crucial.
Goals 2024	<ul style="list-style-type: none"> <li>● Violations of information or network security incidents: 0</li> <li>● Data leakage incidents: 0</li> </ul> Information security training hours per capita: more than 1 hour
Mid- and long-term goals	<ul style="list-style-type: none"> <li>● Violations of information or network security incidents: 0</li> <li>● Data leakage incidents: 0</li> <li>● Information security training hours per capita: 1.5 hours or more0</li> </ul>
Evaluation results	<ul style="list-style-type: none"> <li>● No information security incidents occurred in 2023. →Achieved</li> <li>● Provide an average of over 1hour of information securitytraining per person. →Not Achieved (actual: 0.48hours)</li> <li>● The Taiwan office obtained ISO 27001 certification for the information security management system in 2023.</li> </ul>

Responsible units	Operations Center, Information Department
Complaint channels	Company website, complaint mailbox

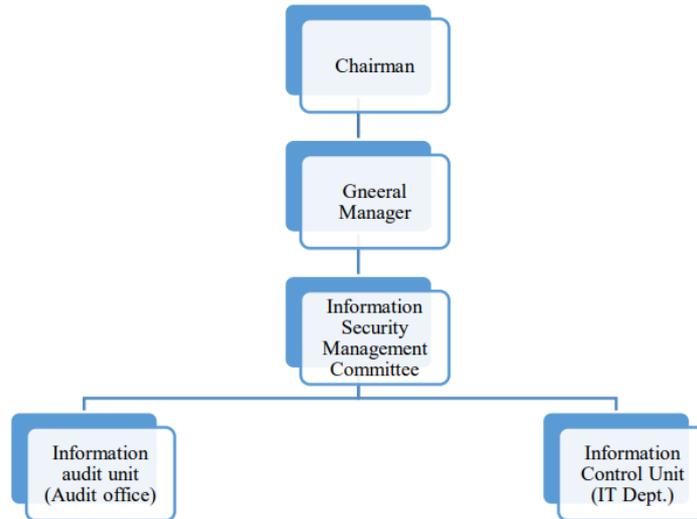
### Information security management

To enhance information security management, TaiHan has established the "Information Security Management Measures" and firstly obtained ISO 27001 information security certification in 2023. This ensures the confidentiality, integrity, and availability of internal information, preventing improper use, leakage, tampering, or destruction of information due to human error, natural disasters, and other factors, thus mitigating various potential risks and hazards to the Company. Therefore, the scope of information security management includes data access control, system access control, and network access control, to establish a secure and reliable information operation environment, ensuring the security of systems, data, equipment, and networks. The Company also strengthens information security education and training, enhancing employees' knowledge of information security, and establishing the concept that "Information security is everyone's responsibility," to achieve the goal of information security and continuous business operation.

<b>Operational aspect</b>	Prevent the occurrence of information security risks and reduce the impact of security incidents.
<b>Confidentiality aspect</b>	Ensure data confidentiality and prevent improper use and access.
<b>System aspect</b>	Enhance the availability of information equipment and systems, ensuring the normal operation of information systems.
<b>Awareness aspect</b>	Enhance employees' knowledge of information security and thoroughly promote their responsibilities and obligations regarding information security.

### Information security management committee structure

To enhance information security governance, TaiHan established the Information Security Committee in December 2022. This can be divided into the information control unit, which includes one information supervisor and several professional information personnel responsible for formulating all internal information management measures and related operations, constructing comprehensive information security protection capabilities, and fostering good information security awareness among colleagues. Additionally, the supervisory unit for information security oversight includes one audit supervisor and dedicated audit personnel, responsible for overseeing the internal implementation of information security. If deficiencies are found, the information department is immediately required to propose relevant improvement plans and concrete actions. The information security management committee is also required to hold at least one meeting annually to help reduce internal information security risks.



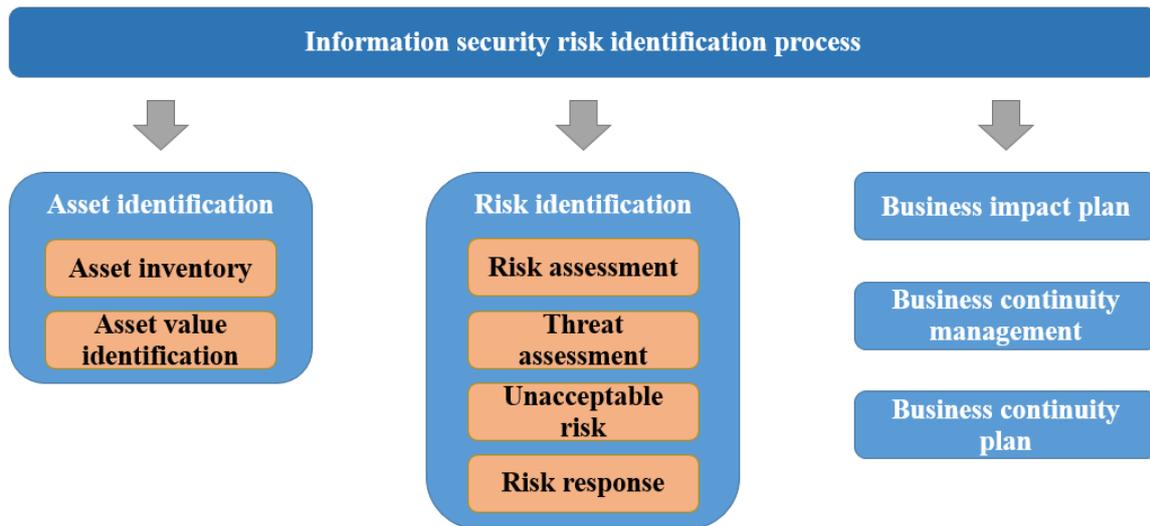
### Specific management program

Following the international standard ISO 27001 for information security management systems, TaiHan continuously monitors and eliminates potential information security risks through the "P-D-C-A" management process. The Company's information security management program for 2023 is as follows:

Category	Description	Related measure
Account and privilege management	<ol style="list-style-type: none"> <li>Account, password, and privilege control.</li> <li>Password policy requirements.</li> </ol>	<ol style="list-style-type: none"> <li>Management and review of personnel account privileges.</li> <li>Periodic inventory of personnel account privileges.</li> <li>Mandatory periodic password changes for systems.</li> </ol>
Access control	<ol style="list-style-type: none"> <li>Internal system access for personnel.</li> <li>Security measures for transmission channels.</li> </ol>	<ol style="list-style-type: none"> <li>Internal access control.</li> <li>External [blacklist] website access control.</li> </ol>
External network intrusion	<ol style="list-style-type: none"> <li>Intrusion from the network.</li> <li>Virus intrusion on personal computers.</li> </ol>	<ol style="list-style-type: none"> <li>Set up a network firewall.</li> <li>Use email filtering mechanisms and install antivirus software.</li> </ol>
System availability	<ol style="list-style-type: none"> <li>Maintain system availability.</li> <li>Measures for handling service interruptions.</li> </ol>	<ol style="list-style-type: none"> <li>Daily system backups.</li> <li>Implement an uninterruptible power supply (UPS) system.</li> <li>Conduct regular restore drills.</li> </ol>

### Information security risk identification process

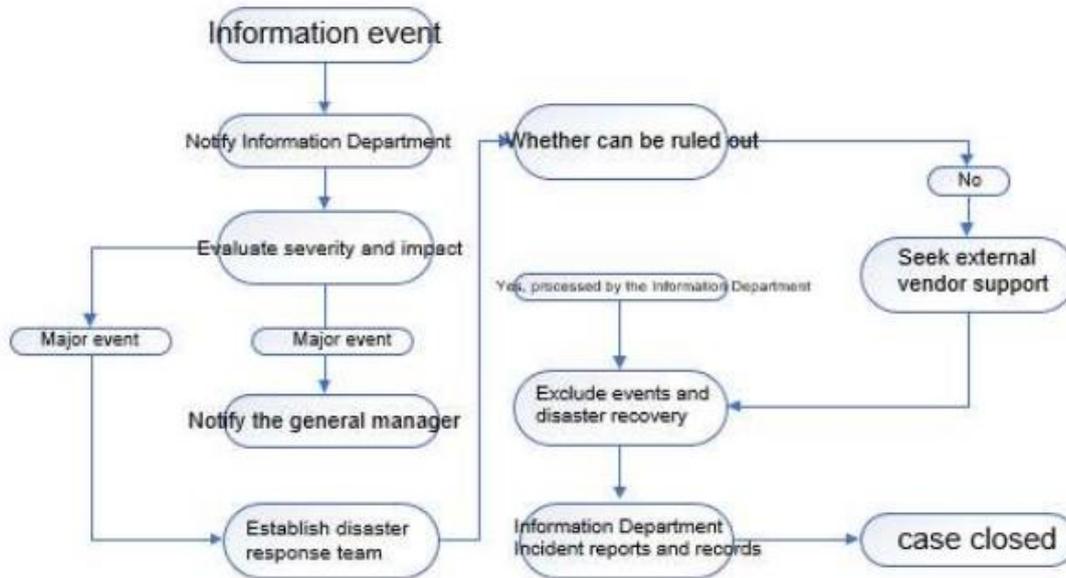
TaiHan continuously identifies risks in existing processes. In 2023, one unacceptable risk was identified. Improvements have been made, and ongoing efforts are in place to promote information security precautions to prevent any potential risks from threatening the Company's information security. °



### Information security education and training

Measures	Outcomes
<p><b>Education and training</b> All new employees must complete "Information security education and training" and pass the post-training test. Additionally, routine courses on social engineering and regular information security awareness are provided to strengthen employees' concepts of information security.</p>	<p>A total of 278 employees participated in information security-related courses, amounting to 784 hours in 2023.</p>
<p><b>Information security announcements</b> When information security-related incidents occur or new hacking methods are discovered, an immediate email reminder is sent to employees to inform them of the related risks to prevent security incidents.</p>	<p>A total of 3 information security announcements were made in 2023.</p>
<p><b>Social engineering drills</b> Employees are tested on their vigilance against unfamiliar emails, and additional guidance is provided to those who mistakenly click on phishing links.</p>	<p>A total of 1 social engineering drill was conducted in 2023.</p>

## Information security incident reporting procedure



※[Definition of major incidents]: According to Item 26, Article 4 of "The Verification and Public Disclosure Procedures for Significant Information of Listed Companies."

## Implementation of customer privacy and GDPR (General Data Protection Regulations) GRI 418

To ensure the protection of customer privacy, TaiHan has established the "Personal Data Protection Management Measures," which handle customer-provided information based on the confidentiality level of the documents. During recruitment, consent for the use of personal data is obtained from interviewees. Additionally, employees are required to adhere to personal data protection management policies and comply with the personal data protection and management system to safeguard the rights of individuals. Regular announcements and training sessions are conducted annually to educate employees on these policies. Internal requests to access or destroy personal data must follow the specified application procedures. In 2023, there were no incidents of violations of customer privacy rights or losses of customer data resulting in any rights being compromised.

---

# 04 Environmental Sustainability

## 4.1 Climate change risk Analysis(TCFD)

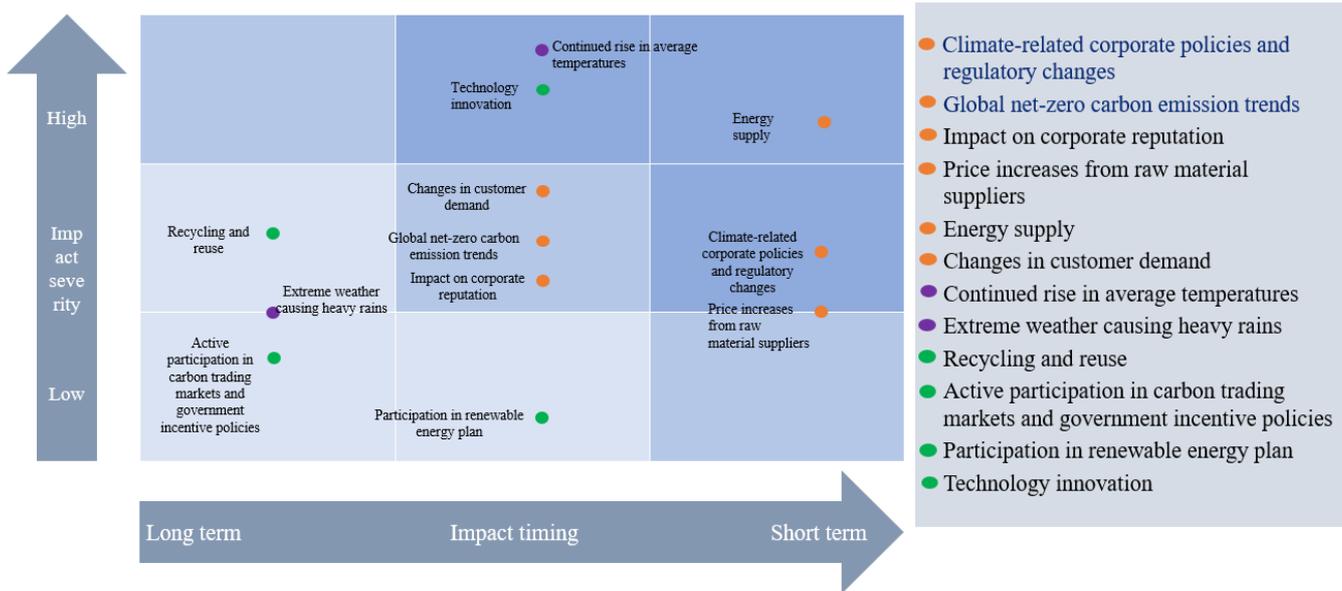
### Climate change management framework

To better understand the impact of climate change on TaiHan, we adopted the TCFD (Task Force on Climate-Related Financial Disclosures) framework in 2022. This framework helps the Company identify risks and opportunities, assess potential financial impacts, and develop response plans based on the identification results.

Item	Management strategies and actions	Implementation status
Governance	<ul style="list-style-type: none"> <li>➤ The Board of Directors regularly reviews climate change-related risks and opportunities.</li> <li>➤ The Sustainability Development Committee regularly plans and supervises the current implementation status.</li> </ul>	Through the sustainability promotion team, related goals and plans are regularly advanced and climate change risk management strategies and sustainable development directions are reported to the board of directors.
Strategy	<ul style="list-style-type: none"> <li>➤ Departments collaboratively discuss and establish short, medium, and long-term response plans.</li> <li>➤ Identified the potential operational impacts of climate change on the company.</li> <li>➤ Conducted physical and transitional risk scenario analysis with reference to IPCC guidelines.</li> </ul>	Short, medium, and long-term goals are set for identified opportunities and risks, and potential financial impacts of transitional risks are assessed through STEP and NZE scenario analyses from IEA WEO 2023.
Risk management	<ul style="list-style-type: none"> <li>➤ Completed the risk and opportunity identification process following TCFD guidelines.</li> <li>➤ Prioritized identified risks to plan response strategies.</li> <li>➤ Conducted TCFD education and training.</li> </ul>	A TCFD risk and opportunity identification questionnaire is sent to team members and senior executives to assess the impacts of climate change. Based on this assessment, relevant strategies and response actions are formulated.
Metrics and targets	<p>Based on greenhouse gas emissions inventory according to ISO 14064-1.</p> <ul style="list-style-type: none"> <li>➤ Formulated carbon reduction targets.</li> <li>➤ Formulated climate change management goals.</li> </ul>	TaiHan conducts annual greenhouse gas inventories for each plant referencing ISO 14064 and has set targets to reduce electricity and water usage by 1% annually and increase waste reuse rates, meanwhile renewable energy installation plans are continuously evaluated.

### Climate change risk and opportunity materiality matrix

TaiHan is highly attentive to international climate-related initiatives. Following TCFD's recommended methods, we identify climate risks and opportunities. Through questionnaires, we collect managers' assessments of the severity of various climate change impacts and their timing to establish the Company's climate change risk and opportunity materiality matrix. This matrix helps us analyze and develop further responses and plans. TaiHan aims to enhance its climate risk resilience and reduce the financial impacts of climate risks.



## Climate risks GRI 201-2

The operational impacts caused by climate change have been increasing and are highly uncertain in recent years. Therefore, TaiHan adopts the TCFD method in the operational process to identify 6 transitional risks, 2 physical risks, and 4 potential opportunities. Through the following response strategies and management methods, we aim to reduce the potential financial impacts of climate change on the Company.

### Climate risk identification results

Risk type	Related issues	Potential financial risk	Impact timing	Response strategy
Transitional risks	Changes in climate policies and regulations	Total greenhouse gas emission control, carbon fees, carbon taxes, and carbon trading leading to increased costs	Short term	<ol style="list-style-type: none"> <li>Plan to install renewable energy generation equipment in new plant buildings</li> <li>Plan to purchase renewable energy certificates</li> <li>Plan to install renewable energy generation equipment in new plant buildings</li> <li>Gradually replace old, high-energy-consuming machinery</li> </ol>
	International net-zero carbon emission trends	Increased costs for renewable energy installation and low-carbon equipment procurement	Medium term	
	Corporate reputation impact	Revenue reduction impact due to failure to meet customer demand	Medium term	<ol style="list-style-type: none"> <li>Regularly publish sustainability reports to disclose the company's sustainability direction</li> <li>Actively participate in sustainability evaluations</li> </ol>
	Raw material supply	Increased raw material acquisition costs as suppliers pass	Short term	Application of recycled plastic and recyclable plastic technology

		on carbon reduction or carbon fee costs		
	Changes in customer demand	Customer requirements for environmentally friendly production processes	Medium term	<ol style="list-style-type: none"> <li>1. Increase the production ratio of renewable materials</li> <li>2. Develop a diverse customer base in active way</li> </ol>
	Energy supply	National energy transition policies or geopolitical factors leading to energy shortages, production interruptions, and rising electricity costs	Short term	Increase the proportion of electricity consumption from renewable energy
Physical risks	Extreme weather leading to increased severity of heavy rain, floods, or droughts	Increased extreme weather days, higher chances of flooding and water shortages, leading to work stoppages, reduced production, and equipment damage	Long term	<ol style="list-style-type: none"> <li>1. Improve water efficiency in plant areas</li> <li>2. Regularly assess whether plant areas are at high risk for drought or flooding</li> </ol>
	Continued rise in average temperature	Increased usage time of cooling equipment, leading to higher consumption of refrigerants and electricity	Medium term	<ol style="list-style-type: none"> <li>1. Set air conditioning to 28 degrees Celsius</li> <li>2. Promote energy-saving and carbon reduction practices internally</li> </ol>

### Climate opportunity identification results

Opportunity type	Related issues	Potential opportunities	Impact timing	Response strategy
Resource efficiency	Recycling and reuse	Packaging materials and water recycling and reuse	Long term	Use recyclable packaging materials and promote their use to customers who have not yet adopted them.
Energy sources	Active participation in carbon trading markets and government incentive policies	Acquire additional carbon credits through carbon trading markets and government incentive policies	Long term	Plan in advance to install solar energy systems and actively align with government policies to replace high-energy-consuming equipment for carbon credit offsets.
	Renewable energy plans	Advance installation of solar energy systems and channel	Medium term	

		excess renewable energy into carbon trading or sell it to power companies		
	Technological innovation	Reduction in energy consumption and pollutants generated by production units, leading to overall production cost reduction	Medium term	Actively discuss the application of technologies such as recycled plastics with customers and suppliers.

### Scenario analysis – Physical risks

Based on the scenario information provided by the IPCC, potential financial losses for TaiHan under SSP1-2.6 (very low emissions mitigation scenario) and SSP5-8.5 (extreme high emissions scenario).

External scenario	Description	Costs	Response measures
SSP1-2.6 (Very low emissions mitigation scenario)	Based on data provided by the IPCC, estimates of future sea level rise, flood levels in 2050, and total precipitation indicate that the probability of TaiHan's plants being inundated by seawater or heavy rain causing equipment damage is low before 2050. Therefore, it has calculated the financial loss from one day of plant shutdown due to extreme weather.	<ul style="list-style-type: none"> <li>Estimated value of loss from one day of plant shutdown:</li> <li>Vietnam plant: NT\$ 3 million</li> <li>Dongguan plant: NT\$ 1 million</li> <li>Philippines plant: NT\$ 2 million</li> </ul>	<ul style="list-style-type: none"> <li>Currently equipped with self-use generators, uninterruptible power systems, and relevant insurance</li> <li>Plans to purchase additional pumps as needed based on the flooding risk for each plant</li> </ul>
SSP5-8.5 (Very high emissions scenario)			

### Scenario analysis – Transitional risks

Carbon fees based on scenario parameters set in IEA WEO 2023.

External scenario	Description	Costs
Carbon fees STEPS Based on the current scenario	Simulate future scenarios based on the Stated Policies Scenario. Developing countries 2030 → NT\$ 1,280 per ton CO <sub>2</sub> e (approximately USD\$ 40) 2050 → NT\$ 5,120 per ton CO <sub>2</sub> e (approximately USD\$ 160)	<ul style="list-style-type: none"> <li>If carbon reduction measures are successfully implemented by 2030, the annual carbon emissions will be approximately 16,150 tons CO<sub>2</sub>e, with expected carbon fees of around NT\$ 19.38 million, assuming no further reduction measures are applied.</li> <li>Under the same scenario, by 2050, the emissions will be approximately 12,750 tons CO<sub>2</sub>e, with expected carbon fees of around NT\$ 61.20 million.</li> </ul>

Carbon fees NZE 2050 net-zero scenario	<p>Simulate future scenarios based on the Net Zero Emissions by 2050 Scenario.</p> <ul style="list-style-type: none"> <li>➤ Developing countries</li> </ul> <p>2030→ NT\$ 2,880 per ton CO<sub>2</sub>e (approximately USD\$ 90)</p> <p>2050→ NT\$ 6,400 per ton CO<sub>2</sub>e (approximately USD\$ 200)</p>	<ul style="list-style-type: none"> <li>➤ If carbon reduction measures are successfully implemented by 2030, the annual carbon emissions will be approximately 15,300 tons CO<sub>2</sub>e, with expected carbon fees of around NT\$ 41.31 million, assuming no further reduction measures are applied.</li> <li>➤ Under the same scenario, by 2050, the emissions will be approximately 9,350 tons CO<sub>2</sub>e, with expected carbon fees of around NT\$ 56.10 million.</li> </ul>
Carbon reduction transition technologies	<p>The cost of low-carbon transition for businesses in 2030 is approximately NT\$ 9,000 per ton (according to the data from Industrial Bureau).</p> <ul style="list-style-type: none"> <li>➤ Electricity consumption is expected to decrease by 5% from 2023 levels by 2030.</li> <li>➤ Electricity consumption is expected to decrease by 25% from 2023 levels by 2050.</li> </ul>	<ul style="list-style-type: none"> <li>➤ To achieve a 1% reduction in emissions by 2030, approximately 170 tons CO<sub>2</sub>e, the carbon reduction transition cost is about NT\$ 15 million.</li> <li>➤ By 2050, it is estimated that more than NT\$ 20 million will be needed to achieve the goal of reducing emissions by 1% annually.</li> </ul>
Install renewable energy systems	<ul style="list-style-type: none"> <li>➤ Under the STEPS scenario, no renewable energy systems will be installed.</li> <li>➤ Under the NZE scenario: <ul style="list-style-type: none"> <li>→ By 2030, the cumulative share of renewable energy will be 5% (170 tons CO<sub>2</sub>e).</li> <li>→ By 2050, the cumulative share of renewable energy will be 20% (3,400 tons CO<sub>2</sub>e).</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>➤ Cumulative installation cost by 2030: NT\$ 15.86 million</li> <li>➤ Cumulative installation cost by 2050: NT\$ 310 million</li> </ul>

## Climate change response strategies

Short-term strategies (0–3 years)	Mid-term strategies (3–5 years)	Long-term strategies (6–10 years)
2025~2026	To 2030	To 2040
Reduce carbon emissions by 5% compared to 2022	Reduce carbon emissions by 15% compared to 2022	Reduce carbon emissions by 30% compared to 2022
<ul style="list-style-type: none"> <li>➤ Sustainability promotion team</li> </ul> <p>Integrate various departments within the company to establish a sustainability committee and promotion team. This team will address both domestic and international issues, as well as the expectations of suppliers and customers, setting goals and response strategies, and implementing them in daily operations.</p> <ul style="list-style-type: none"> <li>➤ Continue to promote energy saving and carbon reduction</li> </ul> <p>All of the Company's energy comes from purchased electricity, and it is difficult to reduce carbon emissions through process improvements.</p>	<ul style="list-style-type: none"> <li>➤ Plan for renewable energy use</li> </ul> <p>Assess the area available at each plant for renewable energy installation and gradually build renewable energy systems.</p> <ul style="list-style-type: none"> <li>➤ Seek carbon credit purchase opportunities</li> </ul> <p>Acquire carbon credits as preparation for the company's future carbon neutrality and continuously review the proportion of energy allocation.</p>	<ul style="list-style-type: none"> <li>➤ Low-carbon production at plants</li> </ul> <p>Examine carbon reduction opportunities in the production process and supply chain, and strive to achieve carbon neutrality.</p> <ul style="list-style-type: none"> <li>➤ Increase renewable energy installation rate</li> <li>➤ Gradually replace company gasoline/diesel trucks with electric or hybrid vehicles.</li> </ul>

Therefore, we actively replace old, high-energy-consuming equipment to reduce energy consumption.

### **Environmental management system**

Since 2004, TaiHan has ensured that all plants are certified under the ISO 14001 environmental management system to reduce and prevent potential environmental damage and pollution. Through pollution reduction, resource recycling, energy saving, and waste reduction, the Company aims to achieve sustainable goals that balance economic and environmental considerations. Based on environmentally friendly and green manufacturing practices, the Company has also established reduction targets and related standards for energy management, greenhouse gas emissions, water resource management, and waste management, to minimize the environmental impact of production processes and fulfill its social responsibility in this industry.



(The Vietnam plant has obtained ISO 14001 certification.)

## 4.2 Energy management

Information	Content
Importance to TaiHan	Improve the energy efficiency of the Company, reduce costs, and decrease greenhouse gas emissions, contributing to the global net zero emission goal via energy management.
Management policies	Continue to enhance energy efficiency via equipment upgrades and ongoing energy-saving promotions.
Goals 2024	<ul style="list-style-type: none"> <li>Unit energy consumption decreases to 32 GJ per million in value</li> </ul>
Mid-term and long-term goals	<ul style="list-style-type: none"> <li>Gradual introduction of renewable energy power</li> <li>Unit energy consumption decreases to 30 GJ per million in value</li> </ul>
Assessment results	<ul style="list-style-type: none"> <li>Total electricity consumption in 2023 was 80,810.33 GJ</li> <li>In 2023, unit energy consumption decreased to below 32 GJ per million in value. → Not achieved (actual was 34.88 GJ per million in value)</li> <li>Total greenhouse gas emissions in 2023 were 16,112.4 tons CO<sub>2</sub>e</li> </ul>
Responsible units	General Administration Office
Complaint channels	Company website, complaint email

### Energy usage situation

#### GRI 302-1, 302-2

In 2023, TaiHan's electricity usage was entirely from non-renewable sources, totaling 80,810.33 GJ (gigajoules) and translating to an overall electricity intensity of 34.88 GJ per million in value. The total electricity consumption decreased by approximately 6,800 GJ compared to 2022, indicating significant results from the investments in energy-saving equipment in recent years.

Plant	Taiwan Region	Vietnam Plant	Dongguan Plant	Philippines Plant	Total
Electricity (GJ)	162.54	43,994.43	9,862.16	26,791.19	80,810.33
million production value	N/A	1,292.81	208.14	861.29	2,316.60
Unit energy consumption	N/A	34.03	47.38	31.11	34.88

Note 1: Kilowatt-hour (symbol: kW·h), commonly referred to as "1 unit" in Taiwan where 1 unit of electricity = 1,000 Wh = 1 kilowatt-hour (1 kWh), and 1 unit of electricity equals 3.6 million joules. Energy conversion factors are referenced from the Bureau of Standards, Metrology, and Inspection website of the Ministry of Economic Affairs.

Note 2: Due to exchange rate differences among the plants, there may be discrepancies between the total value and the sum of individual plant values.

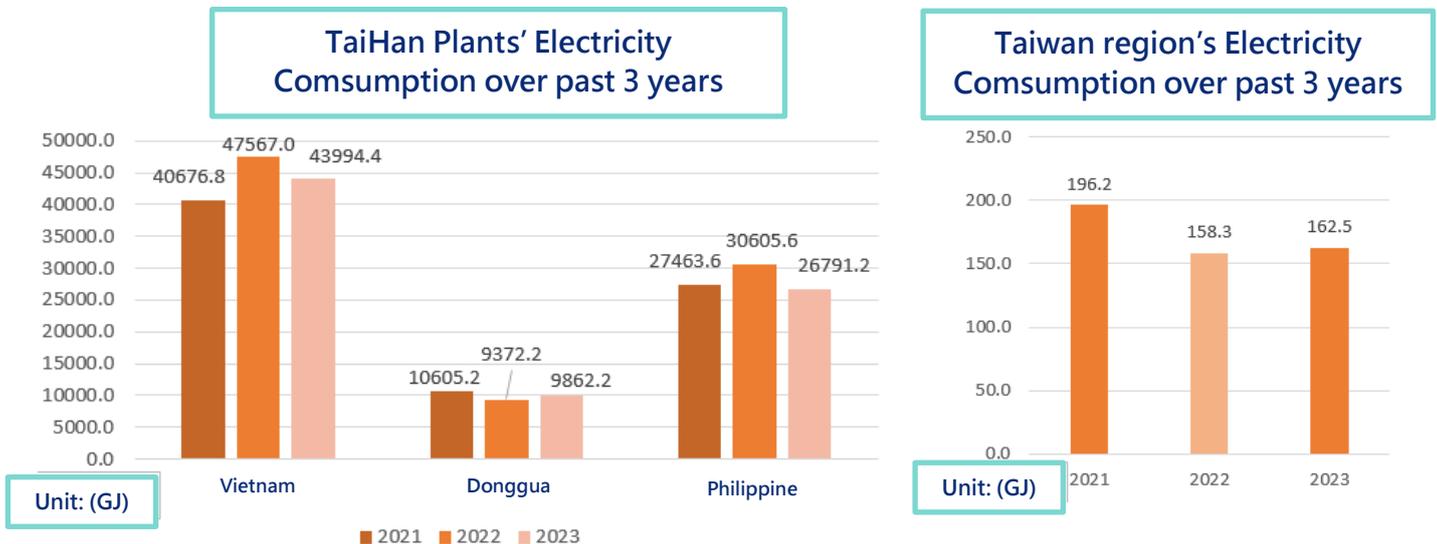
## Electricity savings statistics

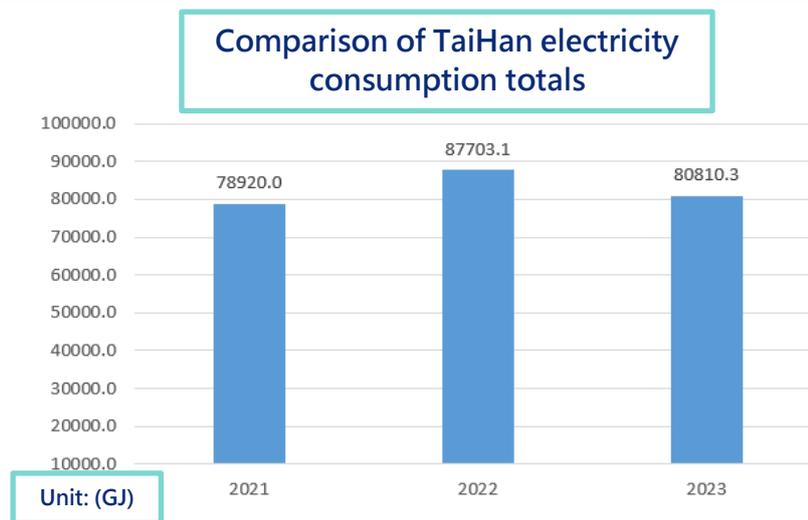
TaiHan places great emphasis on electricity efficiency during production. In addition to planning annual energy-saving programs, it regularly tracks related data and practices specific measures including replacing high-energy-consuming lighting, machinery, and air conditioning systems. The Company also actively promote energy-saving policies and practices among employees, such as turning off office equipment (computers, monitors, lights, and other electrical devices) when leaving the office for extended periods. In 2023, we saved a total of 59,012.05 kWh of electricity. Detailed savings are shown in the table below.

Electricity-saving measures	Environmental expenditure (NT\$)	Electricity saved (Unit = 1 kW-h)	Estimated electricity cost savings (NT\$)
Replace 54 pcs of LED light tubes/bulbs	13,390	29,889.60	61,572
Replace 2 air conditioners in the cafeteria	58,893	29,122.45	73,039
Total	72,283	59,012.05	134,611

## Comparison of TaiHan's total electricity consumption over the past 3 years

TaiHan's electricity consumption in 2023 was 80,810.33 GJ, showing a significant decrease from 87,703.12 GJ in 2022. This reduction indicates that recent efforts in replacing LED light tubes and energy-efficient air conditioners are yielding results. The Company has also set a goal to reduce the unit energy consumption from 34.88 to 32 GJ per million in value for the next year, advancing towards sustainable production goals.





## Greenhouse gas emission management

Greenhouse gases are the primary cause of global climate anomalies. To mitigate environmental damage and address stakeholder expectations, TaiHan has been conducting greenhouse gas inventories since 2022. This includes tracking 7 major greenhouse gases: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and nitrogen trifluoride. Although not currently required by regulations, the company voluntarily conducts these inventories and reduction measures to manage and reduce greenhouse gas emissions.

### TaiHan's greenhouse gas emissions in 2023

Plant	Taiwan Region	Vietnam Plant	Dongguan Plant	Philippines Plant	Total
Scope 1 (Tons CO <sub>2</sub> e/year)	1.84	169.91	103.29	127.94	402.98
Scope 2 (Tons CO <sub>2</sub> e/year)	22.35	8,824.55	1,562.33	5,300.19	15,709.42
Total	24.19	8,994.46	1,665.62	5,428.13	16,112.40
million production value	N/A	1,292.80	208.14	861.29	2,316.60
Emission intensity per unit	N/A	6.96	8.00	6.30	6.96

Note 1: TaiHan has conducted annual carbon inventories for all plants using the operational control method since 2022.

Note 2: The electricity emission factor for Taiwan is calculated based on the 2022 figure 0.495 kg CO<sub>2</sub>e/kWh from Energy Bureau.

---

Note 3: For overseas plants, local published electricity factors are used. (Vietnam plant: 0.722 kg CO<sub>2</sub>e/kWh; Dongguan plant: 0.570 kg CO<sub>2</sub>e/kWh; Philippines plant: 0.712 kg CO<sub>2</sub>e/kWh)  
Note 4: The Global Warming Potential (GWP) values are based on the 6th Assessment Report 2021, IPCC (AR6).  
Note 5: Emission intensity unit = Carbon emissions (ton) / \$ million in value

## 4.3 Water resources management

TaiHan deeply understands the importance of water resources for sustainability. In addition to continuously promoting water-saving measures and tracking water usage, we have set a goal of reducing water withdrawal by 1% annually, using the year 2022 as the baseline. The Company expects to maximize shareholder benefits while also considering environmental protection and achieving the goal of sustainable operation.

### Water risk assessment

Referring and querying to the “Aqueduct Water Risk Atlas” mapped by WRI (World Resources Institute), TaiHan's plants are all located in areas where water stress is less than 20%. Therefore, it has been determined via assessment that the Company's operations will not impact local water usage.

Item	Taiwan region	Vietnam plant	Dongguan plant	Philippines plant
Water resource risk	Low	Medium low	Low	Medium low
Source of water	Dahan River, Shimen Reservoir	Ta Binh River, Yuehe Reservoir	Water of Dongjiang Lake	Groundwater of Lima (The No. 6 deep well)
Discharge outlet management	North District Water Resource Recycling Center, Taoyuan	Sewage Treatment System, Futian Industrial Park	Chang-An Water Supply Company	Lima Water Company (No. 1 and No. 2 outlets)
Location of final wastewater discharge	Nankan River	Sông Sặt River	Maozhou River	Tiguero Creek

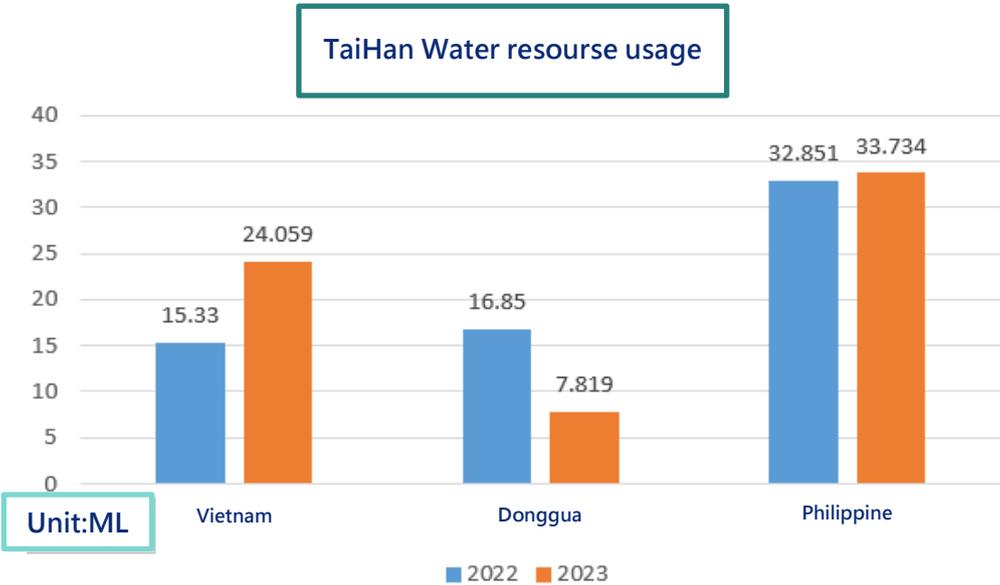
### Water resource usage GRI 303-3, 303-4, 303-5

TaiHan's production process does not cause water pollution. Most of the water used is for cooling during production and for domestic purposes. All wastewater is discharged into legally compliant sanitary sewers for treatment, ensuring no threat to watershed ecology or natural water bodies. Additionally, the water usage of each plant is relatively small compared to the total local water withdrawal, thus not exerting pressure on local water usage. The total water withdrawal in 2023 was 65.612 million liters; the water withdrawal intensity was 0.028ML per million production value. The slight increase in water withdrawal compared to 2022 was due to the discovery in February 2023 that the water meter in the Vietnam plant had previously underestimated the actual water usage. The meter has since been replaced, which explains the significant difference in water usage data compared to the previous year. The Company will keep to implement water resource management to minimize the impact on the natural ecology.

Item	Taiwan region	Vietnam plant	Dongguan plant	Total
Water withdrawn from third parties (ML)	24.059	7.819	33.734	65.612
Water discharge volume (ML)	19.247	-	29.500	48.247

Water consumption	4.812	-	4.234	9.046
Water withdrawal intensity	0.019	0.038	0.039	0.028

Note 1: There was no surface water, groundwater, or self-stored water by the organization in 2023.  
 Note 2: The unit of water withdrawal is million liters (Megaliters,ML).  
 Note 3: Statistical data is calculated to the 3rd decimal place, without rounding.  
 Note 4: The Taiwan operations headquarters only has small-scale offices for general office affairs, and its rented area cannot be distinguished from other shared spaces in terms of water withdrawal and discharge, thus it is not included in the calculations.  
 Note 5: The Dongguan plant does not report water discharge data due to the difficulty of distinguishing between floors in its rented building.  
 Note 6: Water withdrawal intensity = water withdrawn from third parties (ML) / \$ million production value.



## 4.4 Waste management

### GRI 306-3

To reduce the environmental impact of waste generated by TaiHan's production and operations, all waste produced by the Company is sorted, prioritizing the reuse of resources within the plant. Upholding the concept of environmental sustainability, the Company promotes various waste reduction measures and policies to decrease the waste generated by employees' daily operations and increase the recycling and reuse rate of waste within the plant. The office waste from the Taiwan headquarters is excluded from statistics as it is shared with employees of the rented building and consists only of a limited amount of daily operational waste.

#### Waste management methods

##### \*General industrial waste

In 2023, TaiHan generated a total of 513.08 metric tons of general waste. Waste paper, packaging materials, and other items are reused as much as possible before being collected or landfilled by a waste disposal company along with other daily waste. TaiHan also encourages employees to use reusable environmental-friendly utensils and shopping bags to reduce daily waste.

##### \*Hazardous industrial waste

TaiHan generated a total of 19.46 metric tons of hazardous industrial waste in 2023, all of which was handled by qualified disposal companies in accordance with the law to ensure proper disposal of all hazardous waste.

#### Waste disposal flow

The Company adheres the laws to monitors and control the flow of waste disposal, collecting and monitoring data on waste generation and disposal from the management unit of office building. TaiHan also periodically reviews outsourced companies for any illegal disposal activities, ensuring that all waste is properly managed and disposed of.

Waste Disposal Statistics					
Category/Treatment method (tons)		Vietnam plant	Dongguan plant	Philippines plant	Total
General industrial waste	Recycling and reuse	0	16.34	184.64	200.98
	Incineration	283.79	0	0	283.79
	Landfill	0	0	28.30	28.30
Hazardous industrial waste	Recycling and reuse	0	0	4.80	4.80
	Incineration	4.49	0.55	0	5.04
	Landfill	0	0	9.62	9.62

Note 1: The Taiwan operations headquarters generates only a small amount of daily operational waste from its rented office, which is difficult to distinguish due to that building's waste s are collected and processed together. Therefore, it is temporarily excluded from the statistics.

---

# 05 Appendix

## Data errata

In 2022, there was a double-counting of expatriate staff in the Taiwan region. Therefore, the data regarding the number of employees in the Taiwan region in 4 statistical tables regarding employee job distribution, new hires, departures, and training hours—has been recalculated.

### (1) TaiHan employee distribution by job category

#### Before adjustment

TaiHan employee distribution by job category												
Plant		Taiwan region		Vietnam plant		Dongguan plant		Philippines plant		Total		
Category/Gender	Age	Ppl.	Ratio	Ppl.	Ratio	Ppl.	Ratio	Ppl.	Ratio	Ppl.	Ratio	
Full-time employees	Male	30 years old and below	2	62%	198	50%	14	50%	104	31%	318	18%
		31-50 years old	16		242		58		109		425	24%
		51 years old and above	8		13		8		2		31	2%
	Female	30 years old and below	3	38%	152	47%	7	29%	84	22%	246	14%
		31-50 years old	9		263		30		69		371	20%
		51 years old and above	4		9		9		0		22	1%
Non-regular employees	Male	30 years old and below	0	0	2	1%	0	20%	126	24%	128	7%
		31-50 years old	0		0		0		43		43	2%
		51 years old and above	0		1		33		0		34	2%
	Female	30 years old and below	0	0	0	2%	1	1%	103	23%	104	6%
		31-50 years old	0		6		0		57		63	3%
		51 years old and above	0		7		0		0		7	1%
Total		42	2%	893	49%	160	9%	697	40%	1792	100%	

## After adjustment

TaiHan employee distribution by job category												
Dongguan plant		Dongguan plant		Dongguan plant		Dongguan plant		Dongguan plant		Dongguan plant		
Category/Gender	Age	Ppl.	Ratio	Ppl.	Ratio	Ppl.	Ratio	Ppl.	Ratio	Ppl.	Ratio	
Full-time employees	Male	30 years old and below	2	58%	198	50%	14	50%	104	31%	318	18%
		31-50 years old	9		242		58		109		425	24%
		51 years old and above	0		13		8		2		31	2%
	Female	30 years old and below	3	42%	152	47%	7	29%	84	22%	246	14%
		31-50 years old	4		263		30		69		371	20%
		51 years old and above	1		9		9		0		22	1%
Non-regular employees	Male	30 years old and below	0	0	2	1%	0	20%	126	24%	128	7%
		31-50 years old	0		0		0		43		43	2%
		51 years old and above	0		1		33		0		34	2%
	Female	30 years old and below	0	0	0	2%	1	1%	103	23%	104	6%
		31-50 years old	0		6		0		57		63	3%
		51 years old and above	0		7		0		0		7	1%
Total		19%	1%	893	50%	160	9%	697	40%	1769	100%	

## (2) New recruits overview 2022

### Before adjustment

Plant	Age	30 years old and below	31-50 years old	51 years old and above	Total No. of employees	New recruit rate (%)	
Taiwan region	Male	1	3	3	42	27%	24%
	Female	2	1	0		19%	
Vietnam plant	Male	265	116	5	877	85%	67%
	Female	143	58	0		47%	
Dongguan plant	Male	3	5	0	126	10%	15%
	Female	5	6	0		24%	
Philippines plant	Male	30	27	0	368	25%	24%
	Female	15	15	0		20%	
Total	Male	299	151	8	1413	59%	49%
	Female	165	80	0		38%	

### After adjustment

Plant	Age	30 years old and below	31-50 years old	51 years old and above	Total No. of employees	New recruit rate (%)	
Taiwan region	Male	1	2	0	19	27%	26%
	Female	2	0	0		25%	
Vietnam plant	Male	265	116	5	877	85%	67%
	Female	143	58	0		47%	
Dongguan plant	Male	3	5	0	126	10%	15%
	Female	5	6	0		24%	
Philippines plant	Male	30	27	0	368	25%	24%
	Female	15	15	0		20%	

Total	Male	299	150	5	1390	58%	50%
	Female	165	79	0		38%	

## (2) Personnel leaving Overview 2022

### Before adjustment

Plant	Age	30 years old and below	31-50 years old	51 years old and above	Total No. of employees	Departure rate (%)	
Taiwan region	Male	0	5	1	42	23%	21%
	Female	0	3	0		19%	
Vietnam plant	Male	260	126	0	877	85%	69%
	Female	125	93	1		52%	
Dongguan plant	Male	5	36	0	126	51%	53%
	Female	1	22	3		56%	
Philippines plant	Male	15	11	1	388	12%	13%
	Female	13	6	0		12%	
Total	Male	280	178	2	1413	59%	51%
	Female	139	124	4		41%	

### After adjustment

Plant	Age	30 years old and below	31-50 years old	51 years old and above	Total No. of employees	Departure rate (%)	
Taiwan region	Male	0	3	0	19	27%	26%
	Female	0	2	0		25%	
Vietnam plant	Male	260	126	0	877	85%	69%
	Female	125	93	1		52%	
Dongguan plant	Male	5	36	0	126	51%	53%
	Female	1	22	3		56%	

Philippines plant	Male	15	11	1	388	12%	13%
	Female	13	6	0		12%	
Total	Male	280	176	1	1390	60%	52%
	Female	139	123	4		41%	

## (2) Education and training hours statistics 2022

### Before adjustment

Plant		Taiwan region	Vietnam plant	Dongguan plant	Philippines plant	Total of the average training hours
Job category	Gender					
Managerial position	Male	4	41	0.5	0	15.5
	Female	1.1	92.7	0	0	45.0
Non-managerial position	Male	10.6	55.2	0.5	3.2	27.5
	Female	8.3	56.9	1.4	4.4	32.6
Average of training hours		4.6	56.4	0.6	3.4	29.2

Note 1: Managerial positions in Taiwan refers to employees at the level of section manager or above.

Note 2: Managerial positions in overseas plants refers to employees at the level of production-line supervisor or above.

### After adjustment

Plant		Taiwan region	Vietnam plant	Dongguan plant	Philippines plant	Total of the average training hours
Job category	Gender					
Managerial position	Male	10.7	41	0.5	0	16.8
	Female	4.7	92.7	0	0	50.5
Non-managerial position	Male	10.3	55.2	0.5	3.2	27.4
	Female	7.9	56.9	1.4	4.4	32.6
Average of training hours			56.4	0.6	3.4	29.5

Note 1: Managerial positions in Taiwan refers to employees at the level of section manager or above.

Note 2: Managerial positions in overseas plants refers to employees at the level of production line supervisor or above.

## GRI-standards comparison table

Statement for usage	TaiHan published the 2023 sustainability report in accordance with GRI standards. The data information scope is from January 1 to December 31, 2023.
GRI 1 version	GRI 1 : Foundation 2021
GRI industry code application	None

### GRI 2 : General disclosure: 2021

Disclosure item	Report chapter	Notes/undisclosed information and reasons	Page No.
<b>Organization and reporting</b>			
2-1 Organizational details	Preface: About TaiHan Technology		P.9
2-2 Entities included in the organization's sustainability reporting	Preface: About TaiHan Technology		P.9
2-3 Reporting period, frequency, and contact person	Preface: About this report		P.7
2-4 Restatements of information	Data errata		P.105
2-5 External assurance	Appendix: Third-Party verification statement		P.118
<b>Activities and workers</b>			
2-6 Activities, value chain, and other business relationships	3.4 Supply chain management		P.79
2-7 Employees	2.4 Talent recruitment and retention		P.43
2-8 Workers who are not employees	2.4 Talent recruitment and retention		P.44
<b>Governance</b>			
2-9 Governance structure and composition	3.1 Corporate governance		P.60
2-10 Nomination and selection of the highest governance body	3.1 Corporate governance		P.60
2-11 Chair of the highest governance body	3.1 Corporate governance		P.58
2-12 Role of the highest governance body in overseeing the management of impacts	3.1 Corporate governance		P.69

<b>2-13 Delegation of responsibility for managing impacts</b>	<b>3.1 Corporate governance</b>		<b>P.69</b>
<b>2-14 Role of the highest governance body in sustainability reporting</b>	<b>Preface: About this report</b>		<b>P.69</b>
<b>2-15 Conflicts of interest</b>	<b>3.1 Corporate governance</b>		<b>P.63</b>
<b>2-16 Communication of critical concerns</b>	<b>3.1 Corporate governance</b>		<b>P.69</b>
<b>2-17 Collective knowledge of the highest governance body</b>	<b>3.1 Corporate governance</b>		<b>P.64</b>
<b>2-18 Evaluation of the performance of the highest governance body</b>	<b>3.1 Corporate governance</b>		<b>P.66</b>
<b>2-19 Remuneration policies</b>	<b>3.1 Corporate governance</b>		<b>P.68</b>
<b>2-20 Process to determining remuneration</b>	<b>3.1 Corporate governance</b>		<b>P.67</b>
<b>2-21 Annual total compensation ratio</b>	<b>2.4 Talent recruitment and retention</b>		<b>P.51</b>
<b>2-22 Statement on sustainable development strategy</b>	<b>Preface: Message from the Management</b>		<b>P.5</b>
<b>2-23 Policy commitments</b>	<b>3.4 Supply chain management</b>		<b>P.81</b>
<b>2-24 Embedding policy commitments</b>	<b>3.4 Supply chain management</b>		<b>P.81</b>
<b>2-25 Processes to remediate negative impacts</b>	<b>3.2 Integrity and ethics</b>		<b>P.71</b>
<b>2-26 Mechanisms for seeking advice and raising concerns</b>	<b>3.4 Supply chain management</b>		<b>P.81</b>
<b>2-27 Compliance with laws and regulations</b>	<b>3.5 Legal compliance</b>		<b>P.84</b>
<b>2-28 Membership associations</b>	<b>Preface: About TaiHan Technology</b>		<b>P.11</b>
<b>2-29 Approach to stakeholder engagement</b>	<b>1.3 Stakeholder engagement</b>		<b>P.19</b>
<b>2-30 Collective bargaining agreements</b>	<b>None</b>	<b>TaiHan is not participating in any collective bargaining agreements currently.</b>	<b>-</b>

## Significant topics

Disclosure item	Disclosure item	Report chapter	Notes/undisclosed information and reasons	Page No.
<b>GRI 3 : Material Topics 2021</b>	<b>3-1 Process to determine material topics</b>	<b>1.4 Management of significant topics</b>		<b>P.17</b>
	<b>3-2 List of material topics</b>	<b>1.4 Management of significant topics</b>		<b>P.24</b>
	<b>3-3 Management of material topics</b>	<b>1.4 Management of significant topics</b>		<b>P.24</b>
<b>Workplace health and safety</b>				
	<b>3-3 Management of material topics</b>	<b>1.4 Management of significant topics</b>		<b>P.35</b>
<b>GRI 403: Occupational Health and Safety 2018</b>	<b>403-2 Hazard identification, risk assessment, and incident investigation</b>	<b>2.2 Workplace health and safety</b>		<b>P.36</b>
	<b>403-3 Occupational health services</b>	<b>2.2 Workplace health and safety</b>		<b>P.41</b>
	<b>403-5 Worker training on occupational health and safety</b>	<b>2.2 Workplace health and safety</b>		<b>P.38</b>
	<b>403-6 Promotion of worker health</b>	<b>2.2 Workplace health and safety</b>		<b>P.40</b>
	<b>403-9 Work-related injuries</b>	<b>2.2 Workplace health and safety</b>		<b>P.37</b>
	<b>403-10 Work-related illnesses health</b>	<b>2.2 Workplace health and safety</b>		<b>P.37</b>
<b>Labor relations</b>				
	<b>3-3 Management of material topics</b>	<b>1.4 Management of significant topics</b>		<b>P.42</b>
<b>GRI 402: Labor relations 2016</b>	<b>402-1 Minimum notice period regarding operational changes</b>	<b>2.3 Labor relations</b>		<b>P.42</b>
<b>Information security</b>				
	<b>3-3 Management of material topics</b>	<b>1.4 Management of</b>		<b>P.85</b>

		<b>significant topics</b>		
<b>GRI 418: Customer privacy 2016</b>	<b>418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data</b>	<b>3.6 Information security</b>		<b>P.89</b>
<b>Integrity and ethics</b>				
<b>3-3 Management of material topics</b>		<b>1.4 Management of significant topics</b>		<b>P.71</b>
<b>GRI 205: Anti-corruption 2016</b>	<b>205-1 Operations assessed for risks related to corruption</b>	<b>3.2 Integrity and ethics</b>		<b>P.71</b>
<b>Legal Compliance</b>				
<b>3-3 Management of material topics</b>		<b>1.4 Management of significant topics</b>		<b>P.84</b>
<b>GRI 206: Anti-competitive behavior</b>	<b>206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices</b>	<b>3.5 Legal Compliance</b>		<b>P.84</b>
<b>GRI 416: Customer health and safety</b>	<b>416-2 Incidents of non-compliance concerning the health and safety impacts of products and services</b>	<b>3.5 Legal Compliance</b>		<b>P.84</b>
<b>GRI 417: Marketing and labeling</b>	<b>417-2 Incidents of non-compliance concerning product and service information and labeling</b>	<b>3.5 Legal Compliance</b>		<b>P.84</b>
<b>Operational performance</b>				
<b>3-3 Management of material topics</b>		<b>1.4 Management of significant topics</b>		<b>P.74</b>
<b>GRI 201: Economic Performance 2016</b>	<b>201-1 Direct economic value generated and distributed</b>	<b>3.3 Operational performance</b>		<b>P.76</b>

	<b>201-2 Financial implications and other risks and opportunities due to climate change</b>	<b>4.1 Climate change risk analysis</b>		<b>P.76</b>
<b>Energy management</b>				
	<b>3-3 Management of material topics</b>	<b>1.4 Management of significant topics</b>		<b>P.97</b>
<b>GRI 302: Energy 2016</b>	<b>302-1 Energy consumption within the organization</b>	<b>4.2 Energy management</b>		<b>P.97</b>
	<b>302-3 Energy intensity</b>	<b>4.2 Energy management</b>		<b>P.97</b>
<b>GRI 305: Emissions 2016</b>	<b>305-1 Direct (Scope 1) GHG emissions</b>	<b>4.2 Energy management</b>		<b>P.99</b>
	<b>305-2 Energy indirect (Scope 2) GHG emissions</b>	<b>4.2 Energy management</b>		<b>P.99</b>
	<b>305-4 GHG emissions intensity</b>	<b>4.2 Energy management</b>		<b>P.99</b>
<b>Talent recruitment and retention</b>				
	<b>3-3 Management of material topics</b>	<b>1.4 Management of significant topics</b>		<b>P.45</b>
<b>GRI 401: Employment 2016</b>	<b>401-1 New employee hires and employee turnover</b>	<b>2.4 Talent recruitment and retention</b>		<b>P.49</b>
	<b>401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees</b>	<b>2.3 Labor relations</b>		<b>P.42</b>
	<b>401-3 Parental leave</b>	<b>2.4 Talent recruitment and retention</b>		<b>P.48</b>
<b>GRI 404: Training and education 2016</b>	<b>404-1 Average hours of training per year per employee</b>	<b>2.4 Talent recruitment and retention</b>		<b>P.50</b>

## General topics

<b>Disclosure item</b>	<b>Disclosure item</b>	<b>Report chapter</b>	<b>Notes/undisclosed information and reasons</b>	<b>Page No.</b>
<b>GRI 202: Market presence 2016</b>	<b>202-1 Ratio of standard entry level wage by gender compared to local minimum wage</b>	<b>2.4 Talent recruitment and retention</b>		<b>P.52</b>
<b>GRI 203: Indirect economic impacts 2016</b>	<b>203-1 Infrastructure investments and services supported</b>	<b>3.3 Operational performance</b>		<b>P.77</b>
<b>GRI 303: Water and effluents 2018</b>	<b>303-3 Water withdrawal</b>	<b>4.3 Water resources management</b>		<b>P.101</b>
	<b>303-4 Water discharge</b>	<b>4.3 Water resources management</b>		<b>P.101</b>
	<b>303-5 Water consumption</b>	<b>4.3 Water resources management</b>		<b>P.101</b>
<b>GRI 306: Waste 2020</b>	<b>306-3 Waste generated</b>	<b>4.4 Waste management</b>		<b>P.103</b>
	<b>306-4 Waste diverted from disposal</b>	<b>4.4 Waste management</b>		<b>P.103</b>
<b>GRI 404: Training and Education 2016</b>	<b>404-1 Average hours of training per year per employee</b>	<b>2.4 Talent recruitment and retention</b>		<b>P.49</b>
	<b>404-3 Percentage of employees receiving regular performance and career development reviews</b>	<b>2.4 Talent recruitment and retention</b>		<b>P.51</b>
<b>GRI 405: Diversity and equal opportunity 2016</b>	<b>405-1 Diversity of governance bodies and employees</b>	<b>3.1 Corporate governance</b>		<b>P.60</b>

## SASB comparison table

Code	Indicator description	Chapter/explanation for not applicable	Page No.												
TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	3.6 Information security	P.85												
TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	<table border="1"> <thead> <tr> <th>Category/Gender</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Management</td> <td>126</td> <td>70</td> </tr> <tr> <td>Technical staff (R&amp;D/Production)</td> <td>384</td> <td>390</td> </tr> <tr> <td>All other employees (Sales/Administrative)</td> <td>326</td> <td>326</td> </tr> </tbody> </table>	Category/Gender	Male	Female	Management	126	70	Technical staff (R&D/Production)	384	390	All other employees (Sales/Administrative)	326	326	-
Category/Gender	Male	Female													
Management	126	70													
Technical staff (R&D/Production)	384	390													
All other employees (Sales/Administrative)	326	326													
TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	The Company is not a brand owner and does not produce complete products, therefore this indicator does not apply.	-												
TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	The Company is not a brand owner and does not produce complete products, therefore this indicator does not apply.	-												
TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria	The Company is not a brand owner and does not produce complete products, therefore this indicator does not apply.	-												
TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	<p>1. Recycling of scrap products: The Company's products are all B2B ones, and there are no scrap products for recycling.</p> <p>2. Total weight and recycling rate of electronic waste: The Company's products are all B2B ones, and only scrap recycling is conducted, with no recycling for reuse.</p>	-												
TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	The Company has not yet conducted RBA audits (VAP) for Tier-1 suppliers, therefore there is no related data available for disclosure. It will continue to assess the feasibility of implementing relevant standards in the future.	-												
TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances		-												

<b>TC-HW-440a.1</b>	<b>Description of the management of risks associated with the use of critical materials</b>	<b>Except for a few products with customer-specified materials, there are no risks of monopolistic or oligopolistic markets for the raw materials used by the Company, and over 80% of the suppliers of production materials are local.</b>	<b>P.81</b>
<b>Activity indicators</b>			
<b>TC-HW-000.A</b>	<b>Number of units produced by product category</b>	<b>Mold(set)</b>	<b>377</b>
		<b>Plastic(pcs)</b>	<b>371,828,817</b>
<b>TC-HW-000.B</b>	<b>Area of manufacturing facilities</b>	<b>Not disclosed due to commercial confidential</b>	<b>-</b>
<b>TC-HW-000.C</b>	<b>Percentage of production from owned facilities</b>	<b>The Company's own production equipment accounts for 100%</b>	<b>-</b>

# Third-Party verification statement



## INDEPENDENT ASSURANCE OPINION STATEMENT

### Taihan Precision Technology Co., Ltd. 2023 Sustainability Report

The British Standards Institution is independent of Taihan Precision Technology Co., Ltd. (hereafter referred to as THPT in this statement) and has no financial interest in the operation of THPT other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of THPT only for the purpose of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or for any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by THPT. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to THPT only.

#### Scope

The scope of engagement agreed upon with THPT includes the following:

1. The assurance scope is consistent with the description of Taihan Precision Technology Co., Ltd. 2023 Sustainability Report.
2. The evaluation of the nature and extent of the THPT's adherence to AA1000 Accountability Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

#### Opinion Statement

We conclude that the Taihan Precision Technology Co., Ltd. 2023 Sustainability Report provides a fair view of the THPT sustainability programmes and performances during 2023. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the THPT and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate THPT's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assessors in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that THPT's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

#### Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a top level review of issues raised by external parties that could be relevant to THPT's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 7 interviews with staffs involved in sustainability management, report preparation and provision of report
- information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).

#### Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018) and GRI Standards is set out below.

#### Inclusivity

This report has reflected a fact that THPT has sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the Information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the THPT's Inclusivity issues.

#### Materiality

THPT publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of THPT and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the THPT's management and performance. In our professional opinion the report covers the THPT's material issues.

#### Responsiveness

THPT has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for THPT is developed and continually provides the opportunity to further enhance THPT's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the THPT's responsiveness issues.

#### Impact

THPT has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. THPT has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the THPT's impact issues.

#### GRI Sustainability Reporting Standards (GRI Standards)

THPT provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the THPT's sustainability topics.

#### Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

#### Responsibility

The sustainability report is the responsibility of the THPT's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

#### Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.



For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan

Statement No: SRA-TW-810722  
2024-08-12

...making excellence a habit™

Taiwan Headquarters: 2nd Floor, No. 37, D-Hu Rd., No-Hu Dist., Taipei 114, Taiwan, R.O.C.  
A Member of the BSI Group of Companies.