



2023 Sustainability  
Report

# 永續報告書



Lights. Intelligence. Safety.

# Contents

About the report	02
A Message from the Chairman	04

## 1 Sustainable Management & Communication

1.1 Sustainability Promotion and Management	06
1.2 Stakeholders Identification and Communication	08
1.3 Material Topics Analysis	12

## 2 Governance & Operations

<b>Economic Performance Management</b>	19
2.1 Company Introduction	20
2.2 Business Overview	23
2.3 Brand Image and Customer Relationship Management	26
2.4 Company Governance	30
<b>Ethical Conduct and Integrity Management</b>	35
2.5 Integrity and Law Compliance	36
2.6 Risk Management	41
<b>Customer Privacy and Information Security Management</b>	44
2.7 Information Security Management	45

## 3 Green Action

<b>R&amp;D and Intellectual Property Management</b>	49
3.1 Products and Patents Management	50
3.2 Improve Manufacturing Process	56
<b>Climate Change Response Management</b>	58
3.3 Risks of Climate Change	59
3.4 Energy and Greenhouse Gas Inventory	62
3.5 Water Resources Management	64
3.6 Pollution Prevention Management	66

## 4 Responsible Supply Chain

4.1 Purchases Overview	71
4.2 Due Diligence	72

## 5 Friendly Workplace

<b>Human Rights Management</b>	75
5.1 Human Rights Management	76
5.2 Structural of Employees	79
<b>Talent attraction and retention Management</b>	81
5.3 Talent Attraction and Retention	82
5.4 Employees' Rights and Benefits	85
5.5 Human Resources Development and Training	89
<b>Employee Safety and Health Management</b>	96
5.6 Employee Safety and Health	97
5.7 Fire Control Safety Management	103

## 6 Social Engagement

6.1 Public Welfare	112
6.2 Community Involvement	114
6.3 Academia Collaboration	116

## 7 Appendices

Appendix 1 : GRI Standards Index	118
Appendix 2 : SASB Standards Index	125
Appendix 3 : Taiwan Stock Exchange TCFD	126
Appendix 4 : Independent Statement	129

# About The Report

This report is the third sustainability report issued by TYC Brother Industrial Co., Ltd. (hereinafter referred to as TYC). It is structured around six main chapters: 'Sustainable Management and Communication,' 'Governance and Operations,' 'Green Actions,' 'Responsible Supply Chain,' 'Friendly Workplace,' and 'Social Engagement.' The report details the current sustainability status in the areas of governance, environment, and society (ESG). Stakeholders can gain a clearer understanding of TYC's contributions and achievements in promoting sustainable development through this report.

## Report Scopes

This report contains information disclosed between 1 January 2023 and 31 December 2023. The content also covers instances, management policies and objectives before and after 2023. The scope of disclosure mainly covers TYC Taiwan Operations (parent company An-ping plant and Tech Park Planet 1~3), excluding overseas subsidiaries and branches in the consolidated financial statements. Please refer to the TYC 2023 Annual Report for information on affiliated companies. Any instances of the other report scopes will be noted in the text.

## Compliance in Disclosure

This report is prepared in accordance with the latest version of the GRI Standards (2021 version) issued by the Global Reporting Initiative (GRI) and "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" by the Taiwan Stock Exchange Corporation, as well as SASB Standards – Auto Parts Sustainability Disclosure Topics & Metrics by Financial Stability Board, FSB, and Task Force on Climate-related Financial Disclosures (TCFD) to reveal relevant strategies, goals, and action of TYC's material topics, and content indexes are provided in Appendices I to III. Compared to the 2022 Sustainability Report, any instances of historical data being revised will be explained in the text.



## Qualified and Certified Information

The quality of the information disclosed in this report includes internal review and external certification, where relevant information and data are disclosed after three stages of internal review.

**Internal review:** In the initial stage, the Sustainability Committee and Editorial Board furnish information, which is then reviewed by each member ( Department Managers). In the second stage, the Sustainability Committee is responsible for compiling, reviewing, and revising the Sustainability Report, after which it is submitted to the Chairman of the Sustainability Committee (General Manager) for approval. In the final stage, the Sustainability Report is reviewed by an external third party and presented to the Board of Directors by the Chairman of the Sustainability Committee prior to its release to the public.

**External Certification:** This report is certified by Bureau Veritas, a third party notarization agency, with AA1000AS v3 of Type 1 Moderate Level on the inclusivity, criticality, responsiveness, and impact of the information disclosed in this report.

The statistical data presented in this report are based on the results of our own internal statistics and surveys. They are presented using internationally recognized indicators. Where estimates are used, they are noted in the relevant sections. The financial data are derived from the publicly available consolidated financial statements of Ernst & Young, audited in accordance with International Financial Reporting Standards (IFRS) and are expressed in New Taiwan Dollars.

All relevant environmental, health and safety, and quality certifications are in line with international standards, ensuring that all control measures and implementation processes are fully compliant.

Category	Certification	Verification Organization
Sustainability Report	AA1000AS v3 (Type 1 Moderate Level )	
Climate Change	ISO 14064-1:2018 organization level for reporting of greenhouse gas emissions and removals	Bureau Veritas
Financial Statements	International Financial Reporting Standards	Ernst & Young
Environmental Management	ISO14001:2015 environmental management system	
Occupational Health and Safety Management	ISO/CNS 45001: 2018 occupational health and safety management system	Bureau Veritas
Quality Management	IATF 16949: 2016 quality management system for organizations in the global automotive industry.	
	ISO 9001: 2015 quality management system	
	ISO 26262: 2018 functional safety management system	TÜV Rheinland
Import & Export Safety Management	FORD Q1 quality certification (FORD PREFERRED QUALITY STATUS)	FORD
	AEO (Quality Enterprise) certification (Authorized Economic Operator)	Administration of Customs and Excise

## Release Overview

TYC issued the first sustainability report in 2022 and will continue to issue annually and publish on the website  
Current version; July 2024



[TYC Sustainability Report](#)

## Contact Information

If you have any comments or suggestions about the report or sustainability issues, please feel free to share your valuable opinion with us. Contact us: TYC Brother Industrial Co., Ltd. Administration Division

Tel: +886-6-265-8781  
Fax: +886-6-263-7340

E-mail: [CSR\\_TYC@tyc.com.tw](mailto:CSR_TYC@tyc.com.tw)  
Address: No. 72-2, Xinle Road, South District, Tainan City 70248, Taiwan ( An ping Industrial Park )



[TYC Official Website](#)

# A Message from the Chairman

## Moving with the times to create meaningful impacts to the world

We are dedicated to engaging in the design, research and development, manufacturing and marketing of automotive lighting, and aspire to become the world's renowned brand for automotive lighting and safety products, as well as a leader in advanced smart lighting technology. We promise to continuously support our customers with up-to-date products, while also care and concern global warming and climate change issues, delve into the core concepts, knowledge and actions of climate issues, to create a sustainable circular economy that benefits all. We continuously introduce new technologies, new processes, and new materials for energy-saving and low-carbon automotive lighting, actively promote low-carbon and intelligent manufacturing processes, and improve the work environment to reduce employee injuries. We use environmental friendly materials, implement water resource management, and recycle water discharge. In an ever-changing environment, we are actively strengthening and deepening our services, using a transformative mindset and sustainability to allocate resources appropriately, pursuing maximum results for sustainability, fulfilling corporate social responsibility, and moving towards ESG sustainable management.

TYC lights up the world, and we look forward to create meaningful impact to the world, leading the world further and longer.

Chairman

Wu, Kuo-Chen



## 1 Sustainable Management & Communication

---

- 1.1 Sustainability Promotion and Management
- 1.2 Stakeholders identification and communication
- 1.3 Material Topics Analysis

## 2023 Performance Highlights

---

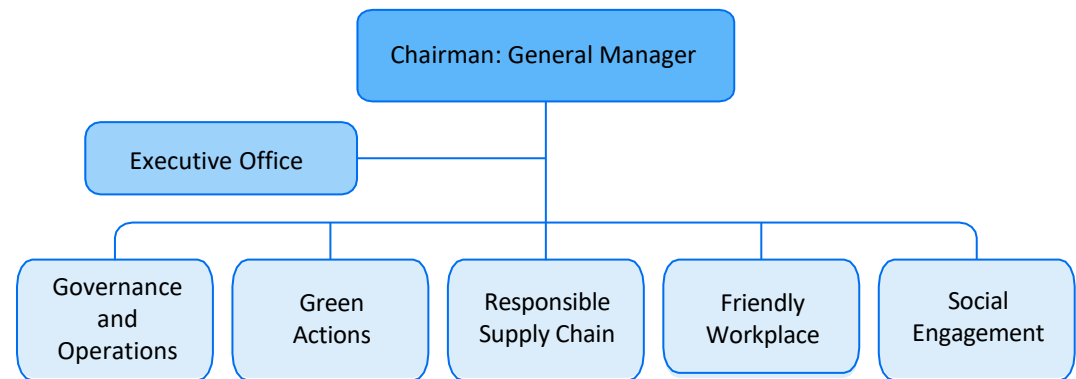
- Bronze Award**  
Received the 16th TCSA Sustainability Award – Bronze Award
  - 9 Priority Material Topics**  
In line with the latest version of the GRI Standards (2021 version), a total of nine priority topics have been selected for reporting this year.
-

# 1.1 Sustainability Promotion and Management

## Sustainability Committee

The Sustainability Committee is responsible for management organization in planning, supervision, and promotion of sustainable development strategies in TYC. The General Manager serves as the committee's chairman, convenes the directors of each division as responsible members, and assigns each department supervisor to serve as a member of the committee. The committee members work closely together to ensure the efficient implementation of sustainable development. They integrate resources across departments to plan goals, policies, and action plans for sustainable development(P); direct them(D); regularly check their effectiveness(C); and act to strengthen and improve them(A). The Committee presents an annual report to the Board of Directors on the status of the sustainability program and the results of its implementation. Furthermore, a publicly accessible sustainability report is issued to provide comprehensive disclosure of the results of the environmental, social, and governance implementation. The 2022 sustainability report was awarded the Bronze Award of the TCSA Taiwan Corporate Sustainability Award for Sustainability Reporting.

Organizational Chart of the Sustainability Committee



### Responsibilities of the Sustainability Committee

#### Chairman

- Develop and formulate policies and objectives for sustainable development.
- Review the risks and opportunities of sustainability-related issues to determine strategies and related investments.
- Supervise the planning and implementation of sustainability strategies.
- Supervise the performance and disclosure of information on sustainable development.
- Provide the Board of Directors with regular updates on the progress of the sustainable development plan and performance.

#### Executive Office

- Develop the operational framework for the sustainable development management system.
- Implement the action plan for sustainable development and oversee its execution.
- Assess the performance of sustainable development.
- Manage the integration of sustainable development issues.
- Address sustainable development issues.
- Establish sustainability objectives.
- Prepare the sustainability report.

#### Task Force

- Evaluate the risks and opportunities of specific sustainability issues and recommend and develop sustainability goals.
- Plan task force action plans for specific sustainability issues and assist in their implementation.
- Track the implementation progress and performance evaluation of each action plan.
- Provide professional consultation and experience sharing on relevant sustainability issues.
- Provide recommendation reports on specific issues to the Sustainability Committee.

## Highlights of the 2023 Sustainability Committee Meeting

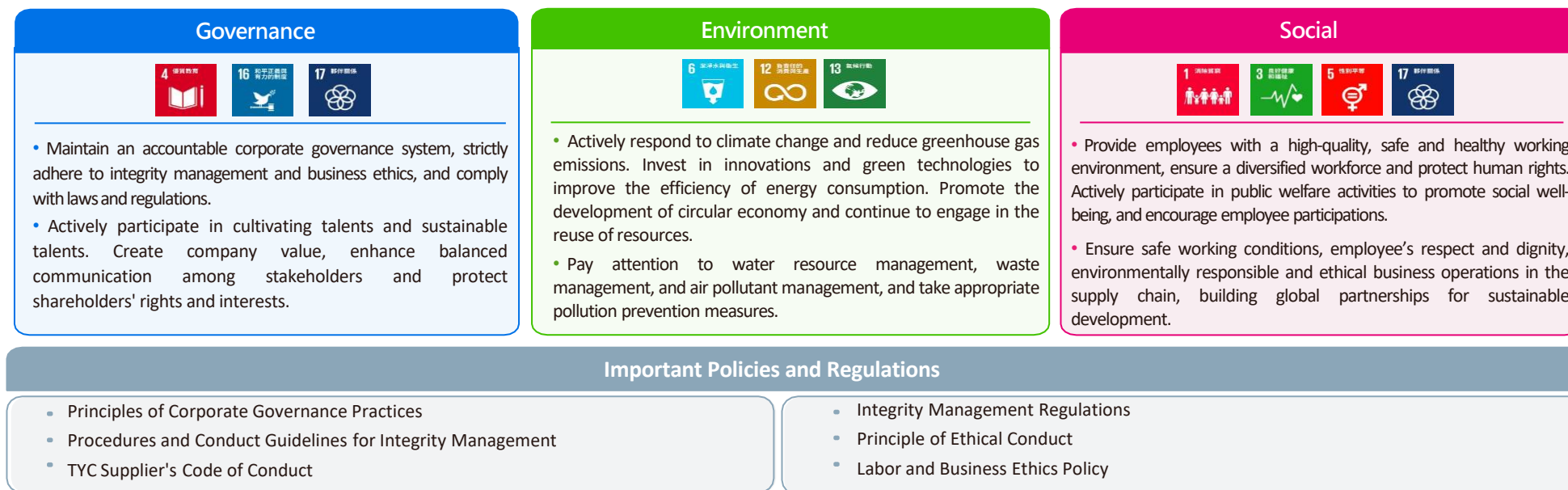
Date	Title of the Meeting	Attendees
1/5	2022 ESG Sustainability Report Launch	Sustainability Committee Editorial Board
1/5	2022 Material Topics Analysis	Sustainability Committee Editorial Board
1/12	GRI Standards Indicators Subgroup Education and Training	Sustainability Committee Editorial Board
2/20	2022 Sustainability Report Highlights Discussion	Sustainability Committee
3/3	Sustainability Committee Meeting	Sustainability Committee
3/27	2022 Sustainability Report Draft Meeting	Sustainability Committee Editorial Board
4/28	2022 Third Party Certification of Sustainability Report	Sustainability Committee Editorial Board

## 2023 Sustainability Issues Report to the Board of Directors

Meeting Date	Content of Reports
3/16	<ul style="list-style-type: none"> <li>Report on the Implementation of Greenhouse Gas Inventory of the Company and Its Consolidated Subsidiaries.</li> </ul> <p>The third-party Assurance Opinion is currently processing the 2021 certification statement.</p> <p>The inventory collection and inventory of activities in Scope 1~3 in 2022 for the entire plant are scheduled to commence.</p> <p>The consolidated subsidiaries are scheduled to start implementation in April 2024.</p>
5/11	<ul style="list-style-type: none"> <li>2022 Sustainability Report Implementation Progress and Planning Report</li> </ul> <p>The Sustainability Report underwent an external review by Bureau Veritas (BV) on 28 April 2023. Certification is anticipated in June, with the report being publicly released by 30 June 2023.</p> <ul style="list-style-type: none"> <li>Report on the Implementation of Greenhouse Gas Inventory of the Company and Consolidated Subsidiaries</li> </ul> <p>Obtained ISO 14064-1 Assurance Opinion in 2021.</p> <p>Expected to obtain the 2022 ISO 14064-1 Assurance Opinion in June 2023.</p>
8/10	<ul style="list-style-type: none"> <li>Report on the Implementation of Greenhouse Gas Inventory of the Company and Consolidated Subsidiaries</li> </ul> <p>Obtained ISO 14064-1 Assurance Opinion in May 2023.</p>
11/08	<ul style="list-style-type: none"> <li>Report on the Implementation of Greenhouse Gas Inventory of the Company and Consolidated Subsidiaries</li> </ul> <p>The entire plant will implement the collection of activity inventories for Phase 1 and 2 from the first quarter to the third quarter of 2023.</p>

## Sustainable Development Policy

In order to meet the responsibilities and obligations associated with environmental sustainability, social progress, and economic growth, the General Manager and the Chairman have approved the formulation of the Sustainable Development Policy. This policy will enable the effective development and implementation of sustainable development, meet the expectations of stakeholders, and demonstrate the company's commitment to sustainable development. This policy encompasses the three core areas of sustainability: environment, society, and governance. It is aligned with the United Nations' Sustainable Development Goals (SDGs). We are dedicated to generating sustainable values and collaborating with our stakeholders to foster a virtuous cycle of sustainability.



## 1.2 Stakeholders Identification and Communication



### Stakeholders Identification



TYC has identified 14 types of stakeholders based on the groups of stakeholders that may be contacted or affected by the business operations of the Company, business partners, and subsidiaries. To identify stakeholders, TYC has adopted the AA1000 Stakeholder Agreements Standard and aligned its approach with the principles of the GRI Standards 2021 Version. The Sustainability Committee conducted a review of TYC's major stakeholders for 2023, maintaining the same order as in the previous year: customer, government agencies, employees, partners (suppliers, contractors, and outsourcers), and shareholders/investors. TYC engaged with these stakeholders to gain insight into their concerns and expectations. This information will inform the Company's approach to sustainable management and will be included in the company's report to demonstrate its commitment to corporate responsibility.


## Stakeholders Communication

TYC responds to stakeholder concerns and feedback in a timely and effective manner through a variety of channels to ensure the company's performance in terms of sustainable development is continually reviewed and improved.

### 2023 Stakeholder Concerns, Communication Channels, and Agreements

Stakeholders	Significance to the Company	Key Issues of Concern	Communication Channel/Frequency	2023 Consensus
 <p><b>Customers</b></p>	<p>At TYC, we recognize the importance of our customers as partners in our operations. We are committed to understanding the diverse needs and opinions of our customers and to providing quality products and services that enhance customer satisfaction and loyalty, thereby creating value for our customers.</p>	<ul style="list-style-type: none"> <li>• Economic Performance</li> <li>• R&amp;D and Intellectual Property Management</li> <li>• Supply Chain Sustainability Management</li> <li>• Product Safety and Quality, Customer Health and Safety</li> <li>• Customer Service and Satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Customer Visit / Irregularly</li> <li>• E-mail, telephone / Instantly</li> <li>• Real-time company website / Instantly</li> <li>• General Manager's Mailbox / Instantly</li> <li>• Exhibiting at Auto Parts Shows / Annually</li> <li>• Customer Satisfaction Survey / Annually</li> <li>• ESG Concern Questionnaire / Occasionally</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in customer satisfaction for the third consecutive year, with a customer satisfaction score of 79.85 in 2023.</li> <li>• Exhibit at Automechanika Shanghai 2023</li> </ul>
 <p><b>Government</b></p>	<p>We ensure that our business operations comply with the latest government regulations by maintaining two-way communication and actively implementing compliance policies and procedures.</p>	<ul style="list-style-type: none"> <li>• Economic Performance</li> <li>• Water Resources</li> <li>• Occupational Health and Safety</li> <li>• Fire Safety Management</li> <li>• Social Involvement</li> </ul>	<ul style="list-style-type: none"> <li>• Email and correspondence / Irregularly</li> <li>• MOPS / Irregularly</li> <li>• Corporate Governance Review / Annually</li> <li>• Education and Training Committee / Irregularly</li> <li>• Supervision and Audit by Authorities / Irregularly</li> <li>• Promotion meetings and seminars organized by Authorities/ Irregularly</li> <li>• ESG Concerns Questionnaire / Irregularly</li> </ul>	<ul style="list-style-type: none"> <li>• Participated in 8 governmental conferences on labor-related issues.</li> <li>• Won the 2023 Tainan City Resource Recycling Volume Award.</li> <li>• Load lowered 7 times in coordination with Tainan City Government's Air Quality Abnormal Response Downgrade</li> </ul>

Stakeholders	Significance to the Company	Key Issues of Concern	Communication Channel/Frequency	2023 Consensus
 <p><b>Employees</b></p>	<p>At TYC, we recognize the invaluable contribution of our employees as an integral part of our organizational structure. We are dedicated to ensuring the physical and mental health, safety, and well-being of our employees. We facilitate their self-realization and development in order to enhance their competitiveness, create a mutually beneficial situation, and drive sustained growth for the company.</p>	<ul style="list-style-type: none"> <li>• Talent Attraction and Retention</li> <li>• Training and Education</li> <li>• Human Rights Management</li> <li>• Labor Relations</li> <li>• Occupational Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>• Labor &amp; employment meetings / Quarterly</li> <li>• Safe Sanitation Committee meeting / Quarterly</li> <li>• Employee Welfare Committee meeting / Quarterly</li> <li>• Employee Seminar / Monthly</li> <li>• Employee Suggestion Box / Instantly</li> <li>• Sexual Harassment Complaint Line / Instantly</li> <li>• Internal Training / Occasionally</li> <li>• Internal Website and System Announcement / Occasionally</li> <li>• ESG Concerns Questionnaire / Irregularly</li> <li>• Safety and environmental monthly meetings / Monthly</li> </ul>	<ul style="list-style-type: none"> <li>• A total of 12 monthly meetings are scheduled, each pertaining to one of the following three categories: safety, environmental, and Safe Sanitation Committee.</li> <li>• 5 labor-management meetings were conducted, as well as 15 Employee Welfare Committee Meetings.</li> <li>• Additionally, 6 cases of internal communication related to environmental safety and hygiene were addressed, and all were successfully resolved.</li> <li>• A total of 296 new employees and 4,301 existing employees received safety and health training, amounting to a total of 5,484 hours.</li> <li>• A total of 6 fire evacuation drills were conducted, with 362 participants.</li> <li>• The Digital Learning Online platform was made available.</li> <li>• Psychological counseling was provided to 2 employees on 3 occasions.</li> </ul>
 <p><b>Partners (Suppliers, Contractors, and Outsourcers)</b></p>	<p>Partners provide essential resources and services that are vital to the company's operations and production.</p>	<ul style="list-style-type: none"> <li>• Economic Performance</li> <li>• Business Ethics and Integrity</li> <li>• Customer Privacy and Information Security Management</li> <li>• R&amp;D and Intellectual Property Management</li> <li>• Customer Service and Satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• SCM Purchase Requisitions / Irregularly</li> <li>• Supplier Visit / Irregularly</li> <li>• SCM Complaint Channel / Instantly</li> <li>• E-mail, telephone / Instantly</li> <li>• General Manager's Mailbox / Instantly</li> <li>• Supplier Conference / Annual</li> <li>• Supplier Evaluation / Annually</li> <li>• ESG Concerns Questionnaire / Irregularly</li> </ul>	<ul style="list-style-type: none"> <li>• Issued 36 purchase notices.</li> <li>• Visited 20 suppliers.</li> <li>• Organized a Seminar on low carbon upgrade transformation plan, inviting 21 suppliers, with 100% participation.</li> <li>• Organized an annual safety meeting for 77 contractors.</li> <li>• Organized the annual supplier evaluation, with 216 suppliers evaluated.</li> </ul>

Stakeholders	Significance to the Company	Key Issues of Concern	Communication Channel/Frequency	2023 Consensus
 <p><b>Shareholders / Investors</b></p>	<p>Shareholders/investors play a vital role in supporting and monitoring the company's success and sustainability. TYC highly values the interests of its shareholders and investors and is committed to maintaining the highest standards of operational integrity.</p>	<ul style="list-style-type: none"> <li>• Talent Attraction and Retention</li> <li>• Labor Relations</li> <li>• Occupational Health and Safety</li> <li>• Product Safety and Quality, Customer Health and Safety</li> <li>• Customer Service and Satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• MOPS / Irregularly</li> <li>• Investor Conference / Irregularly</li> <li>• Stakeholder Zone on company website / Instantly</li> <li>• General Manager's Mailbox / Instantly</li> <li>• Annual and Financial Reports / Annual</li> <li>• Shareholders' Meetings / Annually</li> <li>• ESG Concerns Questionnaire / Irregularly</li> </ul>	<ul style="list-style-type: none"> <li>• Held one Investor Conference</li> <li>• Released Sustainability Report</li> </ul>

Note : To facilitate communication and exchange of views, TYC has established a dedicated Stakeholder Zone on its website.

#### 2023 CHIMEI Corporation: From Carbon Footprint to Carbon Handprint Sustainability Exchange

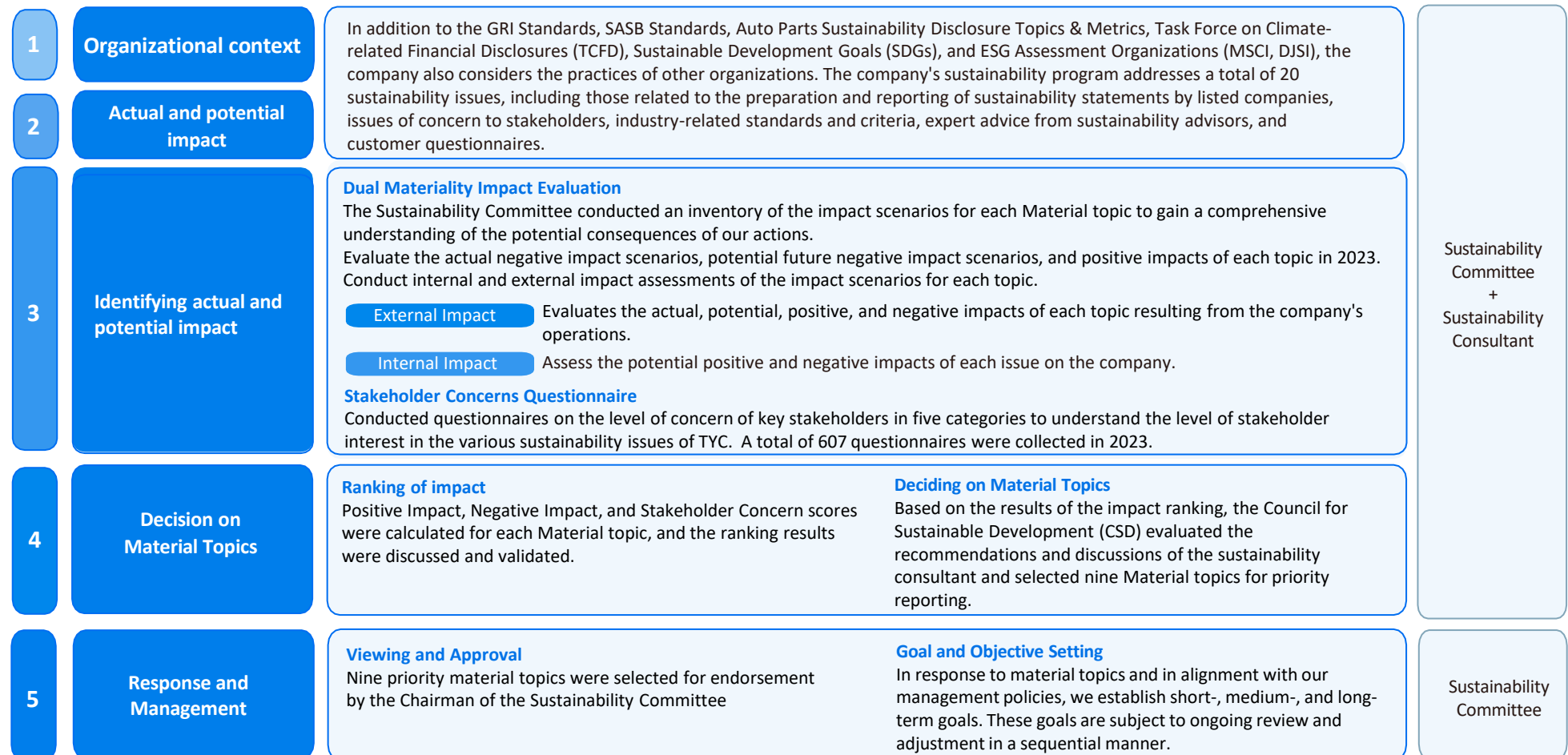
TYC values open and transparent communication with all stakeholders. In addition to proactively engaging with stakeholders, TYC also participates in sustainability exchange sessions organized by supplier partners. In 2023, TYC participated in CHIMEI's "From Carbon Footprint to Carbon Handprint Sustainability Exchange." CHIMEI shared valuable experience in energy-saving equipment, sustainable products, logistics, transportation, and resource reuse to enable upstream and downstream companies to reduce their carbon footprint and achieve the goal of net-zero emissions. TYC is committed to working with suppliers to establish a ethical cycle of carbon reduction and achieve a sustainable supply chain.



## 1.3 Material Topics Analysis




In accordance with the GRI 3: Material Topics 2021 disclosure principles, TYC assesses the actual or potential impact of its operations on external economic, environmental, and human rights. Furthermore, it assesses the potential impact on TYC's ability to operate sustainably. This assessment enables TYC to gain a deeper understanding of the company's external and internal impacts throughout its operations. Furthermore, this approach aligns with the EU's proposal of double materiality.

### Material Topics Assessment Process



## Material Topics Collection and Compilation

TYC follows a sustainability framework that references GRI Standards, SASB Standards, Task Force on Climate-related Financial Disclosures (TCFD), Sustainable Development Goals (SDGs) 、 ESG Rating Organizations (MSCI, DJSI), listed companies' sustainability statements, issues of concern to stakeholders, industry-related standards and criteria, expert advice from sustainability advisors, and customer questionnaires. A total of 20 sustainability issues have been compiled, covering corporate governance, economic, environmental and social aspects.

Governance	Environment	Social
<ul style="list-style-type: none"> <li>• Economic Performance</li> <li>• Business Ethics and Integrity</li> <li>• Customer Privacy and Information Security Management</li> <li>• Taxation</li> <li>• R&amp;D and Intellectual Property Management Management</li> </ul> 	<ul style="list-style-type: none"> <li>• Climate Change Response</li> <li>• Water Resources</li> <li>• Air Quality Management</li> <li>• Resource Recycling and Utilization</li> <li>• Ecological Conservation</li> </ul> 	<ul style="list-style-type: none"> <li>• Supply Chain Sustainability Management</li> <li>• Talent Attraction and Retention</li> <li>• Training and Education</li> <li>• Human Rights Management</li> <li>• Labor Relations</li> <li>• Occupational Health and Safety</li> <li>• Fire Safety Management</li> <li>• Product Safety and Quality</li> <li>• Customer Health and Safety 、 Customer Service and Satisfaction</li> <li>• Social Involvement</li> </ul> 

Note: Restatement of previous year's consolidated statement of changes in continuing operations.

1. Integrate the "Raw Material Reduction Management" into the "R&D and Intellectual Property Management".

2. Integrate the section on diversity and equality into "Human Rights Management".

3. Integrate the section on the local community into "Social Involvement".

4. Given that "Risk management, corporate governance, and compliance with laws and regulations" should be embedded in the company's daily operations and management behaviors, they are not considered a standalone sustainability issue.

5. The issues raised in the assessment and the customer questionnaire should be consolidated, and the heading "Integrity in Business" should be changed to "Business Ethics and Integrity."

6. The title "Air Pollution Emission" has been changed to "Air Quality Management."

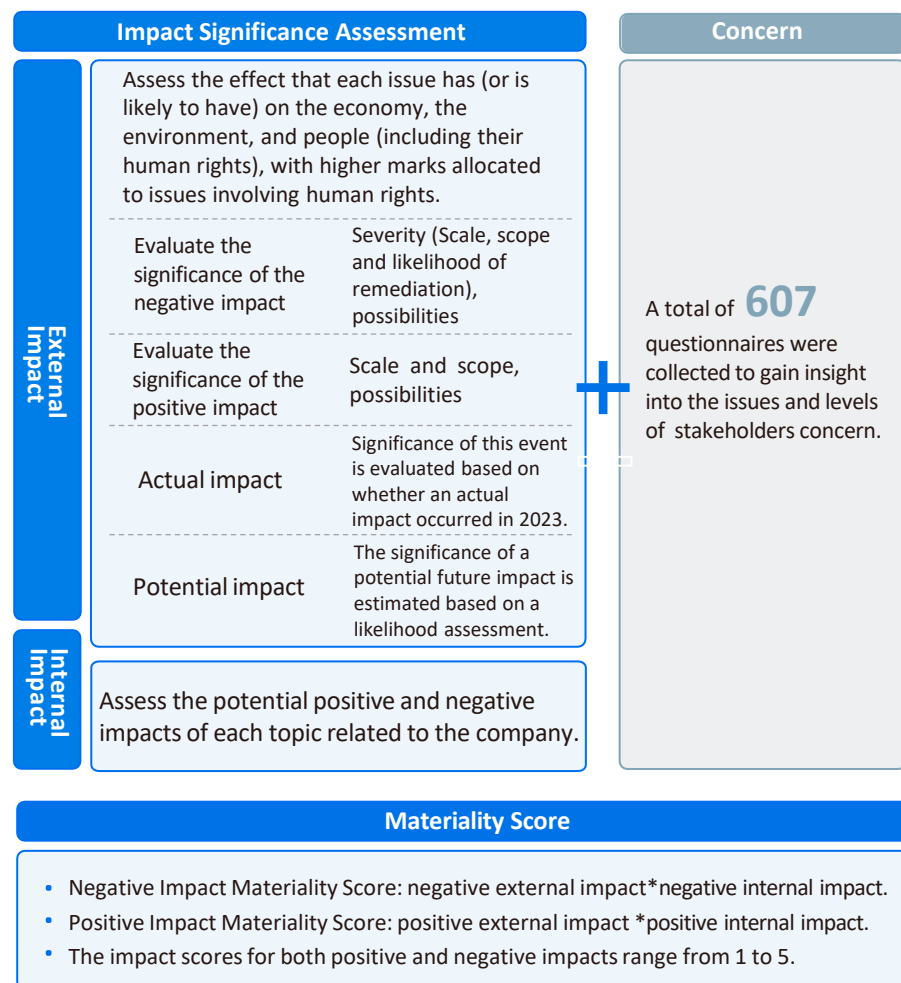
7. The title "Customer Privacy and Information Security" has been changed to "Customer Privacy and Information Security Management."

8. The topic of "Fire Safety Management" has been added to the list of sustainability topics.

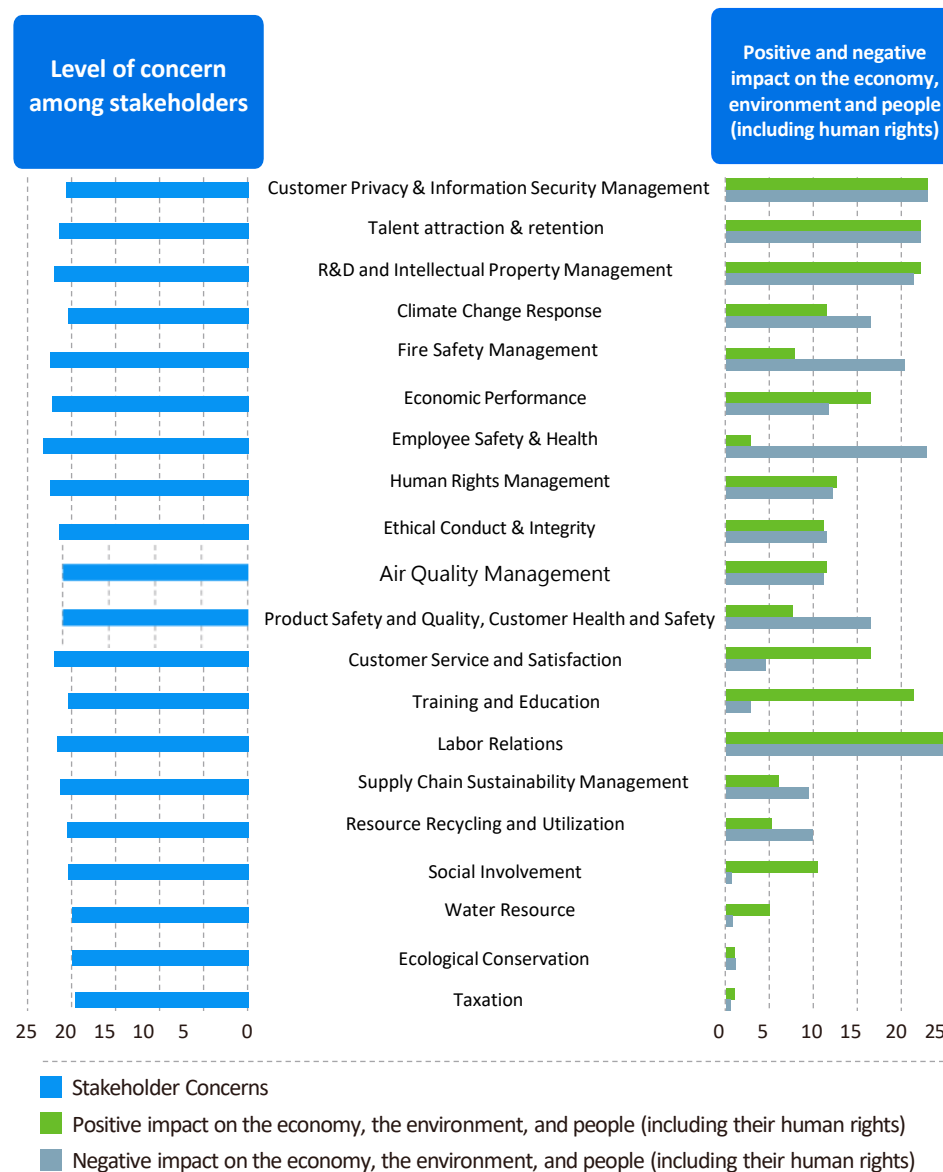
9. In the previous year, the topic of "Corporate Image" included "Product health and safety" and "Customer service and satisfaction." This year, "Corporate Image" has been incorporated into "Product health and safety" and renamed "Product safety and quality, customer health and safety," with "Customer service and satisfaction" as a separate topic.

## Sustainability Impact Assessment

In accordance with the GRI 3: Material Topics 2021 disclosure principles, TYC assesses the internal and external impact evaluations for 20 sustainability issues in a sequential manner. To incorporate stakeholders' concerns into the impact evaluation process, TYC distributed a questionnaire to ascertain their level of concern about sustainability issues. The company distributed a questionnaire to stakeholders to ascertain their level of concern regarding sustainability issues.

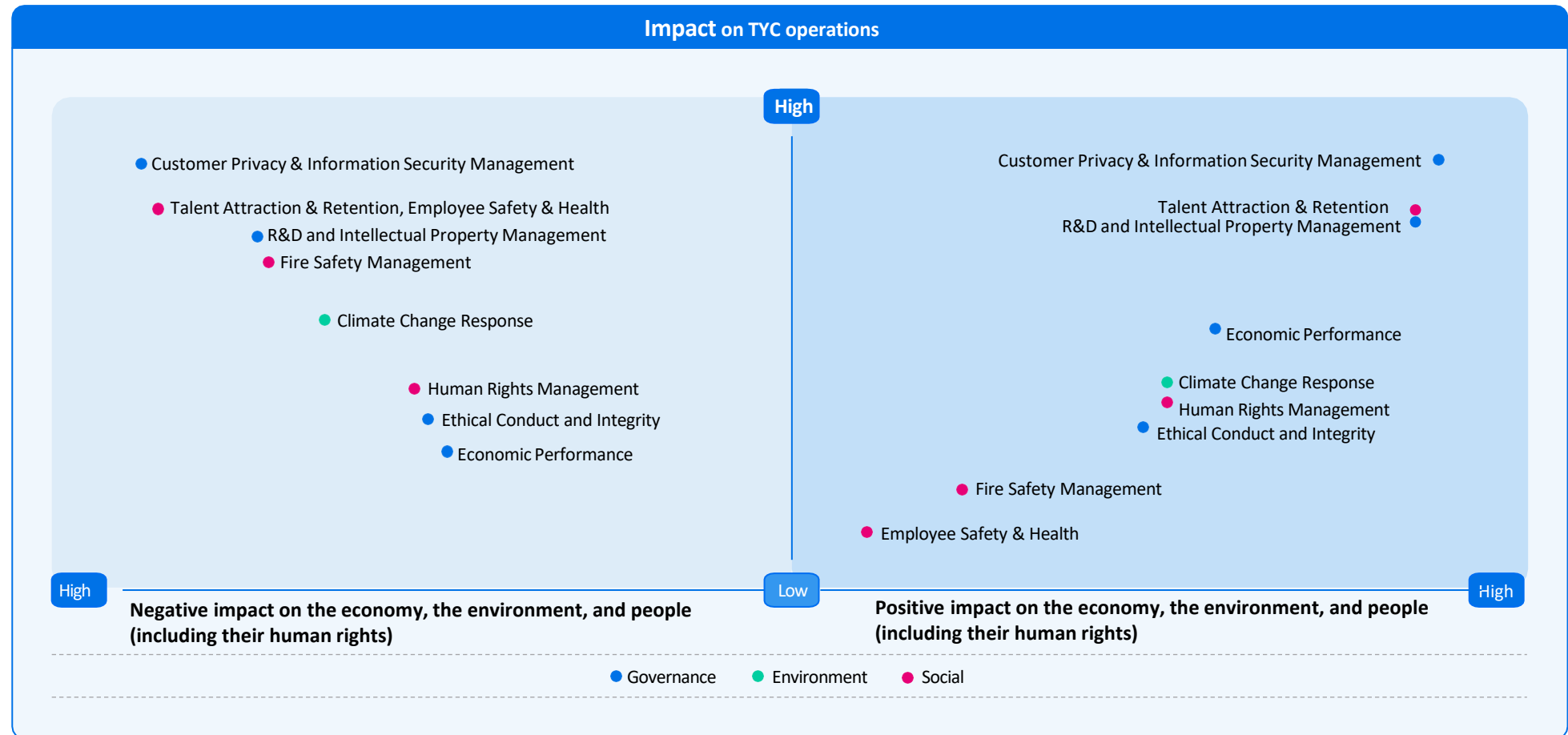


## Ranking of the impact of Material Topics:



## Identification of key issues

Following the impact assessment and ranking of material topics, a total of nine key issues were selected for reporting this year. These were chosen following discussion with sustainability consultants and experts from the Sustainability Committee, and following approval by the Chairman of the Sustainability Committee. The selected issues are described in detail, along with the measures taken and results achieved. These form the basis for the Company's priority responses and the formulation of short-, medium- and long-term sustainability goals.



## List of Material Topics

No.	Material Topics	Management Purpose and Importance	Regard to the Material Topics	Related Chapters	Management
1	Customer Privacy and Information Security Management*	TYC's operations are heavily reliant on information technology and information systems. These systems and the data often encompass the company's core technologies and customers business secrets. Unauthorized access to or stealing this information would cause significant financial losses and risks to the company.	【GRI】 Customer Privacy: 418	2 Governance	Customer Privacy and Information Security Management
2	Talent attraction and retention*	Employees are important partners for TYC's sustainable growth. To foster a culture of talent development, TYC offers a comprehensive package of benefits and competitive compensation. We are committed to provide training programs at various levels and across different functions to equip our employees with the needed skills and knowledge for personal and career development. This investment in our workforce ultimately enhances our overall competitiveness in the market.	【GRI】 Economic Performance: 201-3 【GRI】 Market Presence: 202 【GRI】 Employment: 401 【DJSI-Automobile Parts】 Talent Attraction and Retention	5 Friendly Workplace	Talent Attraction and Retention
3	R&D and Intellectual Property Management*	Patent development helps prevent imitation by competitors and enhances technological innovation capabilities. The innovative capabilities can be extended to the entire group, improving the overall R&D capabilities and competitiveness, creating greater value and returns.	【GRI】 Materials: 301-1 【GRI】 Energy: 302-5 【SASB-Automobile Parts】 Material Efficiency 【DJSI-Automobile Parts】 Innovation Management 【MSCI】 Clean Energy Opportunities	3 Green Actions	R&D and Intellectual Property Management
4	Climate Change Response*	Climate change has become one of the most critical environmental and economic issues for enterprises. How to reduce energy consumption and costs as well as lower carbon emissions to enhance corporate image and brand value is closely related to the company's sustainable development and is also a concern for stakeholders and investors.	【GRI】 Economic Performance: 201-2 【GRI】 Energy: 302-1、302-3、302-4 【GRI】 Emissions: 305-1~5 【TWSE】 Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports 【TCFD】 Task Force on Climate-related Financial Disclosures 【SASB-Automobile Parts】 Energy Management 【DJSI-Automobile Parts】 Climate Strategy, Emissions	3 Green Actions	Climate Change Response
5	Fire Safety Management	TYC insists on putting safety first, and fire safety is our most important concern. To protect the safety of the company's employees, visitors and property, to prevent fire accidents, to respond effectively to fire crises, and to minimize fire losses as much as possible.	Custom Topic 【GRI】 Occupational Health and Safety 403-5 【GRI】 Local Community: 413-2	5 Friendly Workplace	Occupational Health and Safety

No.	Material Topics	Management Purpose and Importance	Regard to the Material Topics	Related Chapters	Management
6	Economic Performance	TYC demonstrates superior design capabilities compared to its industry competitors, and its product quality is highly recognized by international customers. In response to the evolving business challenges, the company maintains effective management of its economic performance and associated capital expenditure decisions. TYC is committed to continuous innovation, strengthening its competitiveness, and optimizing production costs to ensure sustainable profitability, with the ultimate goal of creating long-term value for its shareholders.	【GRI】Economic Performance: 201-1、201-4	2 Governance	Economic Performance
7	Employee Safety and Health*	Ensuring occupational health and safety can enhance employee safety and health, reduce labor turnover, and guarantee compliance with regulations. At TYC, we prioritize the safety and health of all employees, cultivate a culture of safety, and foster a secure work environment to safeguard the lives and assets of our employees and the community.	【GRI】Occupational Health and Safety: 403	5 Friendly Workspace	Employee Safety and Health
8	Human Rights Management*	Implementing human rights management not only protects employees from harm but also helps avoid negative impacts on the company's reputation. To fulfill corporate social responsibility, establish a diverse and inclusive workplace, and safeguard the basic human rights of employees and stakeholders, TYC strictly complies with relevant human rights regulations and creates a friendly work environment.	【GRI】Diversity and Equal opportunities: 405 【GRI】Non-discrimination: 406 【GRI】Forced or Compulsory Labor: 409 【MSCI-Automobile Parts】Labor Management	5 Friendly Workspace	Human Rights Management
9	Ethical Conduct and Integrity*	Establish well-defined codes of integrity, anti-corruption, and data protection to uphold ethical standards and foster trust with business partners, thereby preventing the occurrence of relevant incidents.	【GRI】Anti-corruption: 205-2, 205-3 【GRI】Anti-competitive Behavior: 206 【SASB-Automobile Parts】Competitive Practice 【MSCI-Automobile Parts】Ethical Corporate Management	2 Governance	Ethical Conduct and Integrity

Note:

1. The above table presents a ranking of major sustainability issues according to their impact assessment scores.
2. An asterisk (\*) indicates that an actual negative impact event has occurred in 2023. For detailed information on the positive and negative impacts and corresponding remedial measures, please refer to the management policy of each issue.
3. The incorporation of sustainability issues into the company's daily operations and management programs, along with the restructuring and consolidation of these issues, has led to an increase in the number of major issues identified this year. These include fire safety management and human rights management, which were not as prominent in the previous year's results. Corporate image and training and education, which were previously identified as major issues, have now been classified as secondary themes.



## 2 Governance and Operations

---

### **Economic Performance Management**

2.1 Company Introduction

2.2 Business Overview

2.3 Brand Image and Customer Relationship Management

2.4 Company Governance

### **Ethical Conduct and Integrity Management**

2.5 Integrity and Law Compliance

2.6 Risk Management

### **Customer Privacy and Information Security Management**

2.7 Information Security Management

## 2023 Performance Highlights

---

### ↑9.83%

In 2023, the company generated an operating revenue of \$12,664,171,000, representing a 9.83% increase from the \$11,530,952,000 recorded in 2022.

### ↑45.80%

The gross profit on sales for 2023 was \$2,423,613,000, representing a 45.80% increase from the \$1,662,250 thousand recorded in 2022.

### ↑3.77 points

The customer satisfaction score for 2023 is 79.85, representing an increase of 3.77 points from the 2022 score of 76.08.

### 2,050 sets

As of 2023, 2,050 lamps have been certified by CAPA.

### Establishment of Information Security Center

The company set up a dedicated information security department and adopted an information security policy in November 2023, following a decision by the Board of Directors.

---

# Economic Performance Management

## Material Topics : Economic Performance

<b>Positive Benefits Description</b>	The higher unit price of TYC products in the AM market in Europe and the U.S., along with the impact of the exchange rate, has contributed to the company's growth in operating performance in 2023 compared to last year. Additionally, the cross-organizational synergy of the global group's division of labor and cooperation has positively impacted TYC's growth. TYC will continue to promote its branded products through its marketing channels with the goal of strengthening its competitiveness in the marketplace and increasing customer loyalty and reliability.
<b>Negative Impact Description</b>	There has been no actual negative impact in 2023. However, due to the 93.27% share of TYC's products being exported, its operating revenues will be more affected by changes in the general environment and the exchange rate. Additionally, the increasing demand for higher technological thresholds for automotive lighting products and the environmental requirements related to sustainability issues that result in more stringent material and testing practices will lead to an increase in the company's development costs and operating costs.
<b>Remedy/ Measures</b>	In the event of a significant economic performance event, critical information will be published on the Market Observation Post System (MOPS) in accordance with the legal time frame.
<b>Complaints/ Communication Channels</b>	Stakeholders are invited to provide feedback via our internal and external complaint channels. <ul style="list-style-type: none"> <li>E-mail: <a href="mailto:tyc2524@tyc.com.tw">tyc2524@tyc.com.tw</a></li> <li>Tel: 06-2658781 ext. 100 Mr. WENG, YI-FENG, Deputy General Manager</li> </ul>
<b>Liability</b>	Internal Authorities: The Board of Directors, Management Team, and Units.
<b>Management Evaluation</b>	<ul style="list-style-type: none"> <li>The quarterly financial statements are reviewed (or audited) by the accountants and an audit report is issued, which is reviewed and approved by the Audit Committee, and then published in accordance with the relevant laws and regulations. The financial statements are then reviewed (or audited) by the accountants and reported to the Board of Directors.</li> <li>The management team holds monthly management meetings and budget meetings to review production, sales, and profitability in order to ensure the company's normal operational status.</li> </ul>
<b>Goals &amp; Objectives</b>	<ul style="list-style-type: none"> <li>There was a steady increase in both operating revenue and gross profit.</li> <li>It is projected that the number of CAPA (Certified Auto Parts Association) certified lamps will exceed 2,050 by 2023.</li> </ul>
<b>Specific Actions in 2023</b>	<ul style="list-style-type: none"> <li>It is the responsibility of the Financial Division to prepare the annual budget, track and review it through regular meetings, and take necessary measures.</li> <li>Participate in Automechanika SHANGHAI.</li> <li>Present the company's operating results to the public on a regular basis.</li> <li>Immediately disclose important financial information about the company.</li> <li>Continuously pass product certifications to increase the performance of related product groups and enhance profitability.</li> <li>Actively invest in the development of intelligent lighting technology and apply for patents to ensure the protection for intellectual property.</li> <li>Accelerate the development of new products and reduce the time to market in order to gain a competitive advantage in the market.</li> </ul>
<b>Performance Results</b>	<ul style="list-style-type: none"> <li>Following Automechanika SHANGHAI, 54 potential customers were identified by the business side for further consideration.</li> <li>Operating revenue for 2023 was NT\$12,664,171,000, representing a 9.83% increase from the NT\$11,530,952,000 recorded in 2022. The gross profit from sales in 2023 was NT\$2,423,613,000, representing a 45.80% increase from the NT\$1,662,250,000 generated in 2022.</li> <li>As of 2023, 2,050 lamps have been certified by CAPA.</li> <li>In the same year, the company was selected as one of the top 500 export and import enterprises by the Ministry of Commerce.</li> </ul>

## 2.1 Company Introduction



A light that never dims  
Everywhere in the world, the  
light of TYC is always there  
to brighten up and lead everyone on  
the bright and safe path

Light. Intelligence. Safety.

Vision To impact the world in a meaningful way

Mission Increase relevance in a changing market.  
(Product & Company)  
Show energy and youth with image and dynamic  
platforms  
Strengthen and deepen service offerings

Promise Support clients through changing times  
Continue to deliver relevant products

Value Courage、Innovation、Cooperation、Care



[Company Profile](#)



[Company History](#)

## TYC Brother Industrial Co., Ltd

Market	Listed Company (Code: 1522)
Listing Date	October 6 <sup>th</sup> , 1997
Industry	Automobile
Number of Employees	1,649 employees (as of December 31, 2023)
Paid-in Capital	3,429,000,000
Date of Incorporation	September 9 <sup>th</sup> , 1986
Major Products	Manufacture and sales of automobile and motorcycle headlamps.
Chairman	WU, KUO-CHEN
General Manager	SU, YAN-SHUO
2023 Operating Revenue (individual)	NT\$12,664,171,000
2023 Sales Volume (individual)	Automobile headlamps: 10,649,705 Others <sup>Note.</sup> : 11,285,041 Motorbike headlamps: 976,077
Operations	Our global operations encompass Taiwan, the United States, the Netherlands, China, Thailand, and Vietnam.

Note: Others- Excluding Automobile and Motorbike Lamps

## Taiwan Operations

1986

### An-ping Plant (Headquarters)

No.72-2, Xinle Rd., South Dist., Tainan City

Area: 21,746 square meters

Departments: Management, Administration Division, Financial Division, Sales and Marketing Division, R&D Division, General Manager's Room



2003

### Establishment of Plant 1

No. 377, Sec. 2, Bentian Rd., Annan Dist., Tainan City

Area: 62,300 square meters

Departments: Material Supply Division, Production Division, Quality Control Department, MDC.



2012

### Establishment of Plant 2

No. 36, Gongye 3rd Rd., Annan Dist., Tainan City

Area: 12,722 square meters

Department: MDC.



2015

### Establishment of Plant 3

No. 27, Gongye 3rd Rd., Annan Dist., Tainan City

Area: 20,761 square meters

Department: OEM Sales

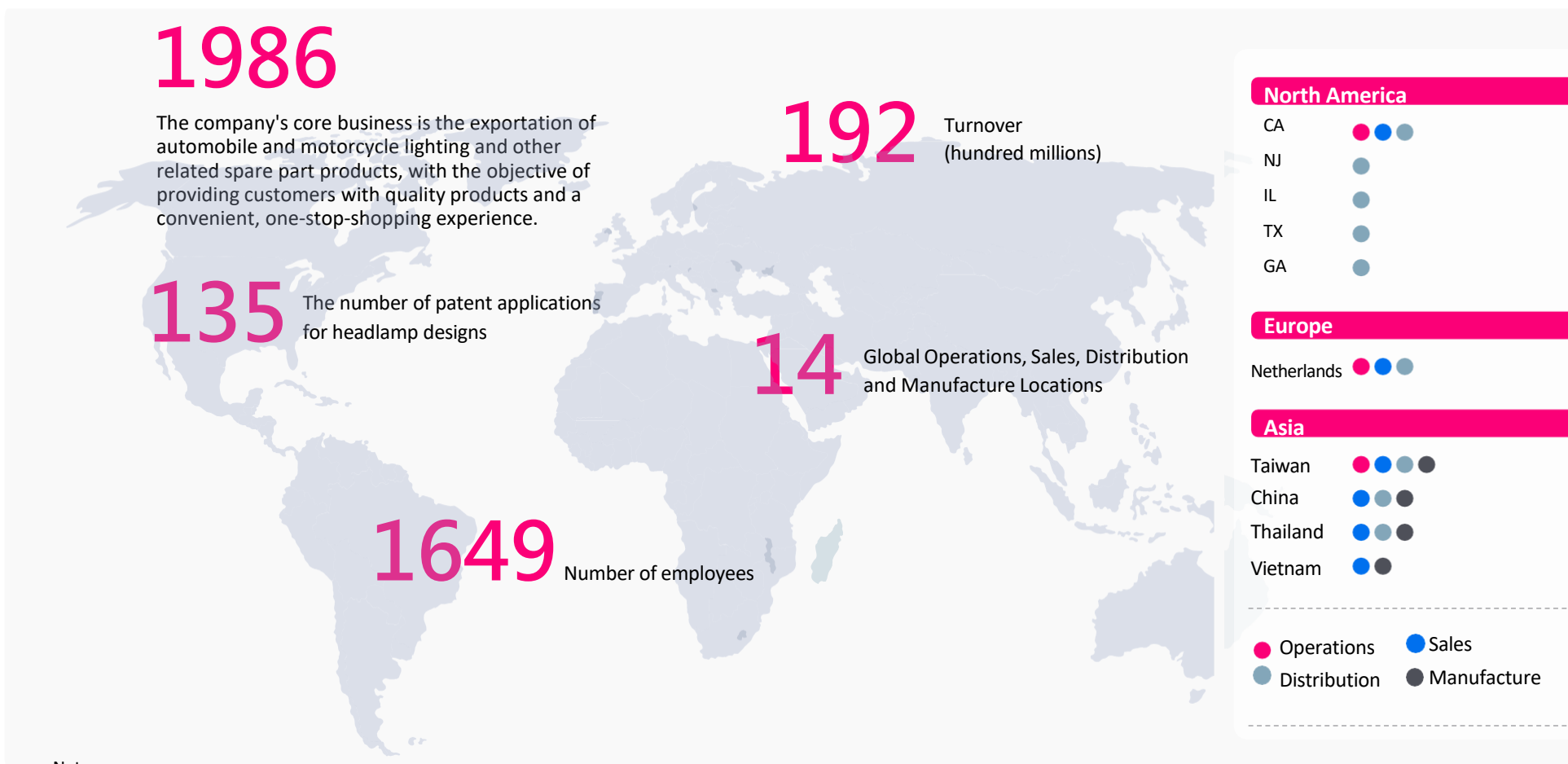


## Global Locations

Our comprehensive global headlamp manufacturing capabilities, extensive sales network, and profound experience and technical resource integration have positioned TYC as a leading OEM and AM service market partner and supplier worldwide. Our high sensitivity to the market and extensive R&D experience enable us to achieve our corporate goals and meet our shareholders' expectations. We integrate internal and external resources to market the TYC brand in over 130 countries worldwide, with sales offices and channels in North America, Europe, China, and the ASEAN region.



[TYC Global  
Footprint](#)



Note:

1. The figures for employees and the number of patents for lighting design are for TYC alone (excludes subsidiaries).

2. TYC's turnover is 12.6 billion (excludes subsidiaries).

## External Communication

TYC participates in conferences and seminars organized from time to time by manufacturers' associations and trade associations to make suggestions for the development of the industry and focus on future policies for the vehicle industry, and to promote exchanges and cooperative relationships.

Name of Organization	Association Representative/Position
Tainan Technology Industrial Park Manufacturers Association	Safety and Health Room Project Manager: Wang, Zai-Xing / Executive Director
An-ping Industrial Park Association	
Taiwan Transportation Vehicle Manufacturers Association	Member
Tainan City Automobile Repair Material Business Association	Member
Taiwan Excellent Brand Association	Member
Taiwan Auto Parts Industry Association	Core Member
Taiwan Automotive Body Parts Association	Core Member

## 2.2 Business Overview

### Major Products and Services

TYC's major products include automobile, truck, bus, and other vehicle-related lighting components, as well as ancillary automotive parts such as blowers, fans, condensers, water tanks, starter motors, generators, mirrors, air filters, lifts, and air-conditioning compressors. The company's principal markets include the automotive lighting after-sales service (AM) sector, the original equipment manufacturer (OEM) market, and the original design manufacturer (ODM) market. TYC is equipped with the capabilities to design, manufacture, and mold professional automotive lamps, thus offering a comprehensive range of lamps and other collision parts to meet the one-stop shopping requirements of customers in the automotive refurbishment market. In light of its market sensitivity and extensive experience in research and development, TYC has integrated internal and external resources to market its products on a global scale under the TYC brand name. The company's marketing strategy has been implemented across the United States, Europe, China, and the ASEAN countries with the objective of achieving the company's revenue targets and meeting the expectations of its shareholders.

#### Main Customers of OEM

The current customers are automotive and motorbike companies.



Automotive



Bus & Truck



Motorbike

#### Main Customers of AM

The current customers are more traditional types.  
Keen to develop different types of customers groups in the future.



Importer



Wholesaler/Distributor

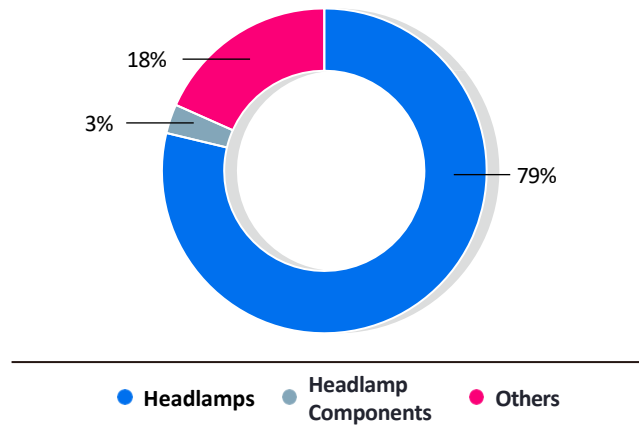


Insurance Company

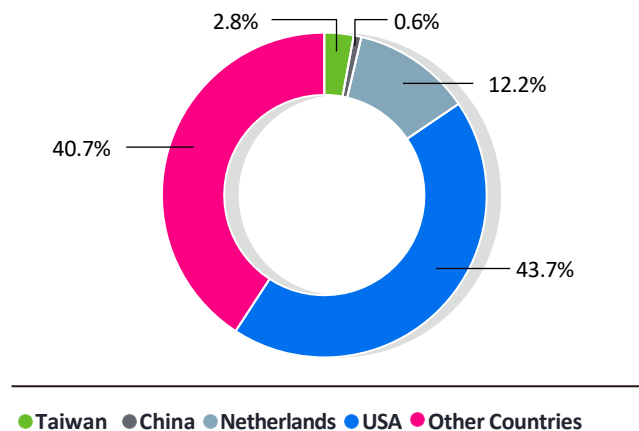


Chain store

## 2023 Product Revenue Share



## 2023 Major Products Sales Region



Note: Product revenue share and major product sales region summary data are based on TYC as an individual (excluding subsidiaries) only.

## Business Development Program

- The OEM capitalizes on the tariff advantage of the Regional Comprehensive Economic Partnership (RCEP) to secure orders from automakers based locally and in member countries, leveraging the Southeast Asian production base as a competitive advantage. Moreover, we are working with our clients to reinforce existing customer relations and develop new vehicle models and projects, with the aim of maintaining a positive outlook for the future.
- In order to expand the largest AM market in North America, we have invested capital and manpower to obtain CAPA certification. As of 2023, 2,050 lamps have been certified by CAPA, and it is estimated that by 2024, more than 2,200 lamps will have been certified. Now we continue to invest all resources to obtain CAPA certification to increase sales in the insurance market.
- The company has added new strategic product lines and expanded TYC brand products such as compressor for automotive air conditioning, mirrors, condensers, fans, water tanks, blowers, lifts, air filters, chassis parts, electrical products, and new product groups such as automotive electronics, and is actively seeking strategic alliances with high quality and competitive domestic and foreign manufacturers to strengthen its competitiveness in the market.

## Competitive Advantage

- TYC's international competition is concentrated in the area of optical and institutional patents related to vehicle lighting. TYC currently holds patents in Taiwan, the United States, the European Union (Germany and France), China, and in other countries. The company maintains that in the field of intelligent and advanced lighting, a certain amount of optical and institutional patents is still necessary to support its competitive niche. Otherwise, the company will be unable to develop the most competitive products due to restrictions imposed by the patents of other countries.
- The role of vehicle lighting in styling, design, and development remains a key focus area for us. Our core operations are centered on optics, mechanisms, electronics, heat flow, and materials. However, the future of vehicles will be shaped by advancements in AI, 5G, the internet, self-driving systems, communication, electronics, and apps. In order to meet the demands of this evolving landscape, TYC is investing in talent to support in-vehicle communication and functional safety.

## Operational Performance

On one hand, the Company's future development strategy continues to secure its existing position in the global AM product market. The revenue of CAPA products in North America is continuously growing. As for the European and general regional markets, they will continue to increase the product group and enhance the price competitiveness of products. The result is promising. On the other hand, it will continue to distribute and develop OEM business as the global supply chain ecology changes, and promote growth in revenue and profit by AM and OEM business.

Operating revenue for 2023 was \$12,664,171,000, representing a 9.83% increase from the \$11,530,952,000 recorded in 2022. The gross profit for 2023 was \$2,423,613,000, representing a 45.80% increase from the \$1,662,250,000 recorded in 2022. In 2023, employee salaries and benefits totaled \$1,191,136,000, representing a 1.62% increase from the \$1,172,195,000 recorded in 2022. The employee salaries and benefits budget for 2023 was \$1,191,136, representing a 1.62% increase from the 2022 budget of \$1,172,195.

In accordance with Article 10 of the Statute for Industrial Innovation, a company may claim a tax credit of up to 15% of the amount invested in research and development expenditures, subject to a maximum of 30% of the amount of tax payable by the company for the year. TYC has claimed investment tax credits amounting to \$17,697,683 in 2021, \$29,168,080 in 2022, and \$31,314,449 in 2023, respectively. Furthermore, the Bureau of Labor Insurance received \$11,611 in salary subsidies for maternity inspections in 2023.

### TYC Financial Results of the Last Three Years

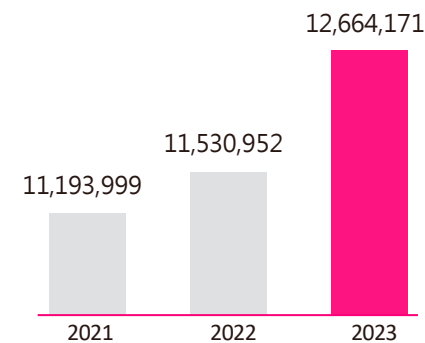
Unit: (In Thousand NT\$)

Article/Year	2021	2022	2023
Operating Income	11,193,999	11,530,952	12,664,171
Operating Costs	10,042,499	9,868,702	10,240,558
Gross Profit	1,151,500	1,662,250	2,423,613
Profit and Loss	165,116	671,638	1,359,584
Non-operating income and expenses	70,399	449,838	(33,868)
Net income before tax	235,515	1,121,476	1,325,716
Net income from continuing operations	193,271	932,533	1,093,134
Net income (loss)	193,271	932,533	1,093,134
Other comprehensive income(net)	(37,399)	202,702	(141,448)
Total comprehensive income	155,932	1,135,235	951,686
Earnings per share (in NT\$)	0.62	2.91	3.31
Employee compensation and benefits <sup>Note 3</sup>	1,084,186	1,172,195	1,191,136
Dividends paid to shareholders	187,739	180,120	623,216
Income Tax	9,098	398	173,451
Government fines	100	65	161
Community investment (donations, pro bono expenses, etc.)	600	1,200	1,258

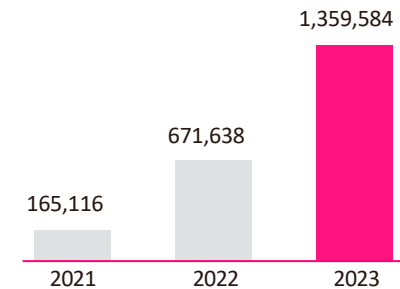
#### Note:

1. The above table shows the data of the condensed consolidated income statement of TYC (excluding subsidiaries).
2. Please refer to the TYC 2023 Annual Report for the shareholder structure and shareholding ratio.
3. Employee compensation and benefits includes payroll costs, labor and medical insurance costs, pension costs and other employee benefits costs, and excludes education and training costs and occupational health and safety costs.

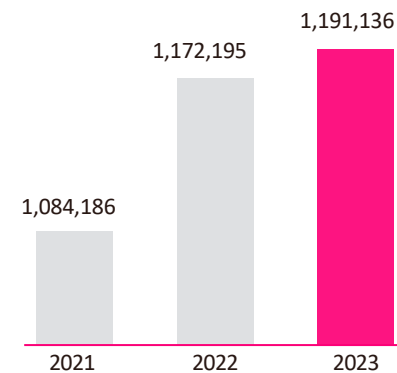
### Operating Income(In Thousand NT\$)



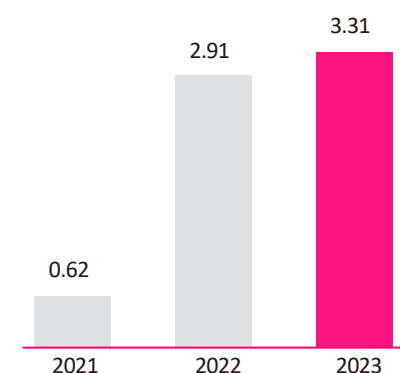
### Operating Losses(In Thousand NT\$)



### Employee compensation and benefits (In Thousand NT\$)

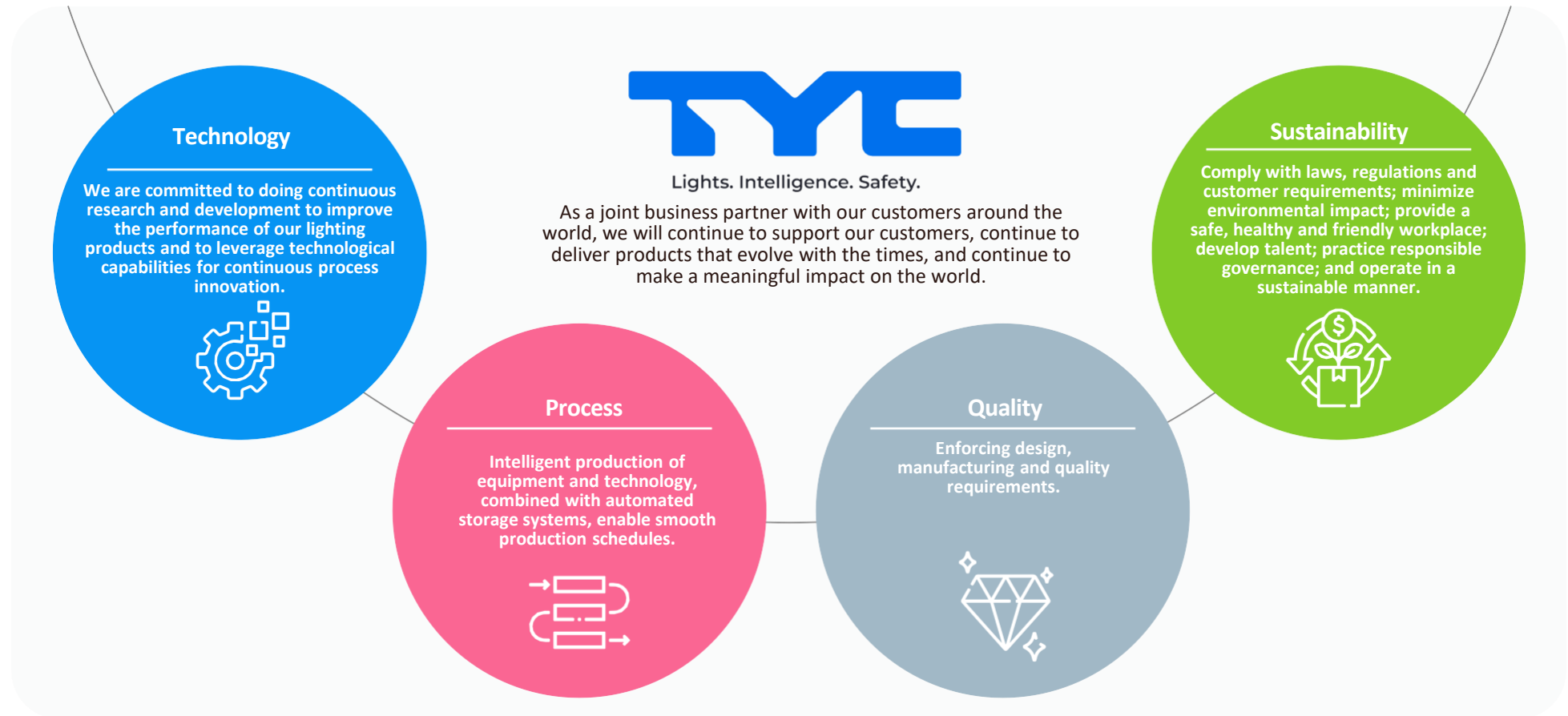


### Earnings per share (in NT\$)



## 2.3 Brand Image and Customer Relationship Management

TYC's brand image is divided into two forms of online and offline exposure. Online exposure is done through social media postings, focusing on TYC's R&D technology, environmental protection, employee welfare, talent recruitment and training, and other related issues; offline exposure is done through participation in international exhibitions, such as Automechanika SHANGHAI in 2023, where we will have face-to-face interactions with our customers. Communicate brand value and enhance brand visibility.



## Positioning and Product Marketing Experience

As the trend of automotive development moves toward "intelligent safety" and automated driving, the application of automotive lighting technology has changed from the traditional "light, machine, electricity and heat" to the development of technologically advanced intelligent lighting. Therefore, intelligent in-vehicle communication and microstructure precision optical processing have become the focus of the new generation of lighting technology.

TYC has adopted a vertically integrated technology strategy, encompassing research and development, design, optics, and production technology. This approach is designed to enable the company to not only surpass its competitors but also to become a technology pioneer within its industry. In the context of market competition, TYC has adopted a strategy that prioritizes the utilization of its technological capabilities. TYC's production facilities are equipped with Industry 4.0 technology to enhance production efficiency and product quality. The company is also planning for an automated and clean intelligent chemical plant, which will transform the production site into a modern, clean, bright, and safe working environment that will be recognized and appreciated by its customers and will contribute to further growth in business. Concurrently, TYC has been diversifying its product range (e.g., automotive collision parts other than lamps) and collaborating with various automotive parts and accessories manufacturers to expand the market through channel marketing.

In May 2005, the Ministry of Finance's Department of Customs and Excise granted TYC approval to establish a self-managed bonded warehouse. Additionally, in December 2010, TYC was designated as an AEO (Safety Certified Excellent Enterprise), a distinction that was previously unattainable by any automotive component industry in Taiwan. This demonstrates that the company places significant emphasis on adhering to the safety regulations governing import and export activities within the international trade sector. Furthermore, TYC has been consistently recognized as one of Taiwan's top 500 import and export manufacturers by the Bureau of Foreign Trade, a ranking it has maintained from 2001 to 2023. The company has been included on the Bureau of Foreign Trade's list of the top 500 import and export enterprises on an annual basis from 2001 to 2023.

### -OEM Market Positioning-

#### Foremost of advanced technology for intelligent luminaires

- Complete quality certification systems, such as IATF 16949, ISO 26262, and Ford Q1, among others, guarantee product quality and uniformity in mass production. TYC's European and North American distribution warehouses enable us to provide immediate supply to a multitude of vehicle manufacturers.
- By employing a cross-departmental dedicated team model for the design and development of new products in collaboration with original equipment manufacturers (OEMs), we are able to exercise control over the development process and provide the most immediate feedback to vehicle manufacturers.
- The company is engaged in a process of active expansion of its overseas factories, with the objective of meeting the requirements of localized production through the utilization of the Group's resources.

### -AM Market Positioning-

#### The foremost brand globally for automotive lighting and safety components

- From the aspect of the product: In response to the prevailing market trend, we have expanded our product range to include superior quality and more comprehensive product groups. This strategy is designed to meet customers' expectations for a convenient, one-stop shopping experience, while also fostering customer loyalty and brand loyalty to TYC.
- From the aspect of the market : By leveraging our channel advantages, we have formed strategic alliances with numerous automobile and motorcycle component manufacturers in Taiwan. These collaborations have enabled us to expand our revenue scale and assist our partners in penetrating overseas markets, thereby strengthening the competitiveness of the industrial chain. Furthermore, we have adapted the successful business models of the U.S. and European markets to the Chinese and ASEAN markets.
- It is imperative that we actively enter the insurance certification market in the United States and China. Doing so will enable us to enhance the quality and value of our products, thereby differentiating ourselves from our competitors in the market.

## Product Labeling Requirements

TYC adheres to all relevant marketing and labeling regulations pertaining to the sale of its products. The company respects the rights and interests of its customers and endeavors to enhance the transparency of its products and services, ensuring that information is clear and unambiguous. In 2023, no violations of product and service information and labeling laws or regulations have occurred.

### Regulatory Labeling

Our company's certified products are identified by functional inscriptions that comply with regulations specific to various market areas.

DOT SAE DRL MP 21 MOTORCYCLE  
SAE (American Standard)

WC/R-CS PL E4 7.5 149R00 MA RL  
29498 148R00

ECE (European Standard)



CCC (China)

### Product Information Labeling

In accordance with the specifications of the manufacturer, product information is marked with barcode or QR code stickers to streamline product identification and traceability.



TYC Product Labeling



HARLEY BARCODE



KTM QR CODE

### Trademarks

In addition to the TYC product marking, the logo is engraved in accordance with the specifications provided by the respective manufacturer and is duly authorized by the manufacturer's trademark.



TYC



KTM



DUCATI



HARLEY

### Product Certifications and Warning Labels



CAPA  
Certification



In accordance with State of California regulations, any special chemicals that may cause cancer, birth defects, or other reproductive harm (e.g., special chemical surface treatments, special solvents) must be labeled with a warning message on the outside of the carton.

### TYC Logo Marking Principle

#### Principle of engraving on each part

- According to the appearance of the whole lamp, the visible parts should be engraved on the non-visible latch or slider as far as possible.
- If the parts are visible, the engraving will be avoided as much as possible to ensure that the optical and aesthetic requirements are met. This is to prevent any potential impact on the customer's and the factory's aesthetic appraisal.
- In the event that the mold is purchased by the customer, the standard for engraving will be in accordance with the instructions provided by the sales office.
- In the event that the mold is required by ECE, SAE, 3C, or other regulatory bodies, the engraving must be completed in accordance with the relevant standards.
- For non-exterior and internal parts, TYC identification is always engraved.
- In the event that the customer has special requirements, we will adhere to the specifications outlined in the notification form.

#### Principle of engraving on housing

##### American Standards

- Headlamps(required by law)
- Tail lamps and other lamps (comply with the European standards outlined below)

##### European Standards, 3C Standard and General Standard

- TYC Logo cannot be engraved on the front of the housing. Instead, it must be engraved on an invisible slider or latch, either on the side or underneath.
- In the event that there is no available space for engraving on the lamp shell, such as on the rear lamp or other smaller lamps, this is not a requirement.
- In the event of a violation of the law, the engraving must be carried out in accordance with the relevant legislation.

## Brand Marketing and Communications

As the global economy recovers in the post-pandemic era, TYC's marketing program in 2023 has adopted a "mobility management" approach, which requires sales staff to visit customers in person to understand their needs and provide TYC with the latest products and services, visiting a total of 53 countries and 147 customers. There were no violations of laws and regulations related to marketing and communications in 2023.

In 2023, TYC participated in Automechanika SHANGHAI, one of the most important specialized exhibitions for the auto parts industry in Asia, which, according to official data, brings together 5,600 iconic companies and brands, including the TYC brand.

TYC has adopted the brand identity after brand reengineering to strengthen the local customer service in China, and to also let the customers visiting from other countries feel the change and progress of TYC, which has aroused praise and recognition from the customer side and increased the visibility of TYC brand, and the number of potential customers after screening by the business side is 54, distributed in various countries around the world.

## Customer Service

TYC has established the "Customer Service and Satisfaction Management Regulations" and "Customer Satisfaction Survey Standards," and conducts regular customer satisfaction surveys once a year to understand market trends and listen to customers' voices, which is the direction of TYC's continuous improvement in the future, so as to exceed customers' expectations of product quality and service standards, strengthen customers' loyalty to the company, and enhance the company's competitiveness.

The customer satisfaction survey is comprised of two distinct questionnaires, one for the AM market and one for the OEM market. The AM market questionnaire is further divided into six components. The aforementioned components are as follows: "quality," "packaging," "delivery speed," "speed of launching new products," "communication response time," and "service." The OEM market questionnaire, on the other hand, includes five components: The remaining categories are as follows: "project development," "quality engineering," "project business," "design engineering," and "price competitiveness." The questionnaire was evaluated on a five-point Likert scale. A rating of five indicated a high level of satisfaction, four indicated satisfaction, three indicated an average level of satisfaction, two indicated dissatisfaction, and one indicated a high level of dissatisfaction. The customer satisfaction survey conducted in 2023 yielded a score of 79.85, representing a 3.77-point increase from the 76.08 score recorded in 2022.



▲ Group Photo with Visitors in Dubai



▲ Sponsor our Brazilian customer to join the exhibition

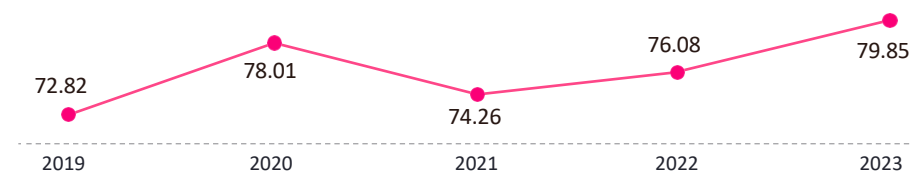


▲ Product Showcase in Automechanika Shanghai



▲ Group Photo at Automechanika Shanghai

### Past 5 Years customer satisfaction chart



### Ducati Supplier Day 2023



In November 2023, the OEM sales team was invited to Bologna, Italy to receive an award from our customer, Ducati, for outstanding performance.

## 2.4 Company Governance

### The Board of Directors Operations

The corporate governance system of TYC has been structured in accordance with the Taiwan Securities and Exchange Act and other related regulations. The system is based on the principles of transparency in operations and the protection of the rights and interests of shareholders. The supreme governing body of the company is the Board of Directors, which is presided over by the Chairman of the Board, who does not occupy any other position within the company. The Board of Directors is responsible for providing guidance on the Company's strategic direction, overseeing the management team, and ensuring accountability to both the Company and the General Meeting of Shareholders.

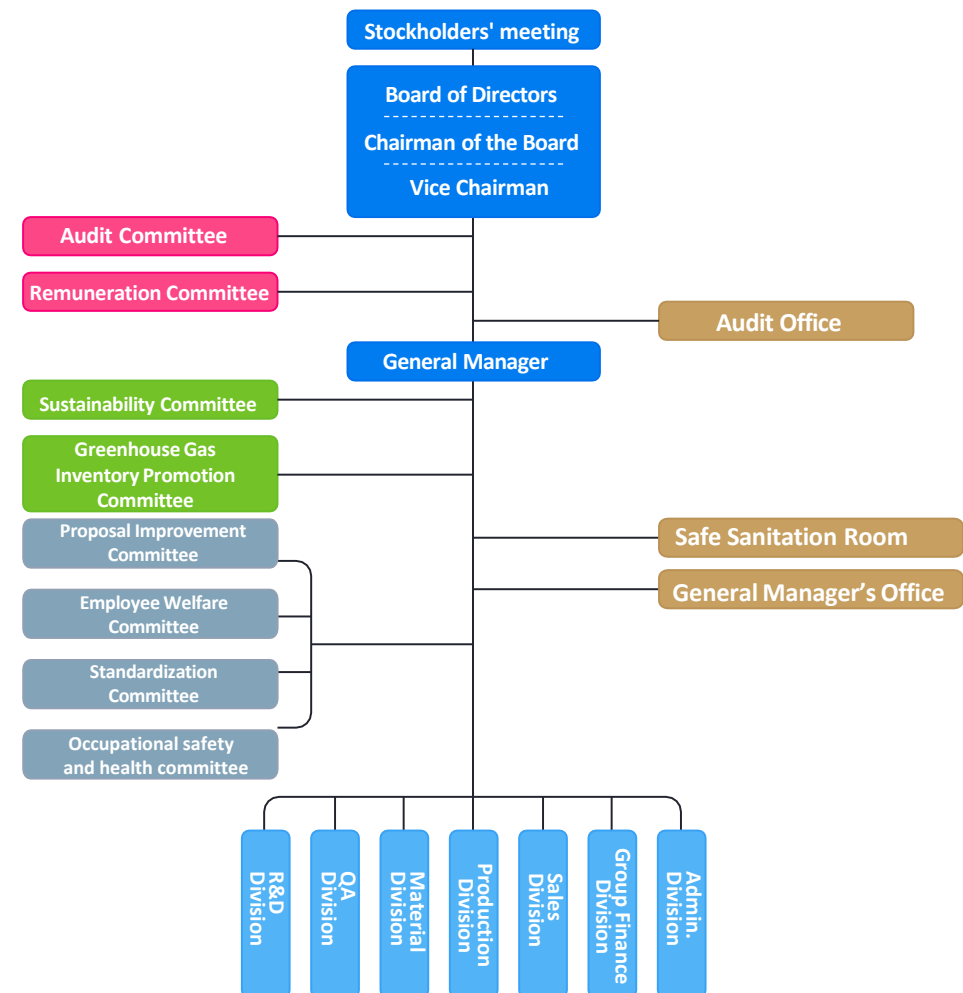
The company has established two functional committees, namely the Audit Committee and the Remuneration Committee, as well as six functional committees under the General Manager. These are the Sustainability Committee, the Greenhouse Gas Inventory Promotion Committee, the Proposal Improvement Committee, the Employee Welfare Committee, the Standardization Committee and the Safe Sanitation Committee. In addition, seven functional departments have been constituted, namely the R&D Division, the QA Division, the Material Division, the Production Division, the Sales Division, the Group Finance Division, and the Admin. In accordance with the requirements of the business, as well as the General Manager's Office, the Safe Sanitation Room, and the Audit Office, the objective is to facilitate top-down, horizontal, cross-functional communication and coordination of the various business areas within the organization, with the aim of improving the quality of decision-making and enhancing its efficiency and effectiveness.

### Composition of the Board of Directors

According to Paragraph 3, Article 23 of the Company's Corporate Governance Best Practice Principles, all members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities: 1. Ability to make operational judgments. 2. Ability to perform accounting and financial analysis. 3. Ability to conduct management administration. 4. Ability to conduct crisis management. 5. Knowledge of the industry. 6. An international market perspective. 7. Ability to lead. 8. Ability to make policy decisions.

The directors of TYC are elected during the general meeting of shareholders, provided that they are capable of acting as directors. The election of directors is conducted in accordance with the method of election of directors, which employs a candidate nomination system and calculates the election rights of independent and non-independent directors, respectively, in accordance with the quotas set forth in the company's articles of incorporation. The individual who receives the greater number of votes representing the number of election rights is elected in the order in which they are elected.

Company Organization System



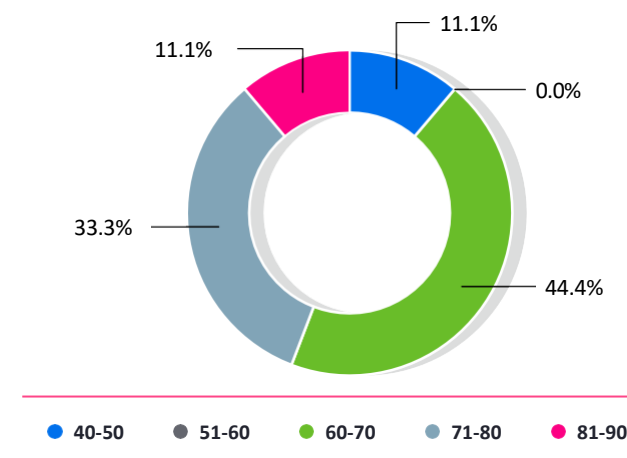
The Company has nine directors (including three independent directors, which has reached one-third in proportion), two of whom are certified public accountants, one of whom has a professional background in business management, and the other directors have many years of experience in the industry, so they are able to carry out the duties and responsibilities of the Board of Directors and protect the interests of shareholders. The Company values the competency of the board members. Two or more directors shall possess one of the expertise to be diversified. Two or more directors possess one of the expertise so far, therefore the compliance rate is 100%. The tenure of the independent director may not exceed nine years. All three independent directors' tenure is under nine years, so the compliance rate is 100%.

The tenure of the Company's directors is three years. The Board of Directors convenes at least quarterly, although it may be convened at any time in the event of an emergency. It is a requirement of the Board of Directors that any major decisions be approved at the Shareholders' Meeting. The current Board of Directors was elected for a term that commenced on 3 August 2021 and will conclude on 2 August 2024. During the course of 2023, six meetings of the Board were held, with an average attendance of 94.44% by all directors. For further details regarding the major proposals and detailed operational information presented during 2023, please refer to the TYC 2023 Annual Report.

### 2023 Directors of the Board

Title	Name	Sex	Professional Competence							Age(years old)				
			Accounting and Finance	Management Business	Foreign Language	Risk Management	Engineering	Leadership	Cross-industry Operations	41-50	51-60	61-70	71-80	81-90
Chairman	Wu, Kuo-Chen Legal representative of Kuo-Chi-Min Investment CO., LTD.	Male		✓	✓	✓		✓		✓				
Vice-president	Wu, Chun-Lang	Male	✓			✓		✓	✓				✓	
Director	Wu, Chun-Chi	Male	✓			✓	✓	✓	✓				✓	
Director	Wu, Chun-I	Male	✓			✓	✓	✓						✓
Director	Ting, Cheng-Tai Legal representative of Yuan-Hong Investment CO., LTD.	Male	✓	✓	✓		✓	✓				✓		
Director	Chuang, Tai-Shie	Male	✓	✓	✓	✓	✓	✓				✓		
Independent Director	Huang, Chung-Hui	Male	✓	✓		✓		✓	✓			✓		
Independent Director	Hou, Rong-Xian	Male	✓	✓		✓		✓	✓			✓		
Independent Director	Hsu, Chiang	Male	✓	✓	✓			✓	✓				✓	

Directors Age Distribution



Note:

- All the directors of the Company are ROC nationals and male.
- On July 24, 2023, Yuan-Hong Investment CO., LTD. changed its legal representative from Mr. CHEN, JIN-ZHAO to Mr. TING, CHENG-TAI.
- The Chairman and the President of the Company are not the same person.
- The total number of directors who are not also employees of the Company is 8, accounting for 88.88%
- Please refer to the TYC 2023 Annual Report for details of the directors' principal experience and current positions in the Company and other companies.

## Directors' Training

In accordance with Article 45 of the Corporate Governance Best Practice Principles of TYC, members of the Board of Directors are obliged to attend continuing education courses on a range of pertinent subjects including finance, risk management, business, commerce, accounting, law and sustainability. In addition, they are required to participate in continuing education courses on corporate governance at the time of their appointment or during their term of office at the institutions designated by the Company's Director's Continuing Education Initiative (DCEI). Furthermore, they are responsible for enhancing the professional and legal knowledge of their employee base at all levels.

In 2023, the training courses for members of the board of directors include a seminar on the prevention of insider trading, a geostrategic outlook for 2023, and a practical observation of the net-zero trend in the board's ESG decisions. The mean number of training hours per individual will exceed six, with 100% of the training hours for all board members aligning with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE listed and TPEx listed companies. Further details on this initiative can be found in the 2023 TYC Annual Report.



## Conflict of Interest Avoidance

In accordance with Article 16 of the TYC Rules of Procedure of the Board of Directors, a director who has a personal interest in a matter under discussion at a meeting shall disclose the relevant details of their interest. In the event of a conflict of interest at a board meeting, the director in question shall refrain from participating in the discussion and voting process. In the interest of maintaining the integrity of the decision-making process, the director shall be recused from the discussion and vote and shall not exercise his voting rights on behalf of other directors. A director shall not exercise their voting rights on behalf of other directors. Furthermore, a director's spouse, consanguineous relative, or a company in which the director has a controlling relationship shall be deemed to have an interest in an item as outlined in the preceding paragraph. In 2023, there were no cases of directors avoiding items of interest at board meetings.

## Board Evaluation

In order to implement corporate governance and enhance the functions of TYC's Board of Directors, and to establish performance goals to strengthen the efficiency of the Board's operations, the "Board Performance Evaluation Method" was established and an internal Board performance evaluation is conducted at least once a year. The Remuneration Committee acts as the unit responsible for scrutinizing the Board performance evaluation, and the results of the evaluation are completed by the end of the first quarter of the following year. The results of the performance evaluation must be completed before the end of the first quarter of the following year. The results will serve as a reference for the Board of Directors in selecting or nominating directors and in determining remuneration.

TYC 2023 Board Performance Evaluation

Frequency	Period	Scope
Once per year	1 January 2023~31 December 2023	The Board and each member
Method	Contents	Results
Board Self-Assessment	<ul style="list-style-type: none"> <li>Involvement in the company's operations</li> <li>Enhancing the quality of board decisions</li> <li>Board composition and structure</li> </ul>	<ul style="list-style-type: none"> <li>Election of directors and continuing education</li> <li>Internal control</li> </ul>
Members' Self-Assessment	<ul style="list-style-type: none"> <li>Mastery of the company's objectives and tasks</li> <li>Awareness of directors' responsibilities</li> <li>Involvement in the company's operations</li> </ul>	<ul style="list-style-type: none"> <li>Internal relationship management and communication</li> <li>Director's profession and continuing education</li> <li>Internal control</li> </ul>
		<p>The Board's performance evaluation yielded a score of 95.56%, indicating that the performance was "above standard."</p> <p>The members' performance evaluations yielded a score of 99.03%, indicating that the performance was "above standard."</p>

## Functional Committee

### Remuneration Committee

In order to improve the remuneration system for TYC's directors and executive officers, the Company hereby establishes the Remuneration Committee in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" with a total of three members (two of whom are independent directors and one of whom is an external expert), who will meet at least twice a year and whose term of office has been set from August 3, 2021 to August 2, 2024.

In 2023, two meetings were held with 100% attendance of all Board members to discuss the 2022 Employee Remuneration and Directors' Remuneration Distribution Plan, the 2022 Board and Directors' Performance Evaluation Plan, the 2022 Directors' Remuneration Payment Plan, etc., which were approved by all attending Board members and proposed to the Board for approval by all attending Board members.



### TYC Remuneration Policy

- In accordance with Article 32 of the Company's Articles of Incorporation, the remuneration of the directors is contingent upon the company's profitability. If the company generates a profit during the course of the fiscal year, the directors are entitled to remuneration, which is limited to a maximum of 3% of the Company's profits. In the event that the company has accumulated losses, it is required to set aside funds to cover such losses in advance.
- The remuneration of the company's managers and employees is determined in accordance with the prevailing salary levels within the industry market, the scope of authority and responsibility associated with the position in question, and the degree of contribution made towards the company's operational objectives. In addition to the company's overall operational performance, the remuneration procedure is based on the individual's performance and contribution to the company's performance, with a reasonable amount of compensation provided.
- The proportion of bonus to be paid to directors and managers for short-term performance and the timing of payment of part of the variable remuneration should be determined in consideration of the characteristics of the industry and the nature of the company's business.
- Salary remuneration encompasses a range of forms of compensation, including cash remuneration, stock options, stock dividends, retirement benefits or severance pay, various allowances, and other substantial incentives.
- The remuneration of directors and senior management is primarily determined by the Remuneration Committee, with current remuneration based solely on operational performance. In the future, the Remuneration Committee will further discuss the feasibility of linking remuneration to environmental and social performance.

### Audit Committee

The Board of Directors of TYC established the "Rules for the Organization of the Audit Committee," and the shareholders' meeting resolved to establish the Audit Committee and replace the supervisory system. The Audit Committee of TYC is constituted by all independent directors (three members, one of whom serves as the convenor and at least one of whom possesses accounting or financial expertise) and is tasked with ensuring the fair presentation of the company's financial statements and the selection (or dismissal) of certified public accountants. The committee is tasked with ensuring the independence and performance of certified public accountants, the effective implementation of the company's internal controls, the company's compliance with relevant laws and regulations, and the control and management of the company's existing or potential risks. The committee convenes at least once every quarter. The current members' tenure commenced on August 3, 2021 and concludes on August 2, 2024.

A total of five meetings were held in 2023, with an attendance rate of 86.67%. The meetings addressed a range of topics, including the evaluation of the efficacy of the internal control system, financial and business reports, the appointment of certified public accountants, the assessment of independence and suitability, the general principle of pre-approval of non-confirmation service policy, and capital increase. The aforementioned cases included matters pertaining to capital loans, the classification of the company's financial communication as a capital loan, the annual audit plan, endorsement and guarantee, the transfer of factory land from lease to purchase, the establishment and amendment of the information security policy, and so forth. All members of the board who were present at the meeting concurred with the approval of the aforementioned cases, as presented. The cases were approved by all members in attendance, and all directors present expressed their consent to approve them in the presented form.

#### Functional Committee Members

Title	Name	Remuneration Committee	Audit Committee
Independent Director	Huang, Chung Hui	✓ (Convener)	✓ (Convener)
Independent Director	Ho, Rong Hsien	✓	✓
Independent Director	Hsu Chiang		✓
External Expert	Lin, Tsai Yuan	✓	

Note: External expert Lin, Tsai Yuan has more than five years of teaching and working experience in finance and accounting related disciplines.

#### Internal Audit Organization and Operation

The design and implementation of TYC's internal control system and internal audits are conducted in accordance with Regulations Governing Establishment of Internal Control Systems by Public Companies and related laws and regulations.

The company has established an Internal Audit Room under the supervision of the Board of Directors, which specializes in internal audit work. The purpose of the unit is to assist the Board of Directors and the management in investigating and evaluating the effectiveness and deficiencies of the internal management systems and operating activities of each department and major investee company, establishing and evaluating the soundness, adequacy, effectiveness, and appropriateness of the internal control system, conducting regular audits and monitoring each department to formulate a plan for improving deficiencies, and implementing the PDCA cycle to facilitate immediate internal corrections and implementation of necessary control measures to effectively strengthen risk management operations. The internal audit program is based on the results of the risk assessment, and an annual audit plan is prepared and approved by the Audit Committee and the Board of Directors. In accordance with the specified audit items, timing, procedures, and methods, the auditors conduct on-site audits on a regular or occasional basis, and the results of the audits are summarized in an audit report, which is submitted to the Chairman for signature and then sent to the independent directors for review, and the status of implementation of the report is reported to the Board of Directors meeting, so as to ensure that the Company's internal control system can be implemented in a sustainable and effective manner.

# Ethical Conduct and Integrity Management

## Material Topics: Business Ethics and Integrity

<b>Positive Benefits Description</b>	It is the responsibility of TYC's directors, managers, and all employees to adhere to the principles of honesty and trustworthiness, as well as to comply with the Code of Ethical Conduct in the conduct of their business activities. This includes providing a secure and confidential channel for reporting and protecting whistleblowers. The company is dedicated to maintaining the highest standards of integrity in all business activities and to safeguarding the rights and interests of stakeholders while maximizing value for shareholders.
<b>Negative Impact Description</b>	In 2023, an incident of non-disclosure occurred. However, it was subsequently verified that the information was accurate and that no rights or interests of customers were affected. While the incident did not result in a significant negative impact, the company will pursue civil and criminal claims against the responsible party in accordance with its internal rules and regulations. This is a necessary step to protect the rights and interests of the company and its customers.
<b>Remedy/Measures</b>	To avoid a recurrence of such incidents in the future, the company has been actively engaged in promoting and educating all employees on integrity management and the protection of confidential information.
<b>Complaints/ Communication Channels</b>	Stakeholders are invited to provide feedback via our internal and external complaint channels. <ul style="list-style-type: none"> <li>• In-person communication and explanation.</li> <li>• Email: <a href="mailto:Tyc_Director@tyc.com.tw">Tyc_Director@tyc.com.tw</a></li> <li>• Tel: 06-2658781 ext. 160 Ms. Hsu, Yu Huei, Director</li> </ul>
<b>Policy/Commitment</b>	The company has established Procedures and Conduct Guidelines for Integrity Management, Codes of Ethical Conduct, Labor and Business Ethics Policy, and Integrity Management Regulations. These documents demonstrate the company's commitment to integrity, ethics, and compliance, as well as the reporting of violations and unethical or dishonest behavior. These documents form the basis of an ethics and compliance system for practitioners to follow.
<b>Liability</b>	The Board of Directors, General Manager, and Group Finance Division, as well as the Admin Division, Human Resources, the Audit Office, and external relations managers.
<b>Management Evaluation</b>	Internal controls and regulations comply with the audit system
<b>Goals &amp; Objectives</b>	<ul style="list-style-type: none"> <li>• Reinforce the concept of integrity management for all employees.</li> <li>• There have been no instances of corruption or violation of the integrity management policy.</li> </ul>
<b>Specific Actions in 2023</b>	<ul style="list-style-type: none"> <li>• Regular educational training and awareness-raising on anti-corruption and integrity management-related laws and regulations.</li> <li>• Provide training to current directors, managers, and other insiders on the Internal Procedures for Handling Material Information and regulations related to insider trading at least once a year.</li> <li>• Any failure to comply with the confidentiality agreement will be addressed in accordance with the company's rules and regulations, and legal action (civil/criminal) will be taken against those who have violated the law to protect the rights and interests of the company and its customers.</li> </ul>
<b>Performance Results</b>	<ul style="list-style-type: none"> <li>• In 2023, the company conducted two training programs: the "New Employee Integrity Management Advocacy" and the "Employee Integrity Management Education and Training." A total of 388 employees participated in these programs, which collectively comprised 240.75 hours of training.</li> <li>• In 2023, the company provided insider trading prevention training to directors, managers, and other insiders, with a total of 17 participants and 34 hours of training.</li> <li>• There were no incidents of corruption or bribery in 2023.</li> </ul>

## 2.5 Integrity and Law Compliance

In order to ensure the highest standards of ethical conduct, TYC has established a series of comprehensive guidelines, principles, and regulations. These include Procedures and Conduct Guidelines for Integrity Management, Codes of Ethical Conduct and Integrity Management Regulations. TYC has established a comprehensive system of ethics and compliance with applicable laws and regulations, including an open reporting channel and robust whistleblower protection. The management team exemplifies these values through its own conduct. Internally, the principle of honesty and integrity is reinforced through comprehensive training and the promotion of these values to new employees. Externally, a code of conduct for supplier due diligence has been formulated and made public. This enables third parties, contractors, outsourcers, and stakeholders who identify wrongdoing by our employees or related stakeholders to report it to the general manager's mailbox. Those who do so will be rewarded appropriately (without public disclosure). We maintain a healthy partnership based on the principle of zero tolerance for corruption. During the course of 2023, there were no incidents of corruption or bribery.

### Codes of Ethical Conduct

In order to provide guidance to TYC's directors and managers on ethical conduct and to ensure that stakeholders are aware of the company's ethical standards, this Code was established with reference to the "Code of Ethical Conduct of TWSE-listed and TPEx-listed Companies."

It is the responsibility of the directors and managers of the Company to avoid any situation in which their personal interests, or the interests of the company as a whole, might conflict with each other. Furthermore, they are obliged to conduct their business in an objective and efficient manner. It is also their duty to refrain from seeking personal gain or competing with the company through the use of the company's property or information, or by virtue of their duties. Information pertaining to the company itself, its sales, or its customers shall not be utilized for personal gain or to engage in competitive activities with the company.

In the event of a violation of the Code of Ethical Conduct, the company shall handle the case in accordance with the relevant regulations and immediately disclose to the Market Observation Post System (MOPS) information pertaining to the date of the violation, the reason for the violation, the criteria for the violation, and the circumstances under which the violation was handled by the violator. In the event of a penalty being imposed on an individual for a breach of the provisions set out in this Code, the individual may submit a complaint in accordance with the relevant regulations.

### Procedures and Conduct Guidelines for Integrity Management

#### Integrity Management Principles

- ⊗ Bribery and acceptance of bribes.
- ⊗ Illegal political contributions.
- ⊗ Improper charitable donations or sponsorships.
- ⊗ Unreasonable gifts, hospitality, or other improper benefits.
- ⊗ Infringement of trade secrets, trademarks, patents, copyrights, and other intellectual property rights.
- ⊗ Unfair competition.
- ⊗ Products or services that harm interested parties.



The TYC adheres to a set of core principles that serve as the foundation for its business activities, including fairness, honesty, trustworthiness, and transparency. In order to implement the policy of honest management and actively prevent dishonest behavior, TYC has formulated these operating procedures and behavioral guidelines, which are applicable to directors, managers, appointees, employees, and those who have substantive control over the company, its group companies, and organizations. In light of the foregoing, the aforementioned individuals are thus required to adhere to the aforementioned guidelines. It is the responsibility of all personnel to refrain from offering, accepting, promising, or requesting any improper benefits, or from engaging in any other dishonest or unlawful behavior in the course of performing business activities.

In order to enhance the administration of integrity management, the human resources unit bears the responsibility of formulating and overseeing the implementation of integrity management policies and preventive programs, and reporting to the board of directors when necessary. Internal auditors are obliged to conduct periodic reviews of compliance with the system and submit audit reports to the board of directors, and accountants may be appointed to conduct the review.

In the event of a violation of the integrity management regulations, the human resources unit is responsible for handling the report. In the case of a major violation or one that poses a significant risk of substantial damage to the company, a report should be submitted without delay and communicated in writing to the independent directors.

#### TYC specifically regulates the following prohibitions for all associates in business activities.

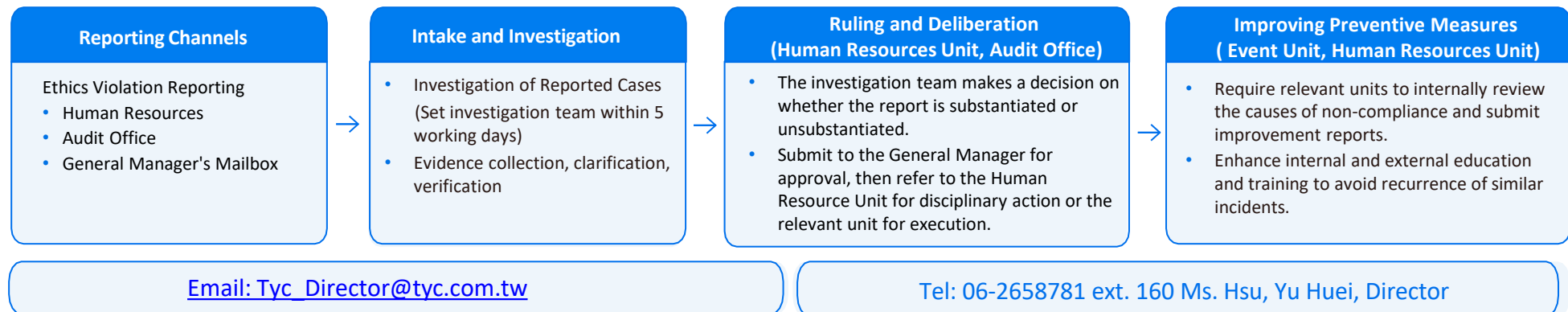
- ⊗ No kickbacks or any other improper benefits.
- ⊗ Forbidden to profit from job related contracts and businesses, investment in third-party factories within the job/employment scope that have contacts and cooperation with the company.
- ⊗ Use of corporate facility or possession for personal purposes or one's own benefit at the expense of the public is not allowed.
- ⊗ Forbidden to ask third parties or customers to contribute any forms of payments, solicit funds, or accept gifts, coupons, or cash for corporate events or receptions.
- ⊗ No embezzlement, misappropriation, tax evasion, and malpractice for personal gain.
- ⊗ Do not take advantage of authority to seek personal gain during recruitment.
- ⊗ Do not squander and waste corporate funds, accept improper gifts or entertainment

## Integrity Management Practices

TYC is dedicated to upholding the highest standards of integrity in all its business activities, and it is unequivocally opposed to any form of corruption or money laundering. To this end, TYC has established Integrity management practices and a transparent "Personnel Reward and Punishment Regulations," which serve to prohibit employees from accepting any form of demands, bribes, or other illicit benefits. In the event that a report or complaint of wrongdoing is duly substantiated through a rigorous verification process, the perpetrator will be subject to legal consequences in accordance with the relevant legislation.

Units	Duties
Human Resources	Receives complaints, conducts investigations, submits investigation reports and refers offenders to the Human Resources Department for punishment in accordance with the Company's disciplinary rules.
Audit Office	To formulate and administer the regulations, to receive complaints, to carry out investigations, and to report and punish those who violate the regulations.
Division Managers	Supervise the compliance of subordinates. Report and punish those violate the rules.
External Relations Manager	Announce and publish this policy to third parties, contractors or stakeholders.
Reporting Methods	Reports can be made anonymously or anonymously.
Whistleblower Protection	Confidentiality of the whistleblower's identity and the contents of the report, commit to protect the whistleblower from being unfairly treated as a result of the report.

### Reporting Process



## Prohibition of Insider Trading

Insider trading not only jeopardizes shareholders' rights but also undermines the principles of fairness and integrity in the market. TYC emphasizes corporate governance and sustainable development, and prohibits insiders from trading in securities using non-public information in the market. At least once a year, the company conducts training for current directors, managers, and other insiders on Internal Procedures for Handling Material Information and other regulations related to the prevention of insider trading, including the concepts and regulations of insider trading, legal liability for insider trading, prevention of insider trading and confidentiality of material information. TYC will continue to strengthen its insider trading prevention measures to protect the rights and interests of investors and to create a fair and transparent trading environment. In 2023, for a total of 17 persons, two-hour training sessions were conducted for current directors, managers and other insiders.

## Preventive Counseling and Training

TYC has zero tolerance for corruption. To ensure that all employees and partners are aware of and comply with Integrity management practices and Integrity management procedures and conduct guidelines, we regularly organize anti-corruption/integrity management education and training for colleagues and partners. We regularly organize anti-corruption/integrity management education and training for our employees and partners, and regularly announce relevant policies and requirements on our supplier's website to strengthen the implementation of the concept of integrity and to carry out the company's anti-corruption spirit, and to prevent the occurrence of corruption.

TYC Anti-corruption/Integrity Management Related Education Training Course Statistics

Year	Objective	Number of participants (persons)	Training hours	Coverage (%)
2021		425	212.5	100
2022	New Employees	485	242.5	100
2023		296	148	100
2022	Managerial	78	41.04	52
	Non-managerial	754	404.54	52
	Managerial	10	37.5	6
2023	Non-managerial	82	55.25	6

Notes:

1. From the end of 2022, in addition to integrity management education and training for new employees on the day they report to work, we have arranged integrity management training, with each unit conducting its own internal training program, and some units (e.g., production lines) will conduct the training in 2023, covering 58% of the above units.
2. Integrity management procedures and conduct guidelines are issued annually by the supervisors of each unit and are followed by all employees of the company.
3. A managerial post is defined as a supervisory role at the team leader level or above.

## Regulatory Compliance

TYC has established various corporate governance rules and regulations, and continues to pay attention to domestic and foreign policies and laws that may affect the company's business and finances. In 2023, there were no major economic, environmental or social fines, and only three small-amount penalties were imposed. Detailed improvement and preventive measures are described as follows, and we will continue to proactively review each case of non-compliance, and put forward improvement proposals in order to achieve the ultimate goal of zero violations and zero fines as soon as possible. In the future, we will continue to actively review each case of non-compliance and propose improvement plans in order to achieve the ultimate goal of zero violations and zero fines.

### 2023 Penalty Cases Description and Improvement Measures

Description	Improvement/Preventive/Remedial Measures
<ul style="list-style-type: none"> <li><b>Date of Disposition/Amount of Disposition:</b> March 22, 2023/\$1,052</li> <li><b>Reason and Basis of Decree:</b> Income Tax Act, Article 114, Item 2 and Standard for Reducing or Exempting Penalties in Tax Violation Cases, Article 6, Item 2, Paragraph 4.</li> <li><b>Violation:</b> Failure to comply with the deadline for filing withholding tax returns.</li> </ul>	<ul style="list-style-type: none"> <li>According to Article 92 of the Income Tax Act, the tax withholder concerned shall immediately make out withholding certificates for the amount withheld and submit them to the tax collection authority-in-charge within ten days thereafter.</li> </ul>
<ul style="list-style-type: none"> <li><b>Date of Disposition/Amount of Disposition:</b> August 1, 2023/\$100,000</li> <li><b>Reason and Basis of Decree:</b> Article 24 of the Labor Standards Act and Article 32, Paragraph 2 of the Labor Standards Act.</li> <li><b>Violation:</b> Standard of paying workers for the extension of working hours. The extension of working hours exceeded the legal requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Improvements were made in the first instance revising the payroll program.</li> <li>Continue to strengthen recruitment in order to accelerate the pace of staff replenishment.</li> <li>We control overtime work and require relevant units to comply with overtime hours and regulations, and provide additional personnel to support them in a timely manner.</li> <li>Strengthen employees' awareness of submitting overtime requests in advance to prevent recurrence of such incidents in the future.</li> </ul>
<ul style="list-style-type: none"> <li><b>Date of Disposition/Amount of Disposition:</b> August 4, 2023/\$60,000</li> <li><b>Reason and Basis of Decree:</b> Occupational Safety and Health Act, Article 37, Section 2.</li> <li><b>Violation:</b> Employer fails to notify the labor inspection agency within 8 hours of the occurrence of an occupational accident involving a worker who needs to be hospitalized for treatment.</li> </ul>	<ul style="list-style-type: none"> <li>During the Safety and Environment Monthly Meeting, we will educate each department on the definition of occupational hazards, the notification process, and the consequences of failing to notify and the severity of fines.</li> <li>Establish a systematic hospitalization notification mechanism so that labor safety personnel can control the status of medical treatment in a timely manner.</li> </ul>

Note: Pursuant to Article 4, Paragraph 26, Item 3 of the Procedures for Investigation and Public Handling of Major Information of Listed Companies of the Taiwan Stock Exchange Corporation, the amount of fines for a single event reaches NT\$1,000,000 or more in the aggregate.

## 2.6 Risk Management

In order to implement risk management mechanism and strengthen corporate governance, TYC assigns each authority to perform risk and opportunity identification based on the different aspects of operation management, including operational risk, financial risk, and management system risk. It continues to track and confirm improvement through risk identification and effectively reduces operational risk.

### Operational Risk Management

TYC keeps observing changes in market and the industry and convening guideline for management strategy meeting regularly every year. With data collected by each authority to make analysis on internal and external environment before the meeting, it summarizes the company's advantages, disadvantages, opportunities, and threats, and proposes a specific action plan based on a SWOT analysis result. It will be the reference for management strategy planning in making short, medium, and long term strategic goals, Key Performance Indicators, and a practicable action plan. It sets up the "Regulations for planning and managing guideline for management strategy and Key Performance Indicators" and reviews the diagnostic operation standards based on Key Performance Indicators for effective management on operation. Operational meeting is regularly held to track and improve on operational performance, so the operational strategy can reach the operational goal.

In 2023, four KPI meetings will be held to review, draft, finalize, and publish the business strategy. Subsequently, to ensure the effective implementation of the business strategy, we conducted on-site reviews of each department's KPIs (in March and September), as well as a semi-annual review meeting (in July), a full-year performance review meeting (in December), and five Audit Committee meetings.

### Financial Risk Management

TYC has comprehensive risk assessment and response strategies in place for a range of financial risks, including market risk (exchange rate, interest rate, and equity price), credit risk, and liquidity risk. For detailed information on TYC's financial risk management objectives and policies, please refer to the TYC 2023 Annual Report.

### Key Material Risk Management

Key materials are a critical foundation for the production and operation of an enterprise. Any disruption to the supply chain could result in production delays and increased costs, which could ultimately impact the operational efficiency and profitability of the enterprise. To mitigate the supply risk of its critical materials, TYC has implemented the following management measures in material procurement and R&D design, respectively.

Regulatory Measures	
Material Procurement	<ul style="list-style-type: none"> <li>Diversification of suppliers: For key materials, at least 2 suppliers to diversify risks.</li> <li>Enhance the management system: Select reliable suppliers and keep track of their status by evaluating new/existing suppliers and visiting them from time to time.</li> </ul>
R&D	<ul style="list-style-type: none"> <li>At the outset of the product design process, we identify components with high marketability, develop contingency plans for potential substitutions, and request that suppliers assess the condition of materials and provide estimated delivery times.</li> <li>Upon completion of the product design, we provide a BOM list to facilitate the preparation of materials in advance and request that suppliers provide material status updates on a monthly basis to assist with stock preparation.</li> </ul>

## Risk Management of the Management System

### 1. IATF 16949 : 2016 Global Automotive Quality Management System

There are no high-risk projects in 2023 as a result of the risk assessment of internal and external issues and stakeholder requirements and expectations.

### 2. ISO 45001 & CNS 45001 Occupational Health and Safety Management System

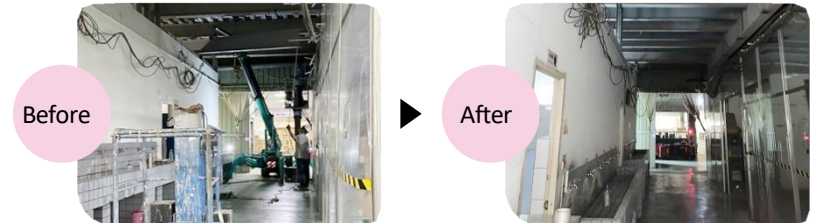
The TYC Safe Sanitation Committee was established to coordinate occupational health and safety-related affairs, supervise environmental safety and health operations company-wide, conduct regular inspections to improve occupational safety and security, ensure the environmental safety of the workplace, and conduct regular employee education and training on occupational health and safety to strengthen protective measures against hazards and risks as well as the control of operations. In 2023, following the identification and assessment of potential hazards, two areas of concern were identified: musculoskeletal risks associated with lifting lamps and structural deterioration of air pollution platforms.

In response to the high risk of musculoskeletal hazards caused by the handling of lamps by personnel, the company has implemented the use of mechanical equipment to minimize the risk of man-made hazards. This has effectively reduced the risk from a high level to a low level. The deterioration of the air pollution platform structure has resulted in suboptimal loading, which may potentially lead to platform collapse and jeopardize personnel safety. The company has reinforced the platform structure to enhance its load-bearing capacity, thereby reducing the risk of hazards from a high to a low level.

Moving  
Light  
Fixtures



Air  
Pollution  
Platform  
Structures



### 3. Authorized Economic Operator (AEO)

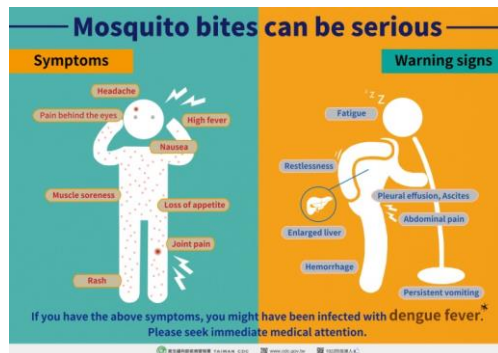
To ensure the effective management of security in the cargo supply chain, we conduct risk assessments of potential threats related to cargo operations, activities, products, transportation, customs clearance, and services. By continuously projecting potential security threats, detecting them when they arise, and conducting regular risk assessments, we are able to implement the most appropriate countermeasures or control methods to achieve the goals of security risk assessment and countermeasure development and management. A supply chain security risk assessment is conducted on an annual basis, with the standard operating procedure being the planning of contingency measures for incidents of a high-frequency and high-severity nature. In 2023, we will assess a total of 117 items. Of these, 114 are classified as minor risks, 3 are low risks, and none are above moderate risks.

## Public Health Risk Management

It strengthens prevention in advance and tracking confirmation to prevent impacts on the company from communicable disease (such as novel influenza, influenza, tuberculosis, dengue, and COVID-19, etc.) spreading. The company has established preventive measures that enhance prevention beforehand and follow-up countermeasures to reduce impact and effect on operation.

### 1. Dengue Fever Prevention

In the second half of 2023, Tainan's dengue fever epidemic continued to spread. In response, TYC cooperated with the city government to implement measures to prevent further spread of the disease and to improve the environment. These measures included regular inspections and removal of stagnant water in the factory area, as well as strengthening the management of breeding sources to minimize the breeding of mosquitoes. In the event of an employee being infected, the company works with government agencies to arrange for medication to be sprayed at home. When an employee is absent from work due to the epidemic, the company follows the government regulations on labor leave and wage payment.



### 2. Epidemic Respiratory Disease Prevention and Epidemiology

In order to prevent the spread of illness, TYC recommends that colleagues follow the three key steps for epidemic prevention: To prevent the spread of illness, employees are advised to wash their hands frequently, take their temperature, and wear a mask. Should an employee experience a fever or respiratory symptoms, they should seek medical advice.

### 3. Handling of TB Contacts

Upon notification of a case by the competent authority, TYC will cooperate with the authority and assist the contact person in the workplace by arranging for an examination within one month. The examination will be conducted in accordance with the following conditions: The employee shall be permitted eight hours of contact per day or 40 hours of contact within a three-month period. The initial examination shall be paid for by the company and conducted at the company's designated medical institution.

# Customer Privacy and Information Security Management

## Material Topics : Customer Privacy and Information Security Management

<b>Positive Benefits Description</b>	TYC develops information security policies in alignment with corporate operational strategies and regulatory requirements to optimize information security management. Furthermore, we collate data on IT infrastructure, external cyber threats, and internal vulnerabilities. This enables us to assess relevant information security risks and safeguard the rights of stakeholders.
<b>Negative Impact Description</b>	In 2023, the company experienced a data leakage incident. The company promptly followed the established Procedure for Reporting Information Security Incidents to assess the potential impact of the security risk on the company's financial and operational stability, as well as its response and corrective measures. After a thorough assessment, it was determined that the incident did not involve the Company's internal confidential documents, and therefore, there was no leakage of customer data or confidential information.
<b>Remedy/ Measures</b>	To avoid future information security incidents, the Information Security Center will periodically issue messages emphasizing the importance of information security. This will help employees understand the gravity of these issues and reinforce data access rights, as well as internal education and training.
<b>Complaints/ Communication Channels</b>	Stakeholders are invited to contact the Information Security System Center with any feedback they may have regarding information security issues. Please direct all feedback to the Security System Center. <ul style="list-style-type: none"> <li>Email : <a href="mailto:tycsecurity@tyc.com.tw">tycsecurity@tyc.com.tw</a>.</li> <li>TEL : 06-38418888 #185 Yu-dong, Lee, Associate Manager</li> </ul>
<b>Policy/ Commitment</b>	In accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies, the Guidelines for Information Security Control of TWSE and TPEX listed companies, and the Personal Data Protection Act, the company has formulated an information security policy, which was approved by the Board of Directors in 2023, for all employees and stakeholders to follow.
<b>Liability</b>	Information Security System Center, Business Office, and various units.
<b>Management Evaluation</b>	The Information Security System Center is tasked with the prevention, review, and improvement of information security-related incidents.
<b>Goals &amp; Objectives</b>	<ul style="list-style-type: none"> <li>There were no significant information or cyber security issues to report.</li> <li>There were no violations of customer privacy or loss of customer information.</li> </ul>
<b>Specific Actions in 2023</b>	<ul style="list-style-type: none"> <li>The following cyber security investments have been made: Backup software upgrade, Disk array upgrade (improve efficiency and availability), Junk mail (SPAM) protection upgrade, Virtual software (VMWARE) version upgrade, Anti-virus software update and deployment.</li> <li>The Information Security System Center unit was established with the specific purpose of managing all information security-related business operations.</li> <li>New employee cyber education training was conducted.</li> <li>In 2023, test exercises were conducted on backup equipment, recovery procedures, and mechanisms.</li> </ul>
<b>Performance Results</b>	<ul style="list-style-type: none"> <li>In 2023, there have been no instances of customer privacy infringement or loss of customer information.</li> <li>In 2023, a total of 85 new indirect staff and 80 existing staff participated in information security training, with a total of 122.5 hours of training completed.</li> </ul>

## 2.7 Information Security Management

To strengthen TYC internal data security protection, management mechanism, and customer-related information, the company has established the “Information Security System Center,” a dedicated unit of information security allocating appropriate professional personnel and resources, and approved by the Board of Directors in November 2023 to formulate cyber security policies, management procedures and specifications, and implement risk management and control to achieve the goal of cyber security management.

### Cyber Security Policy:

To strengthen information security protection and management mechanism, the company has organized and established a dedicated unit of information security with adequate professional manpower and resources; made information security policy, management procedure, and regulations; and performed risk control to reach the goal of information security management. It is TYC’s commitment to stakeholders to proactively promote its information security management system, technology reinforcement, and sensitive information protection, and to protect the interest of the customers and business partners, as well as the company’s competitiveness.

#### Goal :

It is to encourage all units to enhance information security management and establish a concept of “everyone is responsible for information security” to reduce the occurrence rate of information security incident and to manage the impact caused by the incident to an acceptable level. Also, the Company enhances continuous business management and information security tenacity to meet the expectation, as well as ensuring normal operation of the company’s business and protect the interest of the customers and business partners.

#### Scope :

- Applicable to safety management of TYC’s information asset, including its confidentiality, completeness, and availability.
- All employees, suppliers, contractors, consultants, temporary employees, customers, and third party personnel that involve with TYC’s information operation or data usage shall follow this policy.

#### Principle :

- All information security management regulations and procedures must follow government regulations (such as: Criminal Act, The Classified National Security Information Protection Act, Patent Act, Trademark Act, Copyright Act, Computer-processed Personal Data Protection Act, and “Guidelines for Information Security Management and Control for the Listed Company”).
- Set up information security organization and clearly stipulate its responsibility to promote and maintain information security management, execution, and verification.
- Establish information security management regulations and procedure to protect the confidentiality, completeness, and availability of the personnel, data, information system, equipment, and internet.
- Conduct regular information security management meetings to review internal and external risks, technology, business needs, and latest updates for countermeasure.
- Conduct regular information security tests and audits in order to evaluate the risk of information environment and make improvement.
- Deploy information security protection system and monitoring equipment, continue to improve the security of the overall information environment, and reduce the incidence of various risks.
- Authorization must be required for using system and data, and the minimum level of authorization shall be granted based on business needs.
- Set up adequate backup and backup mechanism for information system, conduct regular emergency drill to strengthen the tenacity of information service when facing threats.
- Establish response and reporting procedure on information security incident and improve the responding and coordinating ability of the internal personnel in an emergency.
- Conduct regular employee training on information security to continue improving the awareness of information security.
- All employees and stakeholders shall be responsible to maintain cyber security and follow relevant cyber security management regulations.

## Cyber Security Implementing Status and Effectiveness

### 1. Cyber security in 2023 is to improve defense ability. NT\$2,550,000 was invested to complete, set up, and upgrade equipment as follows:

- (1) Backup software upgrade.
- (2) Disk array upgrade (improve efficiency and availability).
- (3) Junk mail (SPAM) protection upgrade.
- (4) Virtual software (VMWARE) version upgrade.
- (5) Anti-virus software update and deployment.

### 2. Cyber security implementing status

- (1) To strengthen TYC internal data security protection, management mechanism, and customer-related information, the company has established the "Information Security System Center," a dedicated unit of information security with one supervisor and four specialists in order to meet the requirement of cyber security by competent authority, to execute information security related business, and strengthen information security defensive ability.
- (2) In order to prevent hacker invasion, TYC has prepared measures such as anti-virus software, employee cyber education training and promotion, regular update on operation system, software, firewall protection, backup and restoration to avoid loss of the company's cyber assets.
- (3) TYC manages email security by classification. There were 1,414,222 emails received in 2023. 86,743 quarantined emails were intercepted (accounting for 6.13%), and 1,536 virus email were intercepted (accounting for 0.11%). As for firewall security management, 904,000 threat activities were detected in 2023 (16,100 of them were in high risk, 19,100 in medium risk, and 868,800 in low risk). Attacking types include mail, application, URLs, and domains.

## Cyber Security Emergency Response Plan

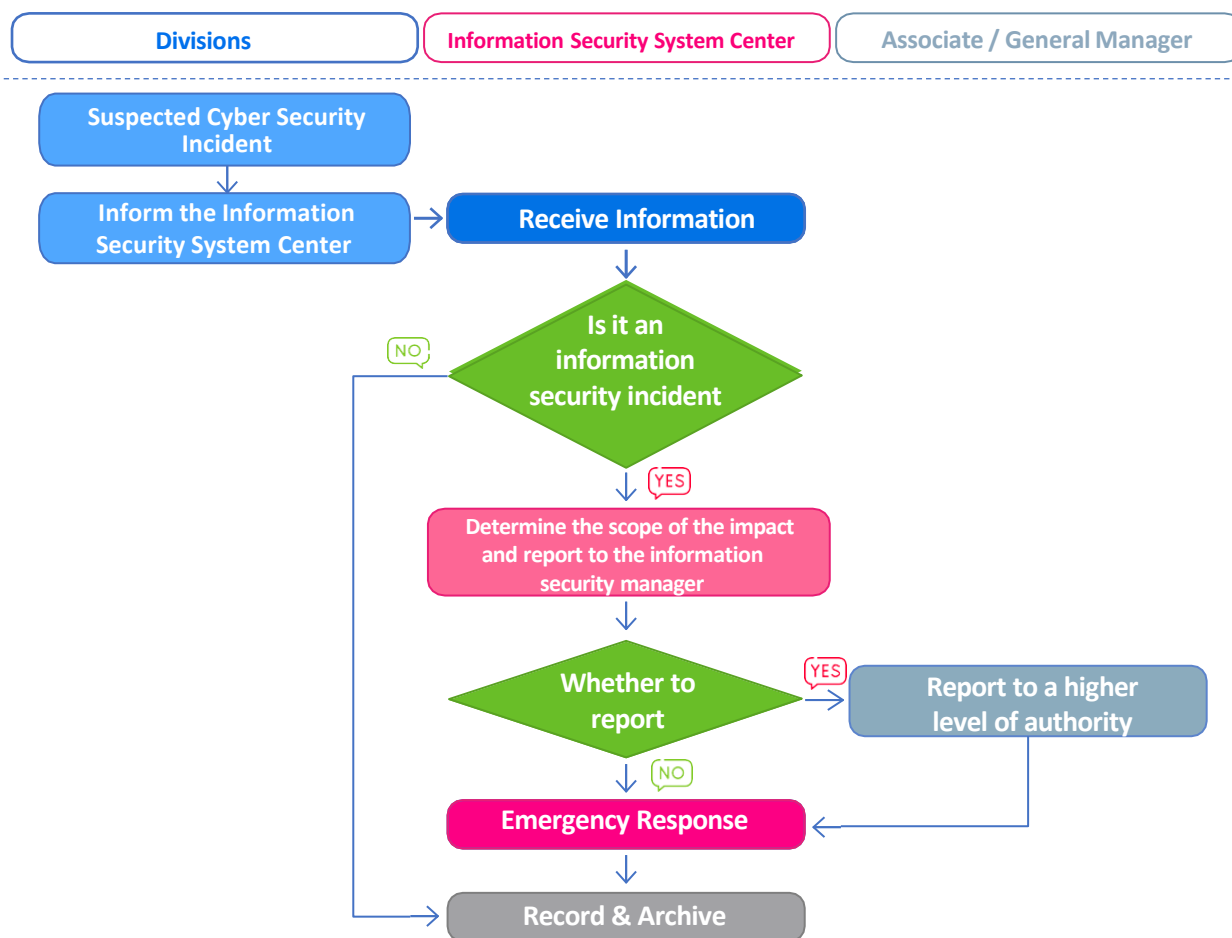
TYC consistently develops robust backup structures and contingency plans for critical systems and data, as well as conducts daily checkpoints. To guarantee the continued reliability of our backup equipment, recovery procedures, and mechanisms, TYC conducts tests and drills on these components every six months. Additionally, the entire personnel receives regular training and education on emergency recovery procedures. In the event of a system disaster, recovery operations are carried out in accordance with the computer system disaster handling procedures. This is done in order to minimize the damage caused by the disaster and shorten the system recovery time.



## Cyber Security Incident Handling and Reporting

Establish corporate risk management mechanism and information security incident handling standard procedures, stipulate relevant process and measures including reporting procedure of information security incident, assign specialists to handle major cyber security incident, loss evaluation and further necessary responding measure, evaluate cyber risks possible impact on the Company's finance and operation and its responding and make up measures.

TYC cyber security incident reporting and handling are governed by the following procedures.

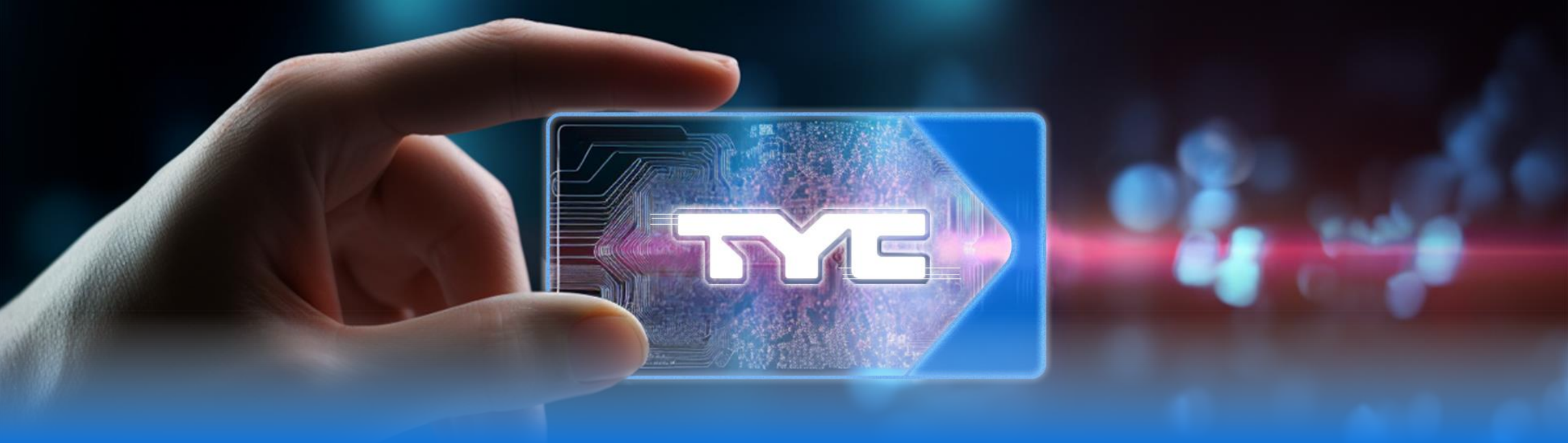


## Cyber Security Education Training

TYC has conducted information security training quarterly for new employees, which includes learning company's computer system, data access control, and regulations of internet usage. For existing employees, cyber security training is held every six months. 85 new employees and 80 existing employees had participated in information security training in 2023 (contents include information and confidential data leak, and internet attack issue). The total training was 122.5 hours.

## Customer Information Management

At TYC, we prioritize customer privacy and have established comprehensive guidelines for the management of customer information, as outlined in our "Regulations for the Management of Application and Credit Collection of Basic Customer Information." New customers are required to complete the requisite forms and submit them to their supervisors in accordance with the regulations set forth in the standard. In the event that the amount of money in question exceeds NT\$3 million, an external credit investigation will be required. If an OEM customer submits a "Customer Special Requirements Form," the relevant unit must be notified of the request. Documents pertaining to fundamental customer data are generated or revised, and external credit reports or digital records are maintained by the sales and marketing department. In 2023, there will be no infringement of customer privacy or compromise of customer information.



## 3 Green Actions

### R&D and Intellectual Property Management

- 3.1 Products and Patents Management
- 3.2 Improve Manufacturing Process

### Climate Change Response Management

- 3.3 Risks of Climate Change
- 3.4 Energy and Greenhouse Gas Inventory
- 3.5 Water Resources Management
- 3.6 Pollution Prevention Management

## 2023 Performance Highlights

- 📌 **↓22.3 tons of CO<sub>2</sub>e**  
2023 GHG emissions intensity with 135.2 metric tons of CO<sub>2</sub>e, a decrease of 22.3 metric tons of CO<sub>2</sub>e from the 2022 baseline of 157.5 metric tons of CO<sub>2</sub>e.
- 📌 **↑67.1%**  
The total amount of waste resources recycled in 2023 was approximately 190.5 metric tons, an increase of 67.1% compared to 114.02 metric tons in 2022, winning the recycling volume award from the Environmental Protection Bureau of the Tainan City Government.
- 📌 **↓36.2%**  
2023 Plasma cleaning machine to reduce annual average industrial detergent use 4.9 tons, saving 36.2%.
- 📌 **7.8 million liters**  
Plant recycled water consumption of 7.8 million liters in 2023.
- 📌 **106 Patents**  
In 2023, we held 106 active patents.
- 📌 **0 Violations**  
No violations of health and safety regulations related to products and services in 2023.

# R&D and Intellectual Property Management

## Material Topics: R&D and Intellectual Property Management

<b>Positive Benefits Description</b>	The company's innovative R&D capabilities not only represent a key strength in the market but also demonstrate a determination to maintain a leading position. Patents provide adequate protection of the company's intellectual property rights, preventing related technologies or products from being maliciously stolen or copied by competitors. This protects the company's competitiveness in the marketplace.
<b>Negative Impact Description</b>	In June 2021, Hyundai Motor Company and Kia Corporation initiated legal proceedings against TYC and TYC's U.S. subsidiary, Genera Corp, for patent infringement. The case has been in litigation and has not had a significant impact on the financial and business affairs. We will continue to actively respond to the above litigation in order to protect our rights and interests. This has had a direct negative impact on the organization.
<b>Remedy/ Measures</b>	In the event that an infringement is established, the company will pay damages in accordance with the judgment, cease sales of the infringing product, scrap the infringing part, modify the infringing part, and eventually file a patent avoidance declaration with TYC headquarters to prevent a recurrence.
<b>Complaints/ Communication Channels</b>	<ul style="list-style-type: none"> <li>Please be advised that the patents applied for by TYC have been posted on the relevant patent websites in the countries where we are applying.</li> <li>Should customers wish to file a complaint about a product, they are invited to contact the sales office at the dedicated counter.</li> <li>E-mail : <a href="mailto:Jason_Chao@tyc.com.tw">Jason_Chao@tyc.com.tw</a></li> <li>Tel: 06-2658781 #358 Mr. Chao, Yuan Jun, Director</li> </ul>
<b>Liability</b>	<ul style="list-style-type: none"> <li>The R&amp;D department has a dedicated unit for innovation and R&amp;D. The development of new products is overseen by two teams, one dedicated to AM products and the other to OEM products.</li> <li>A dedicated quality control unit has been established to oversee quality planning and control from the evaluation stage to mass production.</li> </ul>
<b>Management Evaluation</b>	<ul style="list-style-type: none"> <li>It is the responsibility of the patent administrator to oversee the payment of annual patent fees and ensure that patent defenses are filed in a timely manner.</li> <li>Oversee the product development process in accordance with the IATF 16949 system and ISO 26262 standards, and implement a PDM/PLM system to facilitate the use of e-signatures.</li> </ul>
<b>Goals &amp; Objectives</b>	<ul style="list-style-type: none"> <li>Avoid infringing on existing patents.</li> <li>Obtain and maintain 90 patents.</li> <li>Develop and produce 200 units per year.</li> <li>R&amp;D expenses account for 2.5% of revenue.</li> </ul>
<b>Specific Actions in 2023</b>	<ul style="list-style-type: none"> <li>As the number of patents in the automotive lighting market grows, we are improving our technical capabilities to ensure our AM products avoid infringement and meet the needs of OEM products from automotive manufacturers.</li> <li>We have a standard for checking, avoiding, confirming, molding, and re-confirming patents before mass production. We also have regular meetings to analyze and avoid patents to ensure our products don't infringe on others'.</li> <li>The number of new patents can be adjusted to match the number of expired ones.</li> <li>Keep the number of new products a year.</li> <li>The yearly costs for patents include application, defense, and renewal fees.</li> </ul>
<b>Performance Results</b>	<ul style="list-style-type: none"> <li>Research and development expenses totaled \$316,918,000 in 2023, accounting for 2.5% of the overall operating revenues.</li> <li>Patent application fees amount to a total of \$2,784,000 in 2023.</li> <li>A total of 17 patent applications have been filed in 2023.</li> <li>The number of new product development groups in 2023 was 195.</li> </ul>

## 3.1 Products and Patents Management

### Quality and Responsibility

#### Quality Policy

We are committed to the development, manufacturing, and marketing of vehicle lighting devices, allowing us to become one of the leading companies in the industry, meet customer expectations, upgrade vehicle technology, and safely comply with international vehicle lighting regulation standards.

Continuous introduction of newer vehicle lighting design, new methodology, new materials, precise tooling technology, and engineering. The ability to actively promote smart processes, maintain stability of production quality, reduce failure cost, and improve individual work quality, while persistently learning and growing to exceed customer expectations achieving maximum benefits.



#### Quality System Certification

Certified Items	Plant Coverage			
Plant Certification	An-ping plant	Tech Park Plant 1	Tech Park Plant 2	Tech Park Plant 3
ISO 9001: 2015 quality management system	●	●		
FORD PREFERRED QUALITY STATUS Q1	●	●		
IATF 16949: 2016 Automotive Quality Management Systems	●	●		●
ISO 26262: 2018 Functional Safety	●			●
Authorized Economic Operator	●	●	●	●

Note: The above certificates are valid for the reporting year.

#### Product Certification

Certified Automotive Parts Association, CAPA

China Compulsory Certification, CCC

UNECE type approval

EuroAsian Conformity, EAC

AIS type approval

Instituto de Racionalización Argentino de Materiales

### Material Selection

All of the plastics used by TYC as raw materials for headlamps are verified by dedicated material engineers. Selected materials are subject to specifications and undergo testing at third-party laboratories that are certified to comply with REACH and RoHS standards. These tests ensure that the plastics used in our products are free of plasticizers, heavy metals, and other hazardous substances and comply with the specifications. We also require our raw material suppliers to update the test data on a regular basis. If a customer has specific performance requirements for a material, we will select the appropriate material in accordance with the customer's particular specifications.

OEM designs and develops environmentally friendly measures to minimize its impact on the environment. These include the selection of materials for headlamp manufacturing based on the reduction of carbon emissions from the production of material components, the non-use of chemical gases that affect climate change, the recycling of materials, and the elimination of environmentally hazardous substances. All types of plastic materials comply with international recycling regulations and are engraved to facilitate recycling and reduce pollution. The International Material Data System (IMDS) is used to ensure that the parts and materials comply with international standards.

In order to mitigate environmental impact and ensure compliance with relevant regulations, each country has enacted specific environmental laws and regulations pertaining to its products. At TYC, we confirm our compliance with environmental laws and regulations on an annual basis to ensure that we remain up-to-date with the latest developments in these laws and regulations. We also encourage manufacturers, related parties, and employees responsible for these laws and regulations to receive regular education and training on environmental laws and regulations, enabling us to keep pace with the latest trends in these laws and regulations. Furthermore, we can confirm that we have not violated any health and safety laws and regulations related to products and services in 2023.

### Substance Specification Items and Practices

Serial Number	Substance Specification	Procedure
1	PPW (Directive on Packaging and Packaging Waste)	<ol style="list-style-type: none"> <li>When the product is initially developed, the specification sheet will usually indicate whether the product is subject to REACH and other environmental requirements, and the relevant staff in the technical research institute will be informed.</li> <li>Examine the bill of materials to see if there are any suspect parts (parts that are more likely to contain restricted substances, such as electronic circuit boards).</li> <li>For suspect parts, ask the manufacturer for the declaration and material number.</li> <li>Integrate the declarations, material data sheets, or test reports from each component manufacturer to produce a declaration for the whole lamp.</li> <li>Or compile the data for the whole lamp from the material data sheet provided by the manufacturer and check compliance step by step.</li> <li>Or send the whole lamp for testing at the customer's request to obtain the restricted substances test report.</li> </ol>
2	POPs (Persistent organic pollutants)	
3	REACH (Regulation (EC) No 1907/2006)	
4	ELV (End-of-life Vehicle, ELV)	
5	TPCH (Model Toxics in Packaging Legislation)	
6	TSCA (Toxic Substances Control Act)	
7	California Proposition 65	<p>In accordance with the Conflict Minerals Procurement Policy, manufacturers are required to refuse to use minerals from regions that do not meet the requirements of humanism. Furthermore, manufacturers are required to provide declarations. The Company has also requested that suppliers conduct surveys on conflict minerals.</p>
8	Global Automotive Declarable Substance List	
9	Conflict Minerals	

## Headlamp Energy-saving Design

### 1. LED Lighting Design

TYC is committed to energy conservation and carbon reduction in the design and development of automotive lamps. The new design suggests that car manufacturers use light sources from traditional halogen bulbs to adhere to the high-brightness energy-saving LED proposal. Recently, in addition to the original prototype of a small modification of the product with the old halogen light source, the new design of lamps and lanterns designed more than 90% of the design and development of the use of LED light source, not only for novelty in style, but also to achieve the purpose of energy conservation and carbon reduction.

### OEM Trends in the use of halogen and LED light bulbs in products

Year	Halogen	LED
2019	0%	100%
2020	10%	90%
2021	8%	92%
2022	6%	94%
2023	5%	95%

With the introduction of LUCIDSHAPE Optical Design optical simulation software, the energy saving ratio is improved as follows:

Lighting Code Adoption	Halogen (W)	2023 LED (W)	2023 LED Energy Savings (%)	2023 Light energy efficiency (%)
Headlight Low Beam	55	19.5	65%	50%
Headlamp High Beam	60	25.9	57%	48%
Motorbike Direction Lamp	21	1.8	91%	70%
Daylight Lamp	35	13.8	61%	46%
Front Fog Lamp	55	6	89%	69%
Brake Lamp	21	3.1	85%	65%
Front Position Lamp	5	1.2	75%	58%
Rear Position Lamp	5	0.7	86%	64%

Notes:

1. Calculation of energy saving ratio = (Halogen W-2023 average LED W) / Halogen W\*100%.
2. The energy saving ratio of LEDs includes the total heat dissipated by consuming light output lumen value, LED heat dissipation, and LED module heat and heat dissipation.
3. Optical energy efficiency includes the application area of reflective surface, reflectivity, penetration rate, space size of organization, customer input shape, and penetration material.
4. As OEM LED products are not terminal products, the energy saving can only be calculated using the product specifications, and the power reduction ratio is shown in percentage (The main reason for not using the joule unit is to avoid the inaccuracy of the data caused by quoting too many assumptions).


## 2. Lightweight Design

Automotive matrix headlamps, which combine driving safety and lighting functions, are gradually becoming the mainstream of automotive headlamps in the future. However, due to the complex structure of the product and the large amount of materials used, TYC has invested in the research and development of Liquid Silicone Rubber (LSR) to solve this problem. It has an excellently light weight, with minimal material consumption and recyclability compared to commonly used engineering plastics, which improves safety while helping to protect the environment at the same time.




### 3. Process Improvement

In addition to the development of more energy-saving light source designs, we are committed to enhancing the quality of our process designs. To this end, we divide the current combination of LENS and HOUSING lamps into two types:



**Adhesive is required**

The use of adhesives such as hot melt adhesive, PU adhesive, and UV adhesive is essential for the design and development of these products due to the high impact strength, heat resistance, vibration resistance, and vehicle structure requirements.



**No adhesive required**

The front fog lamps, tail lamps, tail trim lamps, and front and rear directional lamps are all designed to be free of adhesives. They are mainly designed to be causing friction by external vibration, ultrasonic wave, and fusion welding of hot plates. This environmentally friendly, energy-saving, and carbon reduction processing method ensures minimal waste and maximum efficiency.

While the former utilizes hot melt and PU adhesives, it still selects materials that meet environmental protection standards. The latter does not require adhesives for processing. For instance, vibratory friction generates heat through friction between a high-pressure force and a polymer, reaching the softening point temperature for bonding. Ultrasonic processing employs pressurized ultrasonic amplitude friction heating. The hot plate is partially heated with upper and lower fixtures, and the plastic polymer is heated to the softening point temperature for the bonding process. The hot plate is used to locally heat the plastic polymer above and below the fixture, thereby reaching the softening point temperature for combined processing.

Introducing automated PLASMA spraying as a replacement for manual primer application to effectively strengthen the adhesion of lamp coating, improving product quality and customer satisfaction. 7 units were introduced in 2022, with an estimated 400 cans saved annually, and 1 unit was introduced in 2023, further reducing the use of organic solvents and minimizing environmental impact.



▲ Organic solvents



▲ Automated PLASMA spraying

## Award Recognition



### Taiwan Excellence Award

#### Vehicle Lighting Products



Note: Please refer to the website for a detailed list of previous year's award recipients.

## R&D Volume Demonstration

The evolution of lighting technology has progressed from the traditional "light, machine, electricity, and heat" model to the advent of technologically advanced lighting solutions. At TYC, we employ a vertically integrated approach to technology, encompassing research and development, design, optics, production technology, and the protection of intellectual property. Our automotive and motorbike lighting solutions not only enhance driving safety but also align with energy-saving, intelligent, user-friendly, and aesthetically pleasing standards.

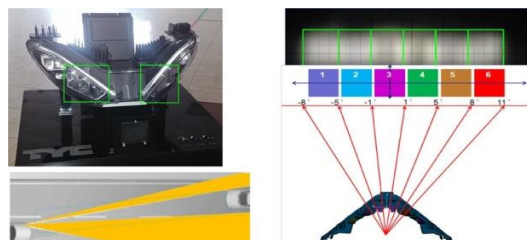
### 100 Pixel Multi-Functional Matrix ADB

High-pixel matrix LED headlights introduce the ADB function, which automatically switches to the most suitable light pattern and lighting function for the road, such as low beam, high beam, etc., according to various road conditions... etc. It reduces glare from both forward and oncoming traffic, maximizes illumination and improves driving safety.



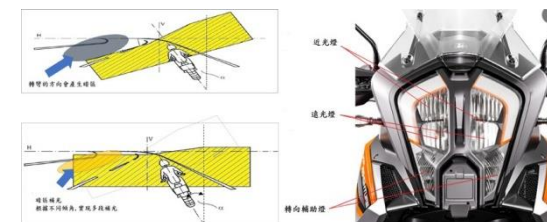
### Motorbike Matrix ADB

The motorbike uses the millimeter wave radar to respond to the road environment and controls the matrix LEDs via vehicle communication technology to achieve multiple light distribution functions and maximize illumination, reducing glare from oncoming traffic both ahead and to the other side, making the motorbike safer to ride at night or in dark places.



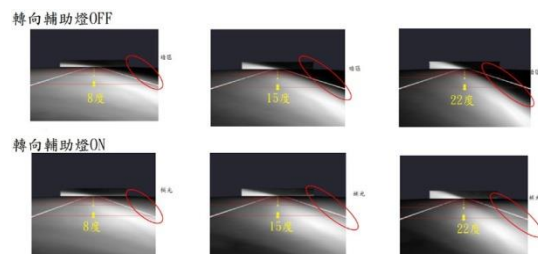
### Steering assisted headlamps

When the motorbike turns or tilts left/right (-30° ~30°) with the headlight on, the headlight realizes the multi-stage auxiliary lighting function, which improves the visibility and safety in the curve and achieves the safety assist effect.



### Steering assist lamps

When the vehicle is turning or tilting left/right with the headlights on, the cornering lamps are controlled by LIN communication, and together with the headlights, there are 3 light compensations on the left and right sides, improving visibility and safety in curves.



### Depth of Field Tail Lamp

The lamp housings use the "concave lens virtual image" imaging principle, together with semi-reflective and semi-transparent nano-dielectric multilayer and other related technologies, to achieve multi-layer deep visual effect, to provide the function of complying with traffic regulations, as well as the aesthetic effect of the lamps.



### Shaped light-guide visual taillight

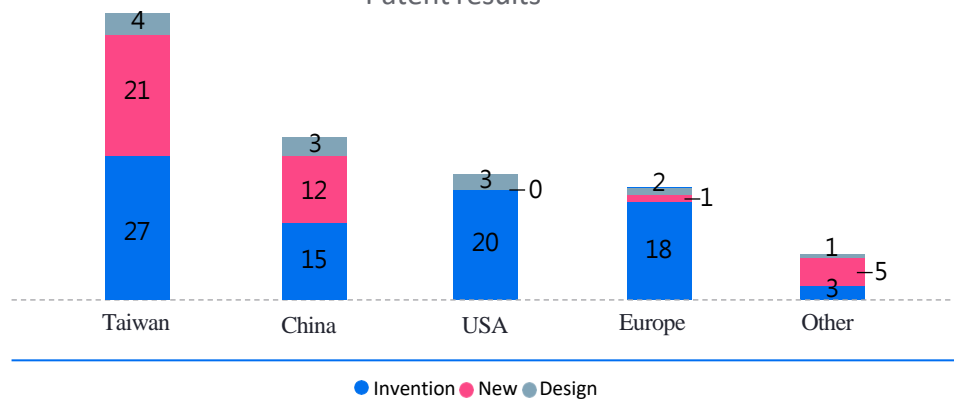
By combining the light guide bar with the light guide plate design, it achieves the visual effect of light guide in the shape of dragon's wing, improves the commercialization and aesthetic effect, and meets the function of car light regulation.



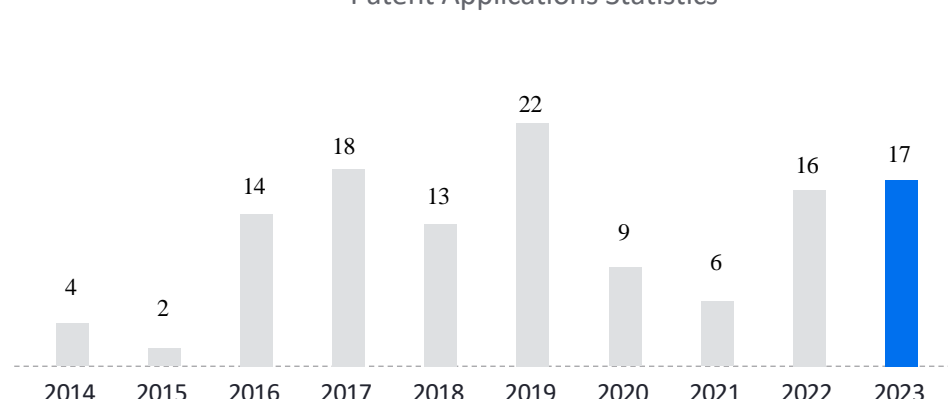
## Patent Management

In 2023, TYC's R&D expenses reached NT\$316,918,000, representing approximately 2.5% of the consolidated operating income of NT\$12,664,171,000. Over the past three years, related R&D expenses have accounted for approximately 2% of consolidated operating income, which is sufficient to reflect TYC's robust R&D capacity and core technologies. TYC's optical and mechanical patents form the foundation of our international competitiveness. From 2005 to 2023, TYC filed a total of 135 patent applications, of which 106 have been registered and remain valid, and 29 are currently pending. The company will maintain its competitive edge through continued investment in R&D, coupled with a robust portfolio of optical and institutional patents. This strategy will enable us to capitalize on the promising future market for intelligent and advanced lighting fixtures.

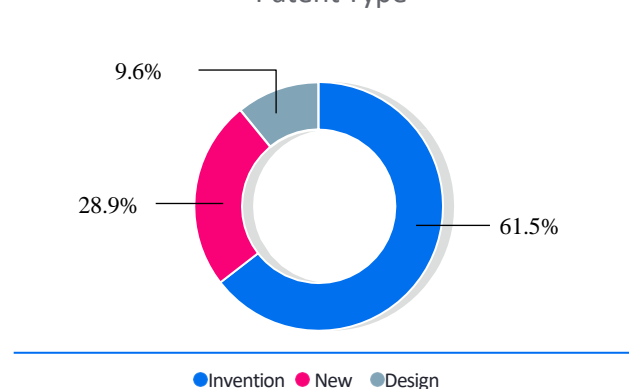
Patent results



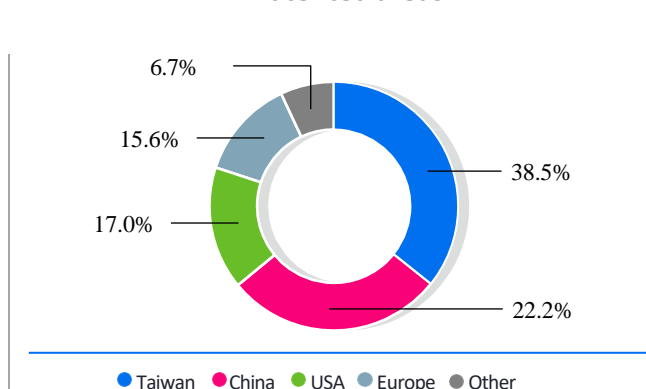
Patent Applications Statistics



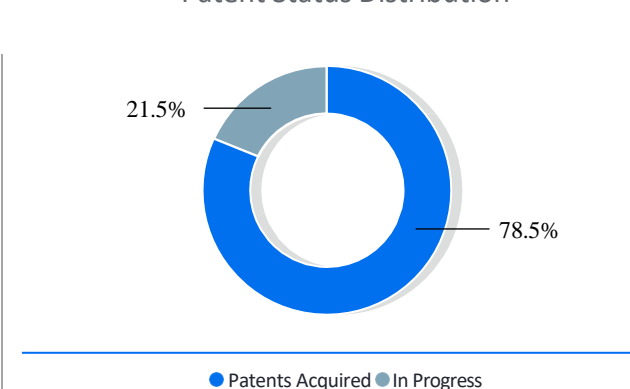
Patent Type



Patented areas



Patent Status Distribution



## 3.2 Improve Manufacturing Process

### Main Materials Used

The total weight of TYC 2023 materials used in primary production and packaging is 9,777.3 metric tons, out of which 4,712.8 metric tons are non-renewable materials and 5,064.5 metric tons are renewable materials.

#### 2023 Major Production and Packaging Materials

Items	Materials	Volume of use (tons)
Non-renewable materials	Raw Materials <sup>Note</sup>	2,480.8
	Plastics	2,232.0
Renewable materials	Paper Packaging	5,064.5
Total		9,777.3

Note: Raw materials include acrylonitrile butadiene styrene (ABS), polyamide resin(P66), polycarbonate (PC), and propylene glycol methyl ether acetate (PMA).

The trimmings generated in the manufacturing process are recycled and processed for use in the injection molding machine for overflow and cleaning, and the recycled usable materials generated from defective products in the manufacturing process can be sold to qualified recyclers. Approximately 86.1 metric tons of usable materials will be recycled in 2023.

#### Recyclable Materials

Unit: metric tons

	Materials	2021	2022	2023
Sell Recyclers	Tube Cleaning	20.8	17.9	19.4
	Acrylonitrile-Butadiene-Styrene(ABS)	8.3	9.0	9.9
	Polyamide-66(P66)	7.4	5.3	4.9
	polycarbonate (PC)	35.0	23.7	24.7
	Polymethyl methacrylate (PMA)	27.7	34.6	27.2
	Total	78.4	72.6	66.7
Total		99.2	90.5	86.1

### Reduction of Overconsumption of Raw Materials

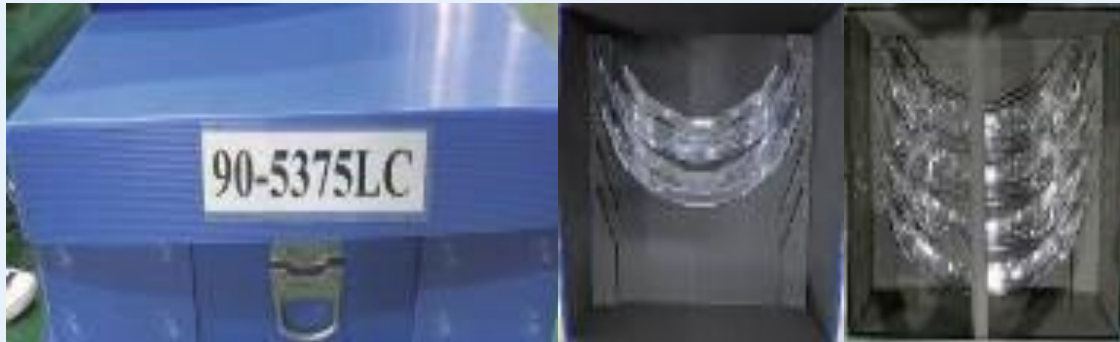
As the crisis of climate change intensifies, reducing raw material consumption has become a significant concern for businesses. TYC's average raw material consumption for the past three years is 2,045 tons, with overconsumption of 321 tons in 2021, 305 tons in 2022, and 331 tons in 2023. This is primarily due to an increase in overconsumption of trial molds. We will continue to reduce raw material consumption through talent cultivation, the introduction of an abnormal decision diagnosis system, mold optimization, manufacturing process improvement, production scheduling optimization, and a reduction in the number of mold trials. These measures will enable us to implement the concept of environmental protection and sustainability, which is to reduce the amount of plastic and carbon emissions.

## Recycled Packaging for Parts Delivery

Since 2018, TYC has been implementing improvements on the packaging materials used for parts. Our objective is to deliver parts with the least amount of packaging and the simplest packaging method, while maintaining the quality of the parts. The following methods will be employed to implement the improvements:

- 1) Reduce the amount of plastic bags and comfort paper,
- 2) Change the way parts are placed to a flat position to minimize the need to add more packaging materials due to the stacking of parts,
- 3) Use recyclable packaging materials to reduce the use of plastic packaging materials and the use of plastic packaging materials,

The projected improvement in recent years is estimated at \$668,903 in 2021, \$459,957 in 2022, and \$657,828 in 2023. Furthermore, we are proactively developing a circular economy by transitioning the parts exported to our subsidiary in Thailand from cardboard boxes to six-compartment baskets, which can be continuously recycled in Thailand. A total of 42 sets of parts have been imported up to 2023, resulting in cumulative savings of \$268,946 in 2023.



The redesign of the recyclable box for the lamp shell allows the parts to be placed in the box with the slot and fixed crossbar, thus meeting the quality requirements without any packaging materials. The cover then prevents dust, and the box can be recycled and reused.



# Climate Change Response Management

## Material Topics: Climate Change Response

<b>Positive Benefits Description</b>	Compliance with customer, policy, and international carbon reduction requirements will enhance our future competitiveness. Furthermore, reducing our reliance on energy sources will help to mitigate the risks and losses associated with potential energy shortages.
<b>Negative Impact Description</b>	While TYC is not a significant emitter of greenhouse gases, the company's operations may be impacted if regulations become more stringent, and the scope of the levy is expanded in the future.
<b>Remedy/Measures</b>	The company is committed to promoting energy conservation, waste reduction, and pollution prevention in order to minimize the negative impact of greenhouse gas emissions on the environment and human rights. For further details on management actions, please consult the management policy and chapters 3.3 to 3.6.
<b>Complaints/Communication Channels</b>	For matters pertaining to environmental safety and health, please direct your inquiries to the Safe Sanitation Room via the designated communication channel. <ul style="list-style-type: none"> <li>E-mail: <a href="mailto:WX_Tazn@tyc.com.tw">WX_Tazn@tyc.com.tw</a></li> <li>Tel: 06-3841888 #391, Tien Wen Hsuan, Associate Manager</li> </ul>
<b>Policy/Commitment</b>	We are committed to taking an active role in addressing climate change. Our approach involves reducing greenhouse gas emissions, investing in cutting-edge research and development, and promoting green design technologies. We are also focused on enhancing the efficiency of energy and resource utilization, advancing the development of a circular economy, and continuing to prioritize the reuse of resources.
<b>Liability</b>	Administration Division, Safe Sanitation Room, Units.
<b>Management Evaluation</b>	The Sustainability Committee convenes on a regular basis to assess the progress made in achieving climate change management objectives and provides updates to the Board of Directors.
<b>Goals &amp; Objectives</b>	<ul style="list-style-type: none"> <li>Greenhouse Gas Inventory and Verification : Carbon emissions per unit of product use (4.38 metric tons of CO<sub>2</sub>e/unit) in 2022 serves as the base year. Short-term: 3% reduction in 2024 Medium-term: 5% reduction in 2025</li> <li>Long-term: 10% reduction in 2030</li> </ul>
<b>Specific Actions in 2023</b>	<ul style="list-style-type: none"> <li>In 2023, the An-ping Plant and Tech Park Plant 1~3 completed a GHG inventory and passed third-party verification. Based on the 2022 baseline, the company set a net-zero target and carbon reduction strategy. The total expenditure on environmental protection was \$41,966,353.</li> <li>The wastewater was redirected to the recycled water system, where it was reproduced for use in the plant's manufacturing processes and air conditioning.</li> <li>We updated our air pollution prevention equipment, integrated virtualization hosts, and replaced energy-saving air conditioners.</li> </ul>
<b>Performance Results</b>	<ul style="list-style-type: none"> <li>The total energy consumption for the period in question was 122,454.7 GJ, representing a 1.9% decrease from the figure of 124,823.7 GJ recorded in 2022. The volume of water withdrawn was 97.0 million liters, representing a 3.1% decrease from the 100.1 million liters withdrawn in 2022.</li> <li>The plant recycled 7.8 million liters of water.</li> </ul>

## 3.3 Risks of Climate Change

### Governance

TYC values sustainable development and climate change issues and pays attention to the impact on operating activity caused by climate change. Although a climate change risk team is not set up yet, the company discusses on climate-related issues based on internal and external issues, evaluation plan of interested parties' demand and expectation, while reviewing business strategy annually. The Sustainable Development Committee coordinates the promoting, planning, and implementing of issues related to sustainable development; whereas the Greenhouse Gas Inventory Promotion Committee conducts greenhouse gas inventory and verification. Together the committees focus their attention on changes in international trends and sustainable issues, such as climate change, to ensure and facilitate the best interests of the company.

The company refers to the framework from TCFD (Task Force on Climate-Related Financial Disclosures) climate-related financial information disclosure proposal to conduct risk assessment and management of climate change issue through task forces under the Sustainable Development Committee and to effectively reduce the climate change risks and opportunities' impact on finance through the involvement of top management, cross-function communication, and integration of the company resources. The general manager (Chairman of the Sustainable Development Committee) supervises the implementation of the promotion countermeasures and report the promoting plan and operating result to the Board of Directors annually.

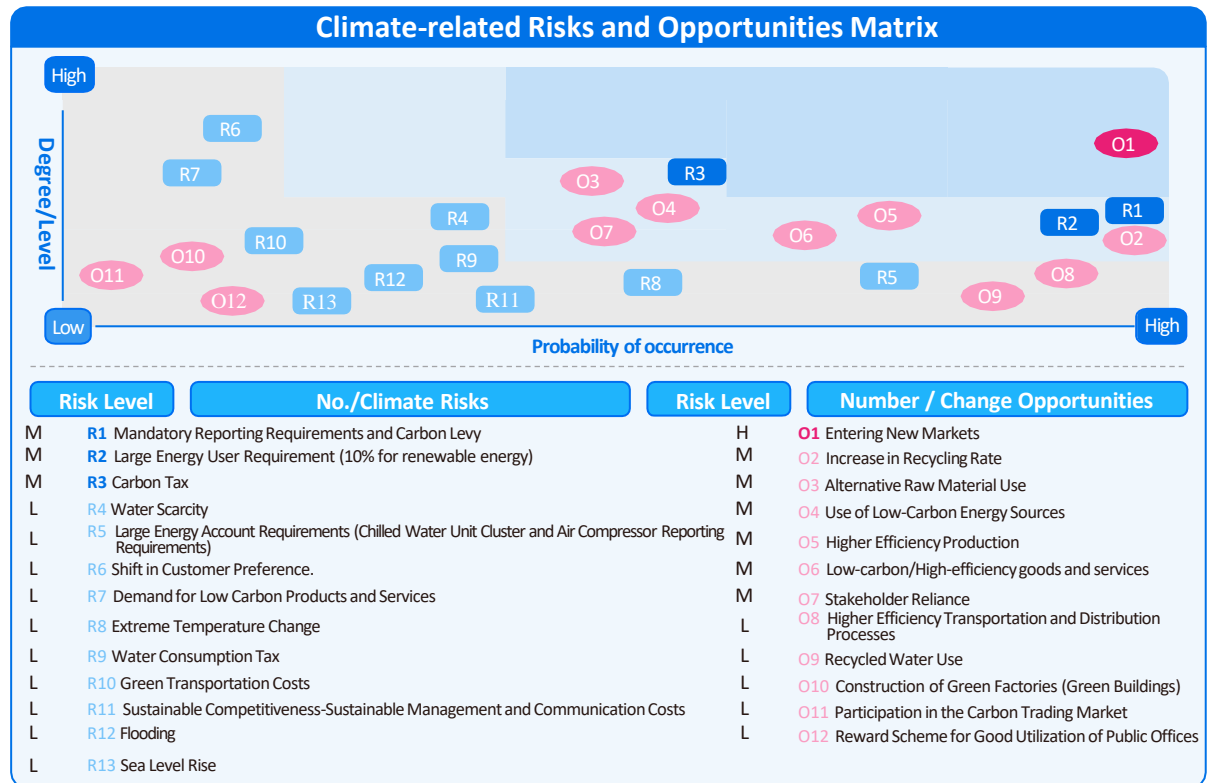
Note: For meetings related to Board oversight and management in 2023, please refer to "Sustainability Promotion and Management - Highlights of Sustainability Issues Presented to the Board in 2023".

## Strategy and Risk Management

At the ESG kick-off meeting on January 12, 2024, TYC has made a discussion and evaluation on risk assessment of climate change issues conducted by the General Manager and task force in the Sustainable Development Committee related to transformation risks (policy and regulation, technology, market, and reputation), physical risks (acute and chronic), and opportunities (resource efficiency, energy source, products and services, markets, and resilience) in TCFD.

### Evaluation and identification

The company refers to climate risk and opportunity sources by TCFD to check possible risk and opportunity factors, while evaluating risk value and opportunity value by possibility (chance of occurrence, frequency) and identifying items that require primary attention. Three medium risks and one high opportunity are identified this year. Corresponding strategy and financial impact evaluation have been made by the relevant department to set up relevant management mechanism.



## Risk and Opportunity Management and Response Strategies

TYC is committed to the management of risks and opportunities and the development of effective countermeasures, based on the results of the identification process.

Category	No./Item	Description	Expected Time	Countermeasure	Potential Financial Impact
Climate Major Risk					
Transformation risk	R1/ Mandatory declaration requirement and carbon fee collection	Ministry of Environment has added the secondary batch of emission sources whose greenhouse gas emissions should be checked and registered, and implemented carbon fee collection in compliance with Climate Change Response Act. In addition, the Financial Supervisory Commission has been promoting in phrases that all listed companies shall complete carbon inventory check by 2027, and subsidiaries on the consolidated report shall complete by 2029. Even though the greenhouse gas emission of TYC is under 25,000 tons, the Company still needs to conduct greenhouse gas inventory check and verification of the subsidiaries. If the requirement is amended in the future, the Company will have to pay for carbon fee, which will increase the operation cost.	Short term	<b>Short term</b> <ul style="list-style-type: none"> <li>Conduct GHG inventory check to stay on top of the situation, as well as setting short, medium, and long term goals of carbon reduction.</li> <li>Establish scheduling optimization</li> <li>Continuous improvement on abnormal mold .</li> <li>Plan to use 10% renewable energy by the end of 2024.</li> <li>Introduction of energy management monitor</li> <li>Participate in DHL Go green project and receive discount price for DHL express in the future.</li> </ul>	<ul style="list-style-type: none"> <li>Increase expenses in Product carbon footprint, GHG , ESG counseling and verification fees</li> <li>Expense to support DHL Go green project</li> <li>Carbon border tax, carbon fee expenses</li> <li>Increase costs in changes in equipment for low carbon processing, processing research and development, and substitute raw material</li> </ul>
	R2/ Energy-heavy industries (10% renewable energy)	With the Ministry of Economic Affairs (contract capacity of 5000 kW), the company shall fulfill its obligation by setting up power generation equipment utilizing renewable energy, purchasing renewable energy power and certificate, setting up energy storage equipment, or paying cash.	Short term	<b>Medium term</b> <ul style="list-style-type: none"> <li>Set a base year and reduction goal, continue to introduce energy saving measure, reduce GHG total emission volume.</li> <li>Plan to replace energy saving equipment in the plant.</li> </ul>	<ul style="list-style-type: none"> <li>Expenses of energy management, solar power, and energy storage equipment</li> </ul>
	R3/ Carbon fee collection	Currently, various countries are planning to implement carbon border adjustment mechanism and collect carbon border adjustment tax on certain imported products, and the target of tax collection is gradually expanding. Export sales to the US is account for 43% of TYC's revenue; whereas 12% is account for Netherlands of the European Union. If the regulation is getting stringent and expanding the tax collection scope, it will have quite an impact on the company's operation costs.	Long term	<b>Long term</b> <ul style="list-style-type: none"> <li>Add energy storage equipment</li> </ul>	

Climate opportunities					
Market	01/ Enter new market	In response to the impact of extreme weather, the demand for de-icing technology on lights is increasing.	Short term	Short term	<ul style="list-style-type: none"><li>• Increase in research and development cost.</li><li>• Growth in operation revenue due to increase in product demand.</li></ul>
				<ul style="list-style-type: none"><li>• Actively invest in de-icing technology development to satisfy customers' needs. Two de-icing light products have been developed so far.</li></ul>	
				Medium to long term <ul style="list-style-type: none"><li>• Promote de-icing technology and gain more orders. It is expected to massively produce one de-icing product every year.</li></ul>	

## Indicators and Objectives

Indicators	Objectives	Specific Actions
Greenhouse Gas Emission	Carbon emissions per unit product use in 2022 (4.38 metric tons CO <sub>2</sub> e/unit) as base year. <ul style="list-style-type: none"> <li>Short-term: 3% reduction in 2024.</li> <li>Mid-term: 5% reduction in 2025.</li> <li>Long-term: 10% reduction in 2030.</li> </ul>	<ul style="list-style-type: none"> <li>Implement energy management with planned annual improvements to reduce energy consumption and greenhouse gas emissions: <ul style="list-style-type: none"> <li>Replaced chilled water equipment with high-efficiency, energy-saving models.</li> <li>Continue to implement variable frequency equipment in manufacturing facilities.</li> <li>Carbon emissions per unit of product 4.12 metric tons in 2023. (5.9% reduction from base year)</li> </ul> </li> <li>Estimated to complete planning for 10% renewable energy use by the end of 2024.</li> </ul>
Greenhouse Gas Inventory	<ul style="list-style-type: none"> <li>Initial completion of the parent company's GHG inventory and completion of external verification in 2022.</li> <li>The consolidated subsidiaries plan to complete the inventory by 2027 and the verification by 2029 in accordance with the requirements of the Financial Supervisory Commission, R.O.C..</li> </ul>	Greenhouse gas inventory and verification of An-ping Plant, Tech Park Plant 1~3 have been completed in 2023.
Water Resources	Use 2021 as the base year for water use per unit of product (0.024 million liters/unit of product). <ul style="list-style-type: none"> <li>Reduce water use per unit of product by 3% in 2023.</li> <li>Reduce water use per unit of product by 5% in 2025.</li> <li>Reduce water use per unit of product by 10% by 2030.</li> </ul>	<ul style="list-style-type: none"> <li>In 2022, the total water intake was 100.1 million liters, with 2.4 million liters of water recycled for reuse. The water consumption per unit of product was 0.024 million liters per unit of product. In 2023, the water intake was 96.5 million liters, the recycled process water was 7.8 million liters, and the water consumption per unit of product was 0.023 million liters per unit of product.</li> <li>The plant treats process wastewater as secondary water in order to conserve water resources. It is essential to enhance the efficiency of the plant's water system and continue to improve the efficiency of recycled water use. The implementation of a recycled water system and the recycling of wastewater into the process water curtain system and air-conditioning system is expected to reduce the amount of water used for cooling by approximately 30%. In 2023, 26,696 metric tons of water were used for cooling towers, representing a reduction of 8,302 metric tons of cooling water compared to 2022. This equates to an efficiency reduction of 23.7%.</li> </ul>

## 3.4 Energy and Greenhouse Gas Inventory

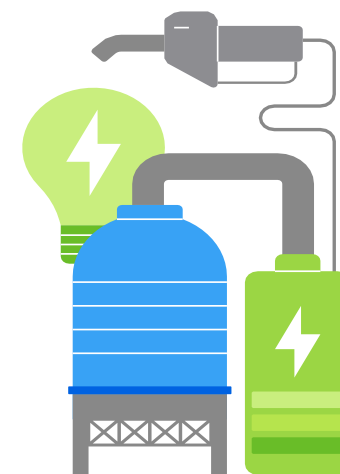
TYC is a non-energy-consuming industry. The energy used by TYC is primarily purchased electricity and non-renewable fuels (including gasoline and diesel fuel), with no renewable energy sources. The purchased electricity is sourced primarily from the Taiwan Power Company, while the gasoline and diesel fuel are used for public transportation. In 2023, the total electricity usage was 33,903,640 kWh, gasoline usage was 4,656.0 liters, and diesel usage was 7,104.2 liters. After conversion, the total energy usage is 122,454.7 GJ (122,053.1 GJ of purchased electricity and 401.7 GJ of non-renewable fuels), resulting in an energy intensity of 967.2 GJ/billion dollars of revenues.

TYC Energy Use

Category	Unit	2022	2023
Electricity usage	GJ	124,369.6	122,053.1
Gasoline usage	GJ	159.4	152.0
Diesel usage	GJ	294.6	253.9
Total Energy Usage	GJ	124,823.7	122,459
Operation revenue (individual)	Hundred million dollars of revenue	115.3	126.6
Energy Intensity (Total Energy Usage / Operation Revenue (Individual))	GJ/hundred million dollars of revenue	1,082.5	967.3

Note:

1. The energy consumption calculation is based on An-ping Plant and Tech Park Plant 1~3.
2. Information sources: Electricity consumption is based on the data listed in the monthly electricity bill of each plant; gasoline and diesel fuel are based on actual consumption.
3. Calorific value conversion factor for each type of energy: Electricity 1 kWh = 3,600 KJ; Gasoline 1 L = 32,635.2 KJ (7,800 kcal); Diesel 1 L = 35,145.6 KJ (8,400 kcal).
4. 1 GJ=106 KJ



### Greenhouse Gas Inventory

In 2023, the company's primary energy sources in Scope 1 were gasoline and diesel fuel, resulting in CO<sub>2</sub>e emissions of 366.2 metric tons; the primary energy source in Scope 2 was purchased electricity, with CO<sub>2</sub>e emissions of 16,748. Scope 3 includes indirect GHG emissions from transportation and organization of products, with emissions of 6,105.5 metric tons of CO<sub>2</sub>e. The total for Scopes 1 and 2 is 17,114.6 metric tons of CO<sub>2</sub>e, and the GHG emission intensity is 135.2 metric tons of CO<sub>2</sub>e/\$100 million of revenues. The combined Scope 1 and Scope 2 emissions total is 17,114.6 metric tons of CO<sub>2</sub>e, with a greenhouse gas emission intensity of 135.2 metric tons of CO<sub>2</sub>e per billion dollars of revenue.

## TYC greenhouse gas emission volume

Item	Unit	2022	2023
Scope 1: direct GHG emission	MT CO <sub>2</sub> e	671.7	366.2
Scope 2: indirect GHG emission	MT CO <sub>2</sub> e	17,494.4	16,748.4
Scope 1 + Scope 2	MT CO <sub>2</sub> e	18,166.1	17,114.6
Operation revenue (individual)	Million-dollar revenue	115.3	126.6
Scope 1 + Scope 2 GHG emission density	MT CO <sub>2</sub> e/ Million-dollar revenue	157.5	135.2
Scope 3: other indirect (scope 3)GHG emission	MT CO <sub>2</sub> e		6,105.5

## Note:

- GHG inventory is conducted in accordance with ISO 14064-1 procedures and verified externally by a third party. All GHG inventories are based on the operation control right method and use 2022 as the base year for GHG emissions. The inventory organization's primary focus is on the An-ping Plant and the Tech Park, Plant 1~3.
- The types of greenhouse gases to be inspected include: nitrous oxide (N<sub>2</sub>O), methane (CH<sub>4</sub>), carbon dioxide (CO<sub>2</sub>), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>), nitrogen trifluoride (NF<sub>3</sub>), and others.
- Scope 1 includes gasoline and diesel, which are primarily used in public vehicles in accordance with the GWP values outlined in the IPCC 2013 Sixth Assessment Report.
- Scope 2 is primarily comprised of purchased electricity, which is calculated using the coefficient of carbon dioxide emissions from electricity published by the Energy Department of the Ministry of Economic Affairs (MOEA): 0.495 kilograms of CO<sub>2</sub>e per kilowatt-hour (kg CO<sub>2</sub>e/kWh) in 2022 and 0.494 kg CO<sub>2</sub>e per kilowatt-hour (kg CO<sub>2</sub>e/kWh) in 2023.
- Scope 3 encompasses indirect greenhouse gases (GHGs) from transportation and indirect GHGs from products utilized by organizations.
- The source of the conversion factor is the most recent iteration of the GHG emission factor management table 6.0.4, published by the Ministry of the Environment, Executive Yuan.

## Specific Improvement Measures and Effectiveness

## Equipment Optimization

In response to the advent of the low-carbon era, TYC is committed to promoting energy-saving and carbon-reduction activities. In 2023, TYC will implement the following measures:

- Implement changes to air pollution prevention equipment to reduce pressure loss and improve efficiency, establish remote monitoring facilities, and confirm the optimization of conditions.
- Integrate the original 16 mainframes into a virtualized mainframe using virtualization techniques.
- Change new and old large-scale air conditioners from fixed-frequency to inverter.

It is estimated that these measures will result in savings of 55,872. This equates to 0 kWh of electricity per year, representing a reduction of approximately 201.1 GJ and 27.6 tons of CO<sub>2</sub>e/year in Scope 2 greenhouse gas emissions. It is estimated that 55,872.0 kWh of electricity can be saved annually, which is equivalent to a reduction of approximately 201.1 GJ and 27.6 tons of CO<sub>2</sub>e in terms of GHG emissions (based on the latest carbon emission factor 0.494kg CO<sub>2</sub>e/kWh, as reported by the Energy Administration, Ministry of Economic Affairs).

## 2023 Energy Conservation Measures and Estimated Savings

Energy Saving Measures	Changes in air pollution prevention equipment <sup>Note</sup>	Virtualized Server	Replacement of Energy Saving Air Conditioner	Total
Concrete Actions	<ul style="list-style-type: none"> <li>Optimize control settings, reduce pressure drop, and increases efficiency.</li> <li>Establish remote monitoring capabilities to verify condition optimization.</li> </ul>	Integrate the original 16 mainframes into a virtualized mainframe using virtualization techniques.	The new and old large air conditioners have been changed from fixed frequency to variable frequency, which improves the efficiency of air conditioning, and the energy-saving mode is to maintain low-frequency operation after reaching the set temperature, instead of stopping the compressor, which is more energy-saving and implements the fixed temperature energy saving.	
Estimated Annual Energy Savings(kWh)	25,000.0	28,032.0	2,840.0	55,872.0
Reduction in energy consumption (GJ)	90.0	100.9	10.2	201.1
Reduction of greenhouse gas emissions (metric tons of MT CO <sub>2</sub> e/year)	12.4	13.8	1.4	27.6

Note: Replacement of air pollution control equipment is a major capital expense with a total of \$24,642,064.

### Reducing Carbon Emissions from Paper

From 1986 to 2022, TYC has successfully implemented a wide range of electronic systems and forms, including MFGPRO, NOTES, PDM/PLM, SCM, ASRS, BI, MES, SAP, APO, PMS, WMS, WEBFTP, and 137 electronic forms. The development of electronic systems has consistently been a core competency of TYC, with a long-standing commitment to digital technologies. In 2023, the introduction of new electronic forms and information (including first processed product inspection forms, electronic business cards, and a digital learning website) is projected to reduce paper usage by 50,579 sheets, contributing to a reduction in greenhouse gas emissions by 0.32 tons of CO<sub>2</sub>e.

Furthermore, TYC issues annual notebooks to customers, suppliers, and employees. By 2023, TYC will use recycled paper made from more than 50% recycled pulp for the interior pages. This non-polluting, non-toxic, environmentally friendly paper reduces carbon emissions by approximately 0.12 metric tons of CO<sub>2</sub>e compared to ordinary A4, 70-lb. photocopying paper.

Carbon Reduction	2022	2023
New Electronic Forms and Information Carbon Reduction	0.27 tons CO <sub>2</sub> e	0.32 tons CO <sub>2</sub> e
Annual Notebook Uncoated Wood-free Paper Carbon Reduction	—	0.12 tons CO <sub>2</sub> e
Total	—	0.44 tons CO <sub>2</sub> e

Note:

1. The paper carbon footprint information is sourced from the [Carbon Footprint Information Platform](#). Carbon Footprint Data / Unit of Measurement: 3.2 kg CO<sub>2</sub>e / A4, 70g (210mm x 297mm). The package contains 500 sheets, each measuring 210mm x 297mm.
2. Only the amount of paper saved in the current year is counted due to new electronic forms and systems.
3. The carbon emissions from A4 paper can be calculated by dividing the reduction of A4 paper by 500 sheets (per pack) and multiplying the result by 3.2 kg CO<sub>2</sub>e/A4.
4. The carbon footprint data for Eco-Dowlin paper used for notebooks is 2.8 kg CO<sub>2</sub>e/A4, 70 g (210 mm x 297 mm) 500 sheets per pack. The order of 3,500 notebooks with 88 inner pages, size 141\*208mm, equates to approximately 144,829.63 sheets of A4 photocopying paper, or 289.66 packages (500 sheets per package). The calculation is as follows: 289.66 packages \* (3.2 - 2.8) kg CO<sub>2</sub>e = 115.86 kg, which is approximately 0.12 tons CO<sub>2</sub>e.

## 3.5 Water Resources Management

TYC's four production facilities are strategically located in Tainan City's An-ping Industrial Park and Tainan Science and Technology Industrial Park. As indicated by Aqueduct's Water Risk Atlas<sup>Ref</sup>, the water resource pressure in the region where TYC is situated is classified as "Low - Medium risk (1-2)." Each plant's water source is tap water from the Wushantou Reservoir, supplied by the Taiwan Water Supply Company. There is no water drawn from ecological conservation areas or groundwater sources.

[Reference: WATER RISK ATLAS](#)

At TYC, we prioritize the efficient use of water in our production processes and air conditioning systems. Our company has always placed a strong emphasis on optimizing water resources. Furthermore, the unpredictable availability of domestic water resources due to the recent extreme weather conditions has led to conflicts between industrial water usage and the need for water for human consumption. In terms of water resource management, the company has implemented a range of measures to enhance the water treatment system and reduce water consumption in the manufacturing process. This has involved identifying new sources of income, cutting costs, and prioritizing the recycling of process wastewater. For instance, the inaugural TYC plant re-routed the discharged water to the recycled water system, which underwent activated carbon filtration and ion exchange resin water softening, before being recycled for use in the manufacturing process and air conditioning. This approach enhanced the efficiency of water consumption. In 2023, the plant's recycled water consumption reached 7.8 million liters. This not only reduced water costs but also decreased the usage of raw water and the generation of wastewater. TYC will continue to prioritize recycling and gradually transition towards a diversified water source strategy. This will help mitigate the risk of production disruptions and equipment damage caused by water shortages, while also minimizing the impact on water resources.

Water Use Statistics			
Item	Unit	2022	2023
Water Intake Volume	million liters	100.1	97.0
Water Discharge Volume	million liters	53.9	56.1
Water Consumption	million liters	46.2	40.9
Operation revenue (individual)	billions of revenue	115.3	126.6
Water recycling reuse rate	%	2.4	7.8
Plant Recycled Water Consumption	million liters	2.4	7.8
Water Intensity (Water Intake Volume/Operation revenue (individual))	million liters/ billions of revenue	0.87	0.77

**Note:**

1. Source of water consumption data: Water bills of An-ping Plant and Tech Park Plant 1~3 are summed up.
2. Source of discharge data: Industrial Park Sewage Maintenance Fee bill.
3. Water Consumption = Water Intake Volume- Water Discharge Volume.
4. Water recycling reuse rate = Plant Recycled Water Consumption/ (Water Intake Volume + Plant Recycled Water Consumption) \* 100%.

Both the An-ping and Tech Park plants have industrial wastewater treatment facilities. All wastewater from these plants is conveyed to a centralized treatment plant for unified treatment before being released. This process ensures that wastewater is not directly discharged into surface water bodies. The TYC plant's wastewater is collected by diversion piping and meets the limits for entry into the An-ping and Tainan science and technology industrial zones (nano-pipeline standards). Subsequently, the wastewater will be discharged into the Kun-shen Inland Sea as the receiving water body (An-ping Harbor), Chianan Irrigation Channel, and Yan-shui Creek, respectively. In 2023, the volume of wastewater discharged was 56.1 million liters. The chemical oxygen demand (COD) is 100 mg/L, and the suspended solids (SS) is 30 mg/L.

2023 Wastewater Discharge and Values								
Item / Plant	An-ping		Tech Park 1		Tech Park 2		Tech Park 3	
Wastewater volume (million liters)	10.3		40.3		0.4		5.1	
Inspection Items	Effluent Standards	Annual average Monitor Value	Effluent Standards	Annual average Monitor Value	Effluent Standards	Annual average Monitor Value	Effluent Standards	Annual average Monitor Value
COD (mg / L)	400	121	520	25	520	183	520	202
SS (mg / L)	400	33	320	7	320	89	320	26
Acidity (pH)	5-9	7.7	5-9	7.1	5-9	7.7	5-9	7.1

## 3.6 Pollution Prevention Management

The TYC An-ping Plant and Tech Park (Plant 1~3) have implemented the ISO 14001 Environmental Management System and maintained the validity of the certificate. TYC has adopted an environmental management system to control the impact on the environment and to comply with environmental laws and regulations in order to enhance the environmental performance of the organization.

### Air Pollution Control

The primary contributor to the deterioration of the ozone layer is CFCs, which are compounds containing fluorine (F), chlorine (Cl), and carbon (C). These compounds are utilized in a multitude of applications, including as foaming agents for plastics, promoters for aerosol products, refrigerants for freezing air conditioners, and solvents for cleaning electronic parts and metals. At present, only a proportion of our air conditioning refrigerants utilize R-22, with the remainder of our air conditioning refrigerants, automotive refrigerants, fire extinguishers, and processes not employing chlorofluorocarbons (CFCs) in accordance with the Montreal Protocol.

Air pollution emissions are limited to the Tech Park plants. Furthermore, there are no NOx and SOx emissions from the injection, secondary processing, and assembly stages of the manufacturing process. At present, the primary air pollutants generated from operational activities are volatile organic compounds (VOCs). To address this, the company has implemented a VOC exhaust gas adsorption treatment facility, which reduces the manufacturing process exhaust gas through activated carbon adsorption. The air pollution central control/monitoring system is used by TYC to monitor emission concentration at the outlet. This allows us to confirm the operation status of the control equipment and reduce environmental pollution. TYC will continue to reduce VOC emissions by modifying the air pollution control equipment to reduce pressure loss and improve efficiency. In 2023, the VOC emission from the Tech Park plant<sup>Note</sup> was 43.8 metric tons, which is in compliance with the total amount control in the industrial area.

Note: The source and methodology for calculating VOC follow the emissions from fixed source air pollution fee and reporting integration management system of the Ministry of Environment, Executive Yuan.

### Chemicals and Organic Solvents Management

Chemicals are classified and controlled in accordance with domestic regulations, including the Occupational Safety and Health Act, the Environmental Protection Act, and the Fire Services Act. In addition, a poisonous chemical license is required, as is reporting and management in accordance with the Toxic and Concerned Chemical Substances Control Act. Furthermore, the necessary GHS labels must be displayed, and SDSs (Safety Data Sheets) must be provided in accordance with international regulations.

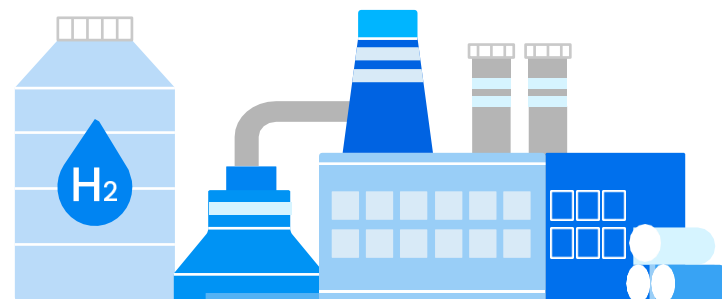
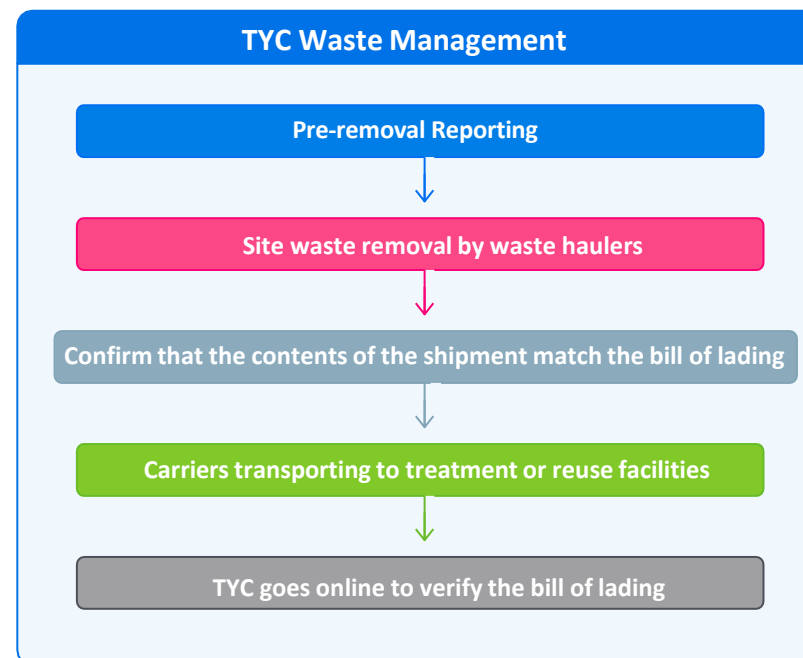
The introduction of Plasma cleaning machine, the use of plasma ions and electronic impact of the material surface oil contaminants, and the use of oxygen (O<sub>2</sub>) to quickly combine with the oil to form carbon dioxide to destroy the chain, to achieve the cleaning effect, and to significantly reduce the amount of industrial cleaning agents, as well as effectively reduce the impact of air pollution emissions on the environment. The average usage of industrial cleaning agents in 2023 will be 4.9 tons less than that recorded prior to the introduction, representing a saving of 36.2%.

## Waste Management

In order to reduce the environmental impact of waste, TYC is committed to waste reduction. Prior to removal and handling, waste will be classified in the plant to reduce the amount of waste generated. Our approach is to manage waste reduction at the source, and we encourage suppliers to join us in reducing waste and to cultivate environmental protection in the daily lives of colleagues. We also implement the habit of waste reduction and recycling of resources.

All industrial waste generated by TYC is treated in accordance with the relevant regulations on waste disposal. This waste is then entrusted to qualified private waste removal and treatment organizations for removal and treatment. Prior to removal from the plant, the waste is linked to the government reporting system and reported according to the direction of the waste (removal, treatment, reuse, or export) in a joint declaration. This declaration includes the date and time of the removal, the vehicle (vessel) number of the equipment, the type and description of the waste, and the quantity of the waste. Additionally, the qualified waste removers sign written contracts in accordance with the regulations to dispose of the waste in the form of incineration, thermal treatment, physical treatment, reuse, etc. The waste removal and treatment records for all business waste generated by TYC are maintained in accordance with relevant laws and regulations and are entrusted to qualified citizen-run waste removal and treatment organizations. Furthermore, a written contract will be signed by the qualified waste hauler in accordance with the regulations to dispose of the waste by incineration, thermal treatment, physical treatment, and reuse.

The waste produced by TYC is comprised of general business waste, domestic waste, and recycling waste, with no hazardous business waste. In 2023, the company's total waste will be 714.6 tons/year, of which 524.1 tons/year will be directly disposed of (an increase of 3.6% from 506.1 tons/year in 2022) and 190.5 tons/year will be disposed of and transferred (reused) (an increase of 67.1% from 114.0 tons/year in 2022). The projected increase in revenue and production capacity in 2023 compared to 2022 will result in a corresponding increase in waste.

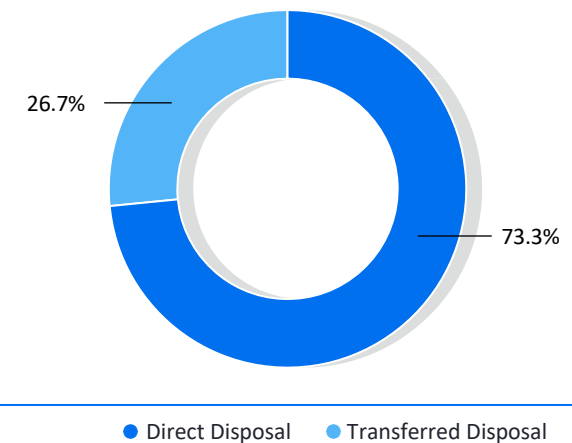


## Waste Output and Disposal

Unit: Metric Tons

Type of Waste	Disposal Method					
	Departure		Category of Disposal	Type of Disposal	Description of Disposal	
	2022年	2023年				
General Industrial Waste	260.2	266.0	Direct Disposal	Incineration (excl. energy recycle)	Sent to Yong Kang/Cheng-Xyi Incineration Plants	
Waste Plastic	141.0	131.8				
Waste Paper	17.6	25.3				
Waste Wood	10.2	12.0				
Waste Fiber	1.5	1.8				
Waste Cloth	0.1	0.1				
Waste Paint Disposal	35.0	35.9		Heat Treatment (except incineration)	Heat Treatment	Sent to Mountain Green Corporation
Inorganic Sludge	10.2	14.7				
Waste Lubricant	5.5	6.0				
Waste Lubricant	24.8	30.5				
Total of Direct Disposal	506.1	524.1				
Waste Activated Carbon	94.2	135.4	Transferred Disposal	Recycled	For Use of Recycled Raw Materials	
Waste Wood	19.8	55.2				
Total of Transferred Disposal (Recycle)	114.0	190.5				
Total of Waste	620.1	714.6				
Recycled Ratio ( % )	18.4	26.7				

## 2023 Waste Handling Ratio



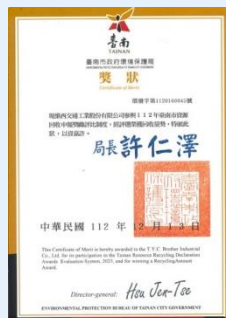
Note:

1. The total quantity of waste is the figure declared in the manifest.
2. Recycled Ratio (%) = (Total of Transferred Disposal / Total of Waste) x 100%

### 2023 Resource Recycling Volume Award by the Environmental Protection Bureau of Tainan City Government

In response to the City's vision of building a sustainable and low-carbon beautiful city, TYC has implemented a comprehensive waste reduction program. As of 2023, we have recycled 190.5 metric tons of waste, representing a significant increase of 67.1% from the previous year's 114.02 metric tons.

Furthermore, we were privileged to receive the Recycling Volume Award in the "112th Tainan City Resource Recycling Reporting Incentive Competition System." This accolade acknowledges the company's commitment to resource recycling.

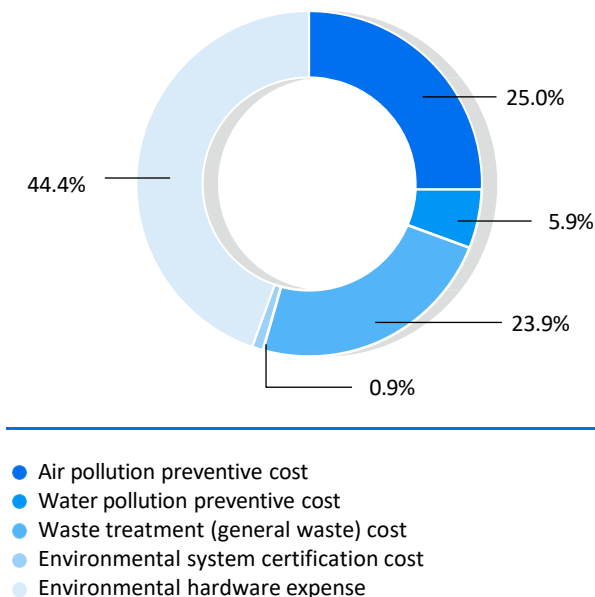


## Environmental Expenditure Information

The company manufactures products that are free of pollutants and the discharge of wastewater is treated by the sewage treatment plant in the industrial area. In order to maintain an environmentally responsible approach and prevent environmental contamination, TYC has allocated significant resources towards environmental protection initiatives. In 2023, the company has invested a total of NT\$41,966,353 in environmental protection-related hardware expenses, air pollution prevention, and waste treatment.

### 2023 Environmental Protection Expenses

Expense Category	Amount( NT\$)	(%)
Air pollution preventive cost	10,474,089	25%
Water pollution preventive cost	2,463,769	5.9%
Waste treatment (general waste) cost	10,011,300	23.9%
Environmental system certification cost	367,195	0.9%
Environmental hardware expense	18,650,000	44.4%
Total	41,966,353	100%



## Biodiversity and Land Use

All of TYC's factory sites are located in industrial zones and are not situated within sensitive ecological protection zones. The Soil Pollution Control Bureau does not regulate TYC's factories; therefore, soil monitoring is not required. In the event that the factories are subject to regulation by the central government, soil testing is required to be conducted at the time of establishment or closure of the business.

Six tree species were planted around the factory, including Ixora, Hazel Sterculia, Terminalia catappa, Comphor Tree, Trailing Lantana, and Pongamia. These trees have been selected for their ability to grow robustly and form neat crowns, creating a natural ecological network. The total area of the company's base is 33,924 ping, with 1,100 ping of green landscaping areas, representing approximately 3% of the total base area. The General Affairs Division has been tasked with the maintenance of green areas, the creation of a natural ecological network, and the attraction of insects and birds to the site. These actions are intended to demonstrate our commitment to environmental protection. The factory production process does not involve the slaughtering of animals.



## 4 Responsible Supply Chain

---

4.1 Purchases Overview

4.2 Due Diligence

## 2023 Performance Highlights

---

100%

100% non-raw material purchases from Taiwan in 2023

86.1 tons

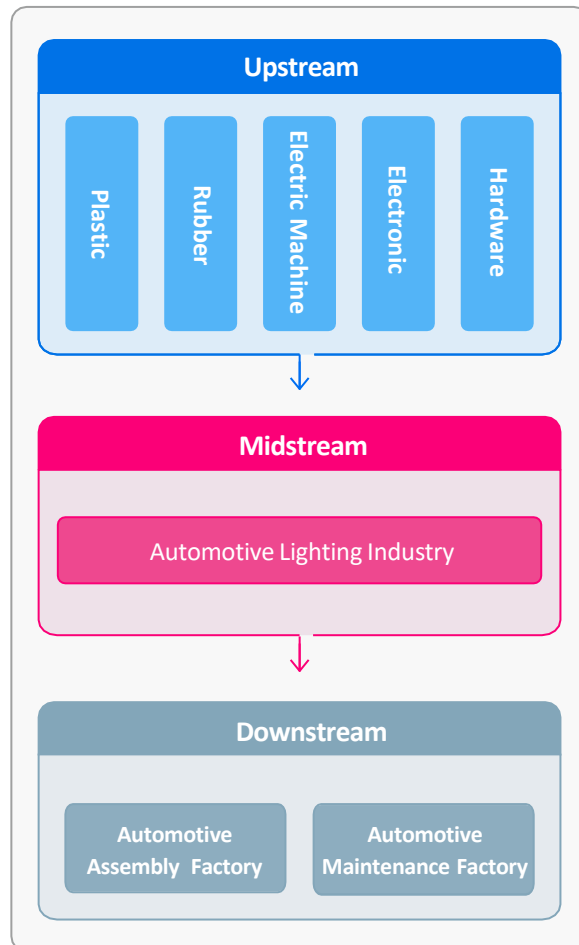
Reduce resource consumption by recovering 86.1 metric tons of recyclable materials in 2023.

216 suppliers

In 2023, a total of 216 suppliers completed the assessment (including 210 raw material suppliers and 6 non-raw material suppliers) and all passed the assessment.

---

TYC is positioned in the midstream of the automotive industry supply chain, sourcing from upstream suppliers including plastics, rubber, motors, electronics, and hardware. TYC focuses on strengthening and enhancing the quality, delivery, cost, and service capabilities of suppliers within the system. TYC has also established a supplier code of conduct, guiding suppliers to grow together and make a meaningful impact on the world.



## 4.1 Purchases Overview

In 2023, TYC has collaborated with approximately 312 suppliers, including approximately 228 suppliers of raw materials and 84 suppliers of non-raw materials. These suppliers have been categorized into three main groups: labor (contracts and services), property (ordinary purchases), and engineering (construction and equipment). Taiwan accounts for 100% of the procurement amount.

2023 Number of Raw Materials Suppliers and Percentage of Purchase Amount

District	Category	Number	Percentage of purchase amount (%)
Domestic <sup>note 1</sup>	Packaging	25	4.9
	Raw Materials	21	4.1
	Components	46	54.5
	Lamps	12	6.9
	Plastics	50	18.9
	Rubbers	13	1.1
	Secondary Processes	17	0.6
	Hardware	32	3.4
	Glass	4	0.4
	Components	8	5.2
Overseas			
Total		228	100.0

2023 Number of Non-primary Material Suppliers and Percentage of Purchase Amount

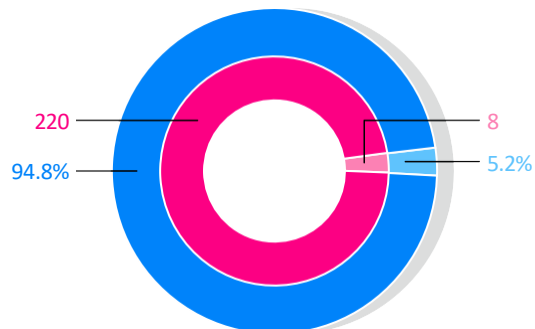
Material Suppliers	Number	Percentage of purchase amount (%)
Labor (contracts and services)	6	89
Property (ordinary purchases) <sup>Note 2</sup>	6	8
Engineering (construction and equipment)	72	3
Total	84	100

Note:

1. The term "domestic" refers to Taiwan.

2. The term "ordinary purchases" encompasses a range of items, including card clocks, flags, air freshener supplies, computer supplies, and other similar products.

2023 Number of Raw Materials Suppliers  
and Percentage of Purchase Amount

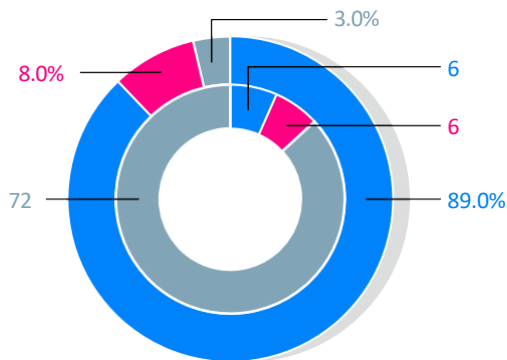


Inner Circle: Number of Purchasers

Outer Circle: Percentage of Purchase Value

Domestic Overseas

2023 Number of Non-primary Material Suppliers  
and Percentage of Purchase Amount



Inner Circle: Number of Purchasers

Outer Circle: Percentage of Purchase Value

Labor (contracts and services) Engineering (construction and equipment)  
Property (ordinary purchases)

Note:

1. The term "domestic" refers to Taiwan.
2. The list of raw material suppliers revolve around the following items: raw materials, components, light bulbs, plastics, rubber, secondary processing, hardware, glass, and packaging materials.
3. The term "general-purpose purchasing" refers to items such as card clocks, flags, air-conditioning supplies, computer supplies, and so on.

## 4.2 Due Diligence

### Corporate Commitment

As a leading manufacturer of auto parts and accessories, TYC has always maintained good relationships with its suppliers, selling products and services in and sharing benefits with the global market. In order to ensure that the entire supply chain meets the requirements of domestic laws and regulations, international guidelines and standards, and customer demand, as well as to achieve the vision of sustainable prosperity, the company has established the "TYC Supplier's Code of Conduct" in 2022 by referring to the "Guiding Principles on Business and Human Rights" and "The United Nations Global Compact" of the United Nations. "Global Compact" of the United Nations and "Fundamental Principles and Rights at Work" of the International Labor Organization, as well as supporting the Responsible Business Alliance (RBA), and strictly complying with the "Labor Act," "Employment Service Act," "Gender Equality Act," and "Gender Equality Act," "Service Act," "Gender Equality in Employment Act," "Sexual Harassment Prevention Act," "Occupational Safety and Health Act," and other labor-related regulations in the Republic of China. All suppliers have been on this issue to build a responsible, environmentally friendly and transparent supply chain relationship. ESG training, explanation and publication will be held for suppliers from time to time. "TYC Labor Policy Questionnaire" is added to investigate the labor policy and compliance status of raw materials. The "TYC Labor Policy Questionnaire" will be added to investigate the labor policy and compliance status of raw material suppliers. 2023 No significant social and environmental impacts from suppliers.

TYC would like to fulfill its corporate social responsibility, and make an influence on key suppliers, even on a smaller scale, to encourage them to put efforts into ESG. Leaders of a counseling company and suppliers were invited to the "Seminar on low carbon upgrade transformation plan" on October, 20, 2023 in the hopes of ushering the supply chain partners towards the practice of low carbon transformation. A total of 216 suppliers were evaluated in 2023, and all of them had passed the evaluation.



▲ Seminar on low carbon upgrade transformation plan

## Vendor Evaluation

In selecting new suppliers, TYC's procurement department evaluates new suppliers based on the "New Supplier Evaluation Form," which includes items such as delivery performance (delivery rate, ability to respond to emergency orders, etc.), cost (price competitiveness, actual VA/VE performance), and internal management (compliance with relevant laws and regulations of government agencies (e.g., Labor Standards Act, Environmental Protection Laws etc.), operational direction, short-, medium- and long-term management goals, etc.). The evaluation score must be at least 65 points to qualify as a new supplier. If the score is less than 65 points, the supplier will be re-evaluated after the improvement activities are completed.

In order to strengthen the management ability of suppliers (raw materials/non-raw materials), improve the quality of the project, increase the completion rate, and respond to production demand in a timely manner, an annual evaluation schedule will be established in 2023, and key suppliers will be selected to take the evaluation every year. Suppliers that fail the evaluation (by scoring less than 60 points) will be required to provide an improvement plan for improvement and retake the evaluation audit. In order to ensure that suppliers can provide excellent quality and long-term mutually beneficial relationship, and in conjunction with the effective performance evaluation method to evaluate suppliers, we report the unqualified suppliers at the end of each year for review and improvement and take countermeasures. In 2023, 216 suppliers (including 210 raw material suppliers and 6 non-raw material suppliers) completed the evaluation, and all of them passed the evaluation.

## Material Control

Comply with all applicable laws and regulations and customer requirements, prohibit or restrict the inclusion of certain substances in products and manufacturing processes, and include recycling and disposal labeling.

## Responsible Sourcing of Conflict Minerals

TYC supports the Responsible Business Alliance (RBA) and the Responsible Minerals Initiative (RMI), does not support or use minerals from illegal mining and armed conflict zones, and has formulated the TYC Conflict Minerals Procurement Policy to ensure that gold, tantalum, tungsten, tin and other minerals in the products we manufacture are not directly or indirectly subsidized or providing any benefit to the Democratic Republic of Congo and its neighboring countries, which are plagued by severe human rights abuses, forced and child labor, etc., and are not used in the manufacture of our products and that we purchase minerals in a responsible manner and require our suppliers to work with us to improve the supply chain responsibly.





## 5 Friendly Workplace

### Human Rights Management

5.1 Human Rights Management

5.2 Structural of Employees

### Talent Attraction and Retention

5.3 Talent Attraction and Retention

5.4 Employees' Rights and Benefits

5.5 Human Resources Development and Training

### Employee Health and Safety Management

5.6 Employee Safety and Health

5.7 Fire Control Safety Management

## 2023 Performance Highlights

### ↓12.26%

11.7% turnover rate in 2023, down 12.26% from 23.96% in 2022.

### ↑11,350 hours

Total education and training hours in 2023 will be 27,783, an increase of 11,350 hours from 2022.

### 16 People

2023 6 SIGMA Cumulative completion of Black Belt training by 16 people

### 0 Cases

In 2023, there will be no complaints of child labor, violations of indigenous peoples' rights, or restrictions on freedom of association.

### ↑2 Employee benefits

In 2023, a digital learning platform will be established, and psychological counselling services will be provided.

### 18 people

Deepening industry-academia cooperation and providing scholarships; in 2023, 18 students participated in industry-academia cooperation, with scholarships totaling NT\$329,999 sponsored by schools such as Kaohsiung University of Science and Technology and Tainan University.

### 31 students

In 2023, a total of 31 students were evaluated for talent retention and awarded retention bonuses, with a retention rate of 97%.

# Human Rights Management

## Material Topics : Human Rights Management

<b>Positive Benefits Description</b>	We are committed to ongoing human rights training and advocacy to enhance employees' awareness of gender equality. Additionally, we are dedicated to streamlining processes and optimizing operations to improve work efficiency.
<b>Negative Impact Description</b>	There were no significant human rights issues, apart from a grievance regarding employee rights and the extension of working hours beyond the legal limits in 2023. These were addressed in line with the relevant regulations, and preventive and improvement measures were reinforced.
<b>Remedy/Measures</b>	<ul style="list-style-type: none"> <li>In the event that a human rights violation is substantiated through the complaint mechanism, the offender will be subject to disciplinary action in accordance with the relevant company regulations.</li> <li>The Human Resources has conducted investigations and taken the necessary actions in accordance with the relevant regulations for the employees' human rights complaints that occurred in 2023. Additionally, the unit has provided psychological counseling services to the parties involved in the incidents and has strengthened the education and training of all employees on workplace harassment and prevention of sexual harassment.</li> </ul>
<b>Complaints/Communication Channels</b>	<p>Should you have any concerns regarding workplace harassment, please do not hesitate to contact the Safety and Health Office via the Complaint and Communication Channel.</p> <ul style="list-style-type: none"> <li>E-mail: <a href="mailto:WX_Tazn@tyc.com.tw">WX_Tazn@tyc.com.tw</a></li> <li>Tel: 06-3841888 #391, Tien Wen Hsuan, Associate Manager.</li> </ul>
<b>Policy/Commitment</b>	We have developed a Labor and Business Ethics Policy that reflects our commitment to aligning with the United Nations Universal Declaration of Human Rights, the International Labor Organization Conventions, and other relevant human rights norms. In addition, we support the Responsible Business Alliance (RBA) Code of Conduct and adhere to labor-related laws and regulations, with the objective of safeguarding and promoting the rights and interests of our employees.
<b>Liability</b>	Human Resources, Safe Sanitation Room, Division Managers
<b>Management Evaluation</b>	Convene labor-management meetings (quarterly) and symposiums for expatriate colleagues (monthly) to review related matters.
<b>Goals &amp; Objectives</b>	<ul style="list-style-type: none"> <li>There were fewer than five employee grievances.</li> <li>Over 6,153 hours of human rights education and training were provided. All new employees have completed human rights education and training.</li> <li>No major labor disputes occurred, such as violations of the Labor Standards Act.</li> </ul>
<b>Specific Actions in 2023</b>	<ul style="list-style-type: none"> <li>Five labor-management meetings and 12 seminars for foreign employees were held each month to protect the labor rights of employees.</li> <li>Established a psychological counseling mechanism for our employees. In the event that they are affected physically or mentally due to unlawful abuse or other major accidents, we will arrange for a professional counseling group to intervene and provide counseling.</li> <li>Develop and implement an educational training program on human rights protection issues, incorporating online digital learning courses as a mandatory component of the on boarding process for new employees.</li> <li>Provide training on sexual harassment and workplace bullying prevention to ensure employees are aware of gender equality and unlawful assault.</li> <li>Periodically publicize the company's sexual harassment and workplace bullying prevention system via the internal website and bulletin boards.</li> <li>Provide multiple communication channels and proactively adopt labor proposals to foster harmony between employers and employees.</li> <li>Enhance work efficiency by improving processes and optimizing operations.</li> <li>Monitor overtime hours, identify those who work excessively, and conduct regular employee health checkups.</li> </ul>
<b>Performance Results</b>	<ul style="list-style-type: none"> <li>The total number of human rights-related training hours is 6,153, representing a 33% increase from the figure recorded in 2022.</li> <li>The total number of training sessions related to human rights reached 3,875, representing an 86% increase compared to 2022.</li> <li>There were no significant labor disputes, and a positive working relationship between management and labor was maintained.</li> <li>We are pleased to confirm that there were no cases of child labor, infringement of Aboriginal rights, or restrictions on freedom of association.</li> </ul>

## 5.1 Human Rights Management

In order to protect the basic human rights of all employees and stakeholders, TYC has formulated human rights policies in accordance with the United Nations Universal Declaration of Human Rights, the Conventions of the International Labor Organization, and other relevant norms. TYC also supports the Responsible Business Alliance (RBA) Code of Conduct and abides by labor-related laws and regulations, including the Labor Standards Act, the Employment Service Act, the Gender Equality Act, the Sexual Harassment Prevention and Control Act, the Occupational Safety and Health Act, and other labor-related laws and regulations. We provide our employees with a secure and respectful work environment and fulfill our corporate social responsibility to support our employees.

### Human Rights Policies and Commitments

At TYC, we prioritize social responsibility, particularly in the areas of human rights and ethics. In 2022, we formalized our Labor and Business Ethics Policy in line with the Labor Standards Act of the Republic of China (R.O.C.) and other relevant legislations. Additionally, we adhere to the Code of Conduct of the Responsible Business Alliance (RBA), which ensures the protection of and respect for the rights and interests of our employees. This commitment is publicly disclosed on our internal and official websites by the Chairman and General Manager. The policy has been signed by the Chairman and the General Manager and made publicly available on the company's internal and official websites.

Furthermore, to fulfill its commitment to human rights and protection, the Company has clearly stipulated the commitment to human rights and employee protection in internal regulations, including the Work Rules, Employee Recruitment and Hiring Regulations, Sexual Harassment Prevention Regulations, Prevention Plan for Unlawful Infringement in the TYC Workplace, and Personnel Rewards and Punishment Regulations. In accordance with the Labor and Business Ethics Policy, the TYC Supplier Behavioral Guidelines and the TYC labor policy questionnaire have been formulated. Our procurement policy also includes a human rights commitment, which we require our supply chain partners to adhere to. Should you encounter any evidence of the aforementioned violations, you are encouraged to report them to the general manager's mailbox. All reports will be treated with utmost confidentiality. In the event that any violations are substantiated, the perpetrators will be subject to legal consequences. Those who violate the regulations will be subject to disciplinary action in accordance with the company's policies. Finally, any individual engaged in inappropriate licensing behaviors will be immediately terminated from their partnership with TYC.



Labor and  
Business Ethics  
Policy



Lights. Intelligence. Safety.

## Human Rights Training and Advocacy

From the moment new employees join our company, we provide comprehensive training to ensure a smooth transition. Our program covers a range of essential topics, including the company's corporate culture, individual labor rights and benefits, personal information privacy, and workplace safety. In addition to revising the relevant management rules and regulations and publishing them through internal announcements, we also provide training activities targeting supervisors and reserve cadres at all levels to strengthen management cadres' knowledge and practical application of the laws and regulations. A total of 6,153 hours of training will be provided in 2023, with 3,875 individuals attending training sessions.

### 2023 Human Rights Related Training

Training Topics	Training Persons	Training Hours
Newcomer education and training (including human rights policy, safety and health hazard awareness, sexual harassment prevention and treatment, and information security)	296	2,368
In the workplace safe sanitation training	1,321	1,338
Prevention of workplace misconduct, sexual harassment, and stalking	2,155	1,885
Supervisor of Labor Laws and Employee Assistance Training	103	562
Total	3,875	6,153



▲ Sexual Harassment Prevention







▲ Employee problem solving and assistance

## Complaints and Handling of Human Rights Issues

In accordance with the Gender Equality Act, TYC does not discriminate against employees on the basis of gender. To ensure a safe and harassment-free workplace for all employees, TYC has established the Sexual Harassment Prevention Regulations and made them available on the company intranet. These regulations aim to prevent and control sexual harassment, providing a secure and respectful work environment for all. In addition to the regular pre-employment training for new employees, the Human Resources Department will serve as a point of contact for any complaints related to sexual harassment. The department will promptly assemble an investigation team to investigate the complaint within three days and complete the investigation and issue a decision within one month, or extend the investigation for another month if necessary. The team will comprise at least one representative from the complainant's supervisor, the respondent's supervisor, the supervisor of the Human Resources Department, and two to three additional individuals who will be objectively and impartially assigned by the President. The team will include at least one representative from the complainant's supervisor, the respondent's supervisor, the supervisor of the Human Resources Department, and two to three individuals appointed by the General Manager to ensure impartiality and objectivity. At least half of these individuals will be female and at least one-third will be male. The team leader is responsible for overseeing the investigation process and ensuring that all parties involved adhere to the principles of non-disclosure and confidentiality.

In the event that the investigation determines that a violation of the sexual harassment prevention policy has occurred, the Company will convene a meeting to investigate the sexual harassment complaint in accordance with the Sexual Harassment Prevention Regulations. The investigation findings will be presented to the members of the investigation team and a decision will be made as to whether sexual harassment has been established. If so, the employee will be penalized with a demerit (or removed from his/her position if the case is serious) and the complainant will be notified of the decision. The complainant will be informed of the decision. Should the complainant disagree with the findings of the investigation, they may submit a further complaint to the Human Resources Management Unit within 10 working days of the notification date.

## Human Rights Complaint Channels

 Complaints	 Contact Person	 Whistleblower Protection Mechanism	 Investigation Process
<ul style="list-style-type: none"> <li>• workplace misconduct</li> <li>• Sexual Harassment Complaints</li> <li>• Employee Opinion Boxes</li> </ul>	<b>Contact/Line:</b> <ul style="list-style-type: none"> <li>• Safe Sanitation Room: Tien, Wen Hsuan, Associate Manager 06-3841888#391</li> <li>• Human Resources: Lee, Ying Juan, Associate Manager 06-2658781#170</li> <li>• Human Resources: Zhang, Ching Fang, Commissioner 06-2658781#165</li> </ul>	<p>The whistleblower may present specific facts in a named or anonymous manner, or through a third party representative (either the person involved in the incident or another informed colleague to assist with the complaint on his/her behalf). The whistleblower's personal information will be kept confidential and limited to that of the receiving officer to ensure that he/she is not subjected to any improper treatment as a result of his/her complaint.</p>	<p>Each complaint case is handled by a specialized staff. Depending on the nature of the case, an investigation team is set up to conduct the investigation and convene an investigation meeting. If the case is substantiated, sanctions will be imposed in accordance with the judgment.</p>

## Human Rights Management

In 2023, TYC did not receive any complaints regarding child labor, infringement of aboriginal rights, or restrictions on freedom of association. We are committed to complying with and protecting the rights and interests of all employees. There were no instances of discrimination or issues related to the above in any of our overseas plants, which are in compliance with the local laws and regulations. Upon receipt of 6 complaints in 2023, the Safe Sanitation Room and the Human Resources promptly initiated investigations and took the necessary actions in accordance with the "Regulations for the Prevention and Control of Sexual Harassment" and the "Regulations for the Prevention and Control of Unlawful Acts of Violence in the Performance of Duties." In addition to counseling and disciplining the perpetrators, we also provided the victims with psychological counseling assistance and offered workplace education and training on workplace misconduct, sexual harassment, and prevention strategies for all employees. Furthermore, we conducted a comprehensive overhaul and strengthening of the workplace to fulfill our responsibility to remediate and prevent such incidents. In 2023, we successfully completed 100% of the workplace misconduct complaints. Additionally, we conducted comprehensive workplace misconduct education and training, as well as sexual harassment prevention and treatment, reaching 2,155 individuals and 1,885 hours.






## Multi-Communication Channels

Even though the company does not set up a union or group agreement, the company values labor-management relations and provide various communication channels for employees, such as face to face communication, set up online/physical employee suggestion box to provide constructive feedback to all management levels and human resources at anytime. It handles report cases confidentially and verifies objectively, so the employees know the company will protect whistleblower's safety from revenge.

Labor management meetings are held every three months to meet the regulation requirement. Representatives from labor and management and human resources will join the meeting to explain and discuss on the company's major policy, management issue, and benefit. Suggestions proposed in the meeting will be included in the meeting minutes for follow up and effective implementation to ensure labor rights. 5 labor management meetings were held in 2023. No major labor management dispute occurs, so there is no relevant loss.

The company always make great efforts to protect employees' rights by establishing various policies and building unimpeded internal communication channels, so the employees' ideas and suggestions can be immediately response and handled. The company also established "Sexual Harassment Prevention Regulations" and "Preventive Plan for Unlawful Infringement in the Workplace", and promoted the system and practice on sexual harassment prevention and workplace misconduct via internal web pages and other channels from time to time to establish correct awareness for employees on gender respect and equality, as well as a working environment without discrimination and sexual harassment.

In addition, in order to protect human rights, the company prohibits the use of forced labor and bonded labor and strictly forbids any collateralization of documents, collection of deposits, or pledging of wages. We also provide proper care for migrant workers, with administrators and interpreters to provide timely and necessary services, and hold a monthly meeting for migrant workers to provide a channel for them to express their opinions, then publish the minutes of the meeting in detail, in order to create a more inclusive work environment.

Labor & Employee Communication Channels	Description
 Online & Physical Opinion Box	To facilitate two-way communication and enhance employee engagement, TYC has established both online and physical suggestion boxes. These are received by the human resources unit and the information is kept confidential. This allows us to gain insight into the actual difficulties our employees face and to improve the contact and communication between them and the company.
 Complaints of Workplace Misconduct	We maintain a zero-tolerance policy regarding all forms of workplace violence. Our goal is to foster a safe, respectful, and inclusive work environment where all employees are treated equitably and have equal access to opportunities, regardless of background or status. We are committed to preventing any form of violence, whether internal or external, that may arise in the course of our employees' duties. All reported cases are handled with strict confidentiality and investigated impartially to ensure the safety of the individual who made the report and to prevent any form of retaliation.
 Sexual Harassment Complaints	To ensure a harassment-free workplace, the "Sexual Harassment Prevention Regulations" have been established to provide a clear framework for filing complaints, the process for doing so, the principles of investigation and evaluation, and the penalties to be imposed. These regulations are accessible to all employees via the internal system.
 Welfare Committee	The Taiwan Operations Welfare Committee is elected by the associates to oversee the operation of the Welfare Committee on their behalf. The committee convenes three times per quarter and is tasked with reviewing and promoting the welfare business, as well as managing community and company activities. Additionally, the committee serves as a liaison between the associates and the Welfare Committee.
 Labor-Management Conference	Currently, TYC does not have a trade union or collective bargaining protection mechanism in place. However, to promote harmonious relations between employers and employees, the company regularly convenes labor-management meetings every three months. Both parties are represented at the meetings, which provide a forum for communication and the exchange of ideas. This facilitates a more harmonious relationship between employees and management.

## 5.2 Structural of Employees

TYC strives for diversity, equity, and inclusion in the workplace, and the composition of the workforce includes local, foreign, and physically and mentally challenged employees. TYC will have a total of 1,649 employees by the end of 2023, of which 474 are female (29%) and 1,175 are male (71%). The number of male employees was 1,175 (71%). The employees come from Taiwan, Mainland China, Philippines, Vietnam, etc. The Company gives priority to hiring local<sup>Note1</sup> employees, of which 100% of the senior management<sup>Note2</sup> are local employees, accounting for 0.8% of the total number of employees. All employees are full-time, and there are no part-time, temporary or non-hourly-guaranteed employees.

2023 Employee Structure Statistics

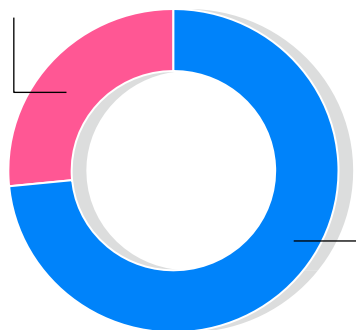
Item/Gender	Male			Female			Total
Contract Type	Full-time			Full-time			
Age	30 and below	30-50	51 and above	30 and below	30-50	51 and above	1,649
Full-time	183	747	245	50	299	125	
Total	1,175			474			

Note:

1. "Local" refers to individuals who are currently residing in Taiwan.
2. The senior management team is comprised of individuals at the associate level or above.
3. The primary category of non-employee personnel at the plant is comprised of those engaged in outsourcing arrangements. In 2023, the total number of outsourced workers was 22, comprising 17 security guards (all male) and 5 cleaning workers (all female). This represents a minimal change in the number of outsourced workers compared to the previous year.
4. The aforementioned data was calculated by the human resources system based on the number of employees as of December 31, 2023, without any assumptions. There was no significant fluctuation in the number of employees compared to the previous year.

## Gender Distribution

474 Employees /29%

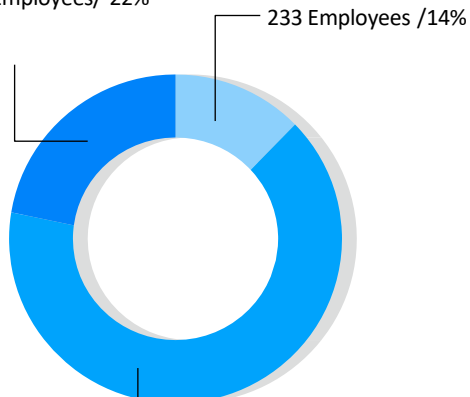


1,175 Employees /71%

Male Female

## Age Distribution

370 Employees/ 22%

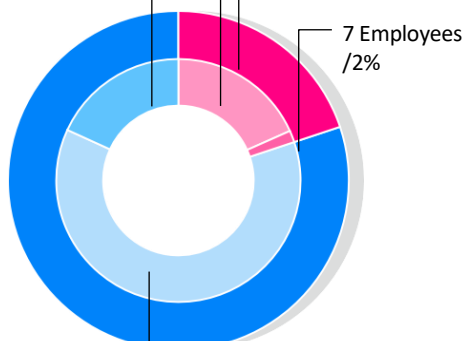


1,046 Employees/ 63%

Below 30 30-50 Above 51

## Nationality Distribution

467 Employees /35%



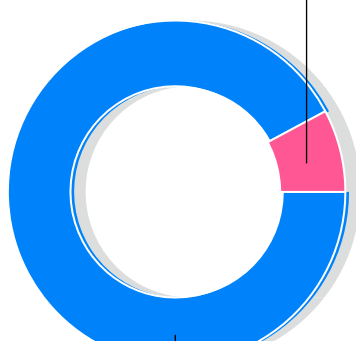
849 Employees /65%

1,316 Employees/ 80%

Foreign Employees Local Foreign Men Foreign Women  
Employees Local Men Local Women

## Gender Distribution of Managerial Post (at or above) Associate Level

2 people/ 13.3%



13 people/ 86.7%

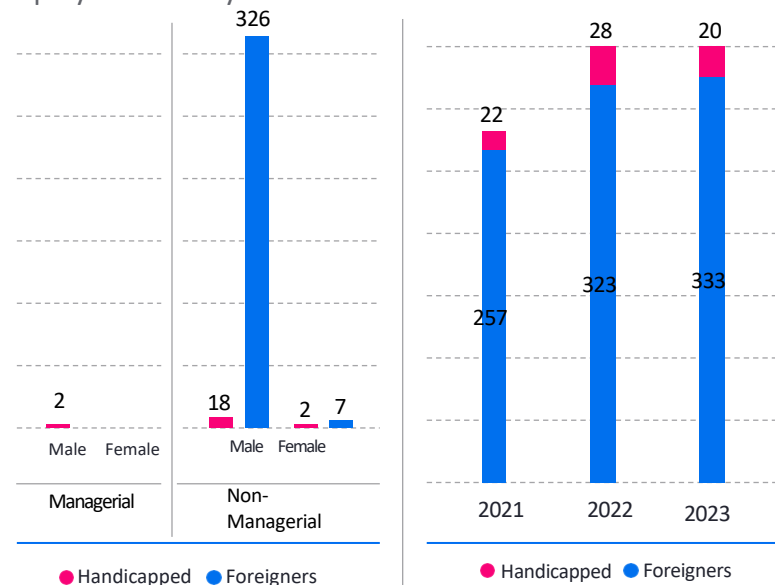
Male Female

## Diversified Workplace

At TYC, we uphold human rights and the fundamental right to work, offering a range of employment opportunities. A total of 333 foreign employees (326 men and 7 women) were employed, representing 20% of the total workforce. In order to safeguard employment opportunities for disadvantaged groups, TYC has leveraged the government's "Law on the Protection of the Rights and Interests of the Physically and Mentally Handicapped." This legislation stipulates a 1% quota for the mentally and physically handicapped in government employment, and TYC has met this requirement by hiring 20 physically and mentally handicapped employees (18 men and 2 women). In order to safeguard the employment prospects of disadvantaged groups, the number of mentally and physically handicapped individuals employed was 20 (18 male and 2 female), representing 1.2% of the total workforce.

To foster a diversified and welcoming workplace, the company will implement chair heights tailored to the needs of employees with physical disabilities, enhancing their comfort and productivity at work. Furthermore, the company will install handrails in squatting toilets for female employees throughout the entire factory, in order to provide additional safety and accessibility for those with mobility impairments. Additionally, the company will proactively safeguard the rights of different ethnic groups in the future.

## Employee Diversity Statistics



Note: A managerial post is defined as a supervisory role at the team leader level or above.

# Talent Attraction and Retention Management

## Material Topics : Talent Attraction and Retention

<b>Positive Benefits Description</b>	By leveraging human resources banking, campus recruitment, and industry-academia collaboration, we have established a robust recruitment infrastructure and are committed to advancing education and training to meet evolving personnel development needs and elevate talent quality.
<b>Negative Impact Description</b>	While there is no actual negative impact, the company is currently facing a global manpower shortage, which presents a challenge in recruiting talent. In the absence of relevant support measures and active retention of core talent, the cost of staff cultivation will increase, which will also affect the company's long-term competitiveness.
<b>Remedy/ Measures</b>	Should any feedback be received from employees, the Human Resources will handle it in accordance with the relevant company regulations.
<b>Complaints/ Communication Channels</b>	The online or physical suggestion box, as well as the complaint and communication channels to the Human Resources, provide an avenue for employees to raise concerns related to employee benefits, employee rights, education and training, and other pertinent issues. Email : <a href="mailto:Nicole_Lee@tyc.com.tw">Nicole_Lee@tyc.com.tw</a> or <a href="mailto:tyc2189@tyc.com.tw">tyc2189@tyc.com.tw</a> . TEL : 06-2658781#170 or 06-2658781#165, and ask for Lee Ying Juan (Associate Manager) or Zhang Ching Fang (Commissioner), respectively.
<b>Policy/ Commitment</b>	<ul style="list-style-type: none"> <li>• Actively establish diversified recruitment channels to select suitable talents.</li> <li>• Committed to building a comprehensive welfare program.</li> <li>• Work together to protect the safety and health of our employees.</li> <li>• Provide employees with the necessary equipment and resources for learning and growth.</li> <li>• Build a sound education and training system and learning environment for employees.</li> <li>• Do our best to guide employees to acquire more practical knowledge and skills.</li> <li>• Sincerely guide employees to plan for appropriate career development.</li> </ul>
<b>Liability</b>	Human Resources, Employee Welfare Committee, Division Managers
<b>Management Evaluation</b>	Gain insight into employee needs and feedback by gauging satisfaction with programs and activities.
<b>Goals &amp; Objectives</b>	<ul style="list-style-type: none"> <li>• Diversifying and optimizing recruitment channels to attract top talents.</li> <li>• Enhancing our campuses to facilitate industry-academia collaboration and internship opportunities.</li> <li>• Optimizing competitive salary structures to attract exceptional professionals.</li> <li>• Aligning compensation strategies with the company's growth as a conglomerate.</li> <li>• Reinforcing succession training to mitigate potential management talent gaps.</li> </ul>
<b>Specific Actions in 2023</b>	<ul style="list-style-type: none"> <li>• A total of 5 labor-management meetings and 12 seminars for expatriate colleagues were held on a monthly basis to establish a smooth communication platform with the goal of enhancing employee satisfaction.</li> <li>• Salary surveys were conducted on a regular basis to review the market situation for each position, a salary adjustment of approximately 4.2% was made for all employees in 2023.</li> <li>• Organize talent retention assessments and implement retention incentives to enhance employee loyalty and commitment to the company over the long term.</li> </ul>

### Specific Actions in 2023

- Continue to promote the scholarship program for core technical talents, and cultivate outstanding talents in advance through industry-academia collaboration.
- Continue to provide succession training programs.
- Continue to promote the development of 6 Sigma talent.
- TYC has established a digital learning network, introduced online e-learning, and provided a range of learning and development programs.
- Furthermore, the Thai and Vietnamese language awards have been expanded, in addition to the existing English and Japanese language awards.
- New benefits include a coffee machine and ramen vending machine, an employee selection fair, and employee counseling.
- Twelve pregnancy care programs have been implemented to provide employees with physical and mental care during pregnancy and breastfeeding.
- We recognize the contribution and loyalty of our senior employees with 25 years of service. In 2023, 145 employees will receive awards.
- We are committed to deepening industry-academia cooperation and providing scholarships. In 2023, we will sponsor a total of \$329,999 in scholarships, including those for students at Kaohsiung University of Science and Technology and Tainan University.

### Performance Results

- We were honored to receive the 1,111 Human Resources Bank Silver Award in recognition of Happiness Enterprise.
- The turnover rate decreased by 12.26% from 2022, reaching 11.7%.
- A total of 20 employees have been trained for succession planning, with another 36 employees scheduled for training in 2024.
- Eight 6 Sigma improvement projects were successfully completed, 17 individuals completed Green Belt training, and one individual was promoted to Black Belt status.
- The total value of language awards was \$62,000.
- The total expenditure for training was \$3,817,702, representing a 50% increase from 2022.
- A total of 908 training courses (714 internal and 194 external) were conducted with 15,695 participants, representing an increase over 2022.
- The reinstatement rate of babysitting remained at 80%, with a retention rate of 72.73%.
- In 2023, a total of 18 students participated in the industry-academia collaboration.
- In 2023, a total of 31 employees were evaluated for retention and allocated retention bonuses, with a retention rate of 97%.

## 5.3 Talent Attraction and Retention

### Employment Policy



- Equal hiring and career developing opportunity: no discrimination, harassment, or any unfair treatment for the nationality, race, age, gender, marriage status, gender identity, disability, pregnancy, religion, political stand, or other characteristics.
- Spouses, relatives by blood, and in-laws of employees are not permitted to be appointed to positions where they might be expected to cover up each other's deficiencies (supervisor-subordinate or superior-subordinate relationships).
- Prohibition of using child labor: We strictly adhere to the policy that no child labor should be hired in domestic and oversea business locations.
- Age and identification shall be identified on all applicants to eradicate hiring child labor.

## Diversified Recruitment Channels

TYC employs a multifaceted approach to talent acquisition, leveraging a range of recruitment channels, including manpower banks, social networking sites, campus internships, factory recruiting, and industry-academia collaboration. Additionally, TYC participates in job fairs across various campuses, targeting talented individuals from diverse ethnic backgrounds.

To cultivate potential talent in the five core technical fields of light, mechanics, electricity, heat, and molds, TYC participates in industry-academia cooperation with universities and colleges. TYC provides scholarships and summer and winter internships to young students interested in developing their careers in the automotive/mechanical vehicle lighting industry. TYC encourages students to establish a correct attitude towards work, enhance their adaptability and competitiveness in the workplace, and develop the skills required to succeed in their chosen field. To foster a positive work ethic, enhance adaptability and competitiveness in the workplace, and raise awareness of potential TYC talent, 18 students participated in the industry-academia cooperation in 2023, with a total of NT\$329,999 in scholarship sponsorships.



## Hiring and Retention

The rate of employee turnover is a key indication of the company's operational stability. TYC is committed to supporting the integration of new employees. In addition to assigning supervisors to assist with work skill development, the on-site unit also facilitates seminars for newcomers to facilitate knowledge sharing and a smooth transition into the TYC family. A total of 235 newcomers were recruited in 2023, representing a newcomer rate of 14.25%.

In regard to exit management, upon receipt of an employee's request for termination of employment, we promptly notify the employee's supervisor to arrange for an exit interview. In addition to the interview conducted by the supervisor, human resources will ascertain the primary reasons for the employee's departure and conduct an exit analysis. This will provide a foundation for future improvements to the retention system. A total of 193 employees left the company in 2023, representing a departure rate of 11.7%. This figure represents a decrease of 12.26% in comparison with the 2022 rate. The primary reasons for departures include employees applying to leave the company for career planning, retirement, and the expiration of expatriate contracts. To enhance employee retention, the company conducted retention assessments and provided retention bonuses to 31 employees in 2023, resulting in a 97% retention rate. Going forward, the company will continue to invest in employee retention planning, provide competitive benefits and salaries, and foster productivity and value creation.

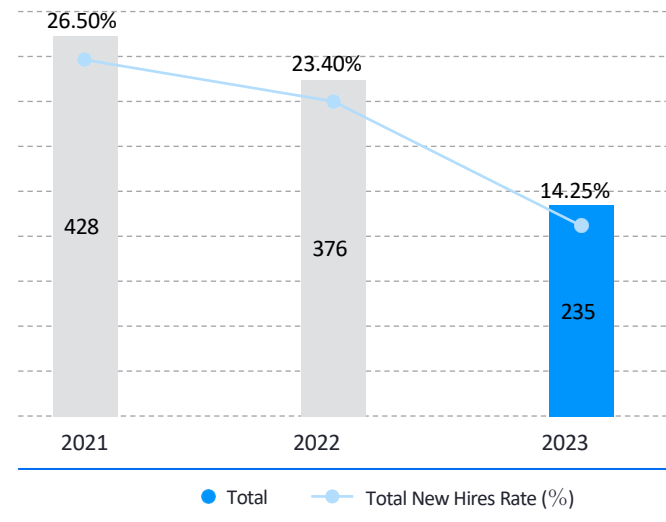
### Statistics on New Hires and Turnover in 2023

Type	New Hires Statistics				Turnover Statistics			
Gender	Male		Female		Male		Female	
Age	Number of New Hires	New Hire Rate (%)	Number of New Hires	New Hire Rate (%)	Number of Turnover	Turnover Rate (%)	Number of Turnover	Turnover Rate (%)
30 and below	85	46.45	20	40.00	45	24.59	18	36.00
30-50	101	13.52	22	7.36	79	10.58	44	14.72
51 and above	5	2.04	2	1.60	4	1.63	3	2.40
Total ( person )	235				193			
Total Number of Employee ( person )					1,649			
Total Ratio ( % )	14.25				11.7			

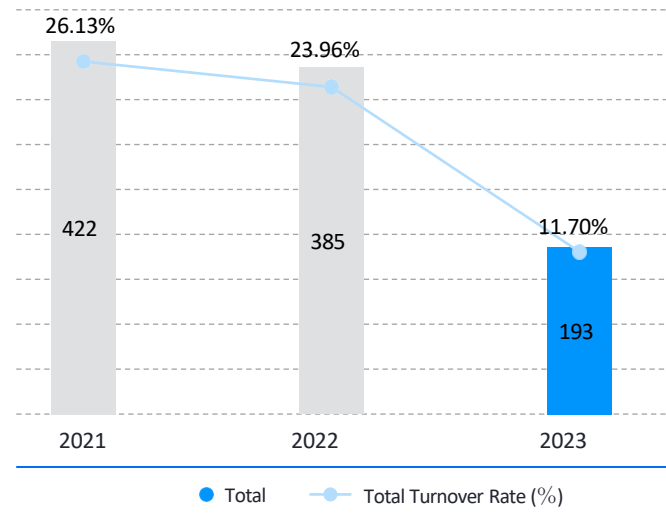
Note :

1. New Hire Rate (%) = Number of New Hires in the Category (Gender, Age) in the Current Year / Total Number of Employees at Year-end in the Category in the Current Year
2. The number of those who left the Company halfway was not deducted from the number of newly-hired employees.
3. Turnover Rate (%) = Number of Turnover in the Category (Gender, Age) in the Current Year / Total Number of Employees at Year-end in the Category in the Current Year
4. The number of turnover employees includes voluntary resignation, retired employees, and foreign labors whose contracts are expired.
5. Total Rate (%) = Number of Newly Hires (Turnover) in the Current Year / Total Number of Employees at Year-end in the Current Year.

## New Hires Rate in the Recent Three Years



## Turnover Rate in the Recent Three Years



## Remuneration System

TYC's salary is determined by a number of factors, including academic experience, professional years of experience, personal performance, and market conditions. These factors are used to approve the salary level, and they are not influenced by factors such as gender, race, religion, political position, marital status, or any other form of discrimination. As an employee gains more experience, demonstrates stronger performance, and shows a greater commitment to their duties, their salary will increase in line with their future development potential.

To motivate employees, the company will adjust salaries in line with the effectiveness and achievements of its operations. The average salary adjustment for direct employees in 2023 will be approximately 3.3%. Salary differences will be determined by factors such as work complexity and employee qualifications. Junior employees will receive an average standard salary in line with the basic wage of NT\$26,400 under Taiwanese law, which is the minimum wage for that year. The multiples are as follows:

## Ratio of standard wage to local minimum wage for junior employees

Basic level personnel	Male	Female
Multiple	1.19 times	1.12 times

Note:

1. Basic level personnel refers to those who are directly involved in production and in the assembly/manufacturing/molding units of that country.
2. The standard wage is a recurring wage paid on a monthly basis.
3. In 2023, TYC did not have a contract with a labor contracting company, and the wages paid under contracts with outsourcing companies (security and cleaning) were in compliance with the minimum standards of the Labor Standards Act.

At TYC, we are dedicated to ensuring pay equity and reducing the gender pay ratio. In addition to adhering to local laws and regulations, TYC regularly participates in market salary surveys to develop a fair and competitive salary structure. In addition to the aforementioned compensation elements, TYC also conducts retention appraisals and provides bonuses on an annual basis. These measures are designed to motivate employee morale and encourage outstanding performance.

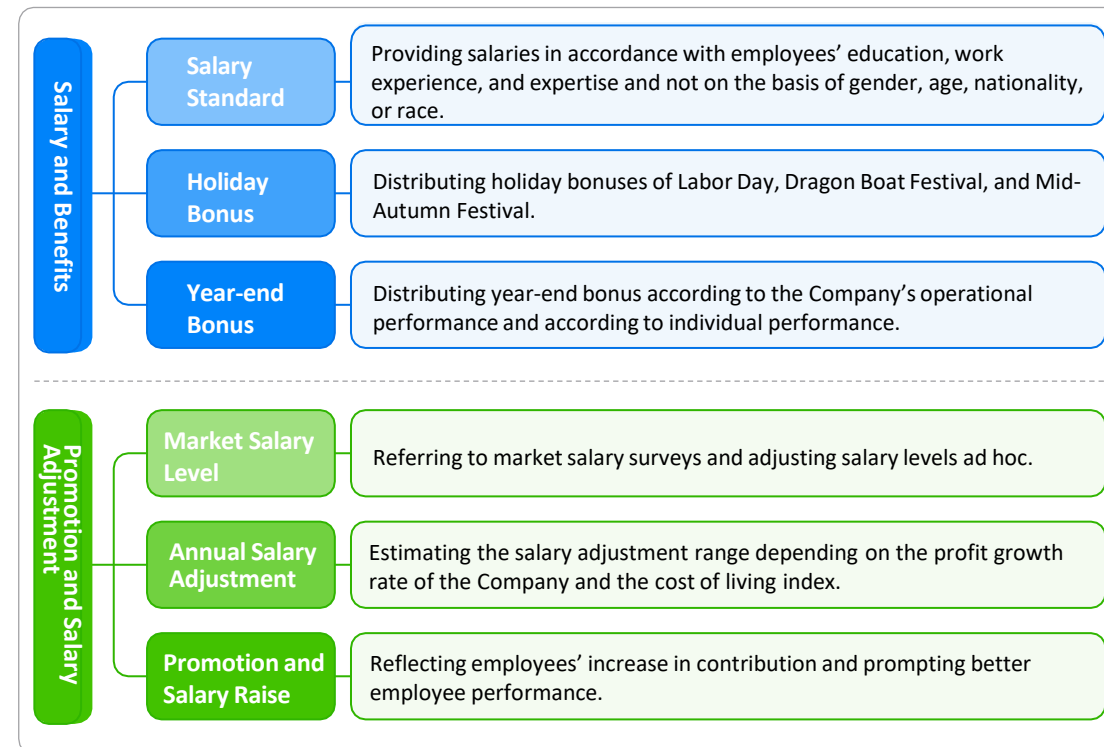
The company's appointment and salary administration are in accordance with the payroll system, which is structured without regard to gender but rather based on job category and rank. The promotion system is divided into 16 grades according to the position, with each grade setting the upper and lower limits of salary according to its market value and the company's salary policy. This ensures that the salary structure for employees is both reasonable and fair. The median ratio of the highest individual's annual total compensation to the total annual compensation of all employees (excluding the highest-paid individual) is 16.74:1. The median ratio of the percentage increase in the highest individual's annual total compensation to the average percentage increase in the total annual compensation of all employees (excluding the highest-paid individual) is -0.43:1.

## Basic Salary and Remuneration Ratio

Gender/Job Rank	Basic Salary		Remuneration	
	Managerial	Non-managerial	Managerial	Non-managerial
Male	1	1	1	1
Female	0.82	0.87	0.8	0.89

Note:

1. Excludes annual salary of foreigner employees.
2. Supervisors are at the level of Team Leader (or above).
3. "Basic salary" is the recurring monthly salary; "Remuneration" is the total annual salary, including monthly salary and bonus.



## 5.4 Employees' Rights and Benefits

### Employee Care and Welfare Measures

At TYC, we recognize our employees as invaluable partners in our pursuit of sustainable development. TYC is committed to enhancing its employee welfare system and providing comprehensive physical and mental care and attention to its employees, with the goal of reducing stress and achieving a healthy work-life balance.

In addition to the mandatory labor and universal health insurance coverage provided to each employee in accordance with the law, TYC also offers a range of optional group insurance plans, including life, accident, medical, and cancer insurance. All employees are automatically enrolled in the group insurance plan on their first day of employment.

TYC has established a comprehensive employee welfare system comprising a range of activities. To oversee this system, we have set up an Employee Welfare Committee comprised of representatives from each department. This committee is responsible for coordinating, planning, and implementing the company's various welfare measures. In addition to the government's statutory welfare measures, TYC offers a comprehensive and diversified range of welfare programs for its employees. TYC has entered into corporate agreements with brick-and-mortar establishments, enabling employees to benefit from exclusive offers in a range of areas, including food, clothing, housing, transportation, education, and entertainment. Furthermore, the company encourages employees to form and participate in clubs and activities to improve their physical and mental health, which in turn enhances work morale and performance.

A club may be established with the signatures of 15 or more employees. The maximum subsidy for the establishment of a club is NT\$4,000. Our goal is to provide our employees with quality and considerate welfare activities and programs that will allow them to enjoy their work and take care of their physical and mental health, thus achieving a healthy work-life balance.

## Employee Welfare Measures

Items	Contents
Domestic and Overseas Travel	<ul style="list-style-type: none"> <li>Holding 1 staff trip every year and providing travel subsidy (\$15,000) for senior staff to encourage outdoor activities and look after family life besides work.</li> </ul>
Holiday and Year-End Parties	<ul style="list-style-type: none"> <li>Holding a series of factory celebration activities to enliven the atmosphere within the organization.</li> <li>Running an year-end party and a lottery prizes activity in recognition of our colleagues' efforts throughout the year.</li> <li>Holding red-envelop activities of good fortune for the new year and welcoming of the god of wealth.</li> <li>Sponsoring Christmas parties for foreign colleagues to jointly celebrate the holiday.</li> </ul>
Year-End Bonus	<ul style="list-style-type: none"> <li>Determined by the annual operation as well as individual performance and contribution.</li> </ul>
Various Complimentary Facility	<ul style="list-style-type: none"> <li>Complimentary parking for automobiles and scooters, staff cafeteria, breastfeeding room, and reading room.</li> </ul>
Stress-Relieving Meals	<ul style="list-style-type: none"> <li>Providing employees afternoon tea and snacks to appreciate employees for their hard work.</li> <li>Installing coffee machines and ramen vending machines for employees to take a break.</li> </ul>
Staff Preference Festival	<ul style="list-style-type: none"> <li>Inviting Tsannkuen to our factory for a flash sale; providing exclusive preferential prices for staff and professional 1-on-1 consultation.</li> </ul>
Film Appreciation	<ul style="list-style-type: none"> <li>Giving away movie tickets to let colleagues enjoy their favorite films with family or friends to relax themselves and nourish their minds.</li> </ul>
Club Activities	<ul style="list-style-type: none"> <li>Offering subsidy for clubs proactively organized by employees such as basketball club, baseball/softball club, bicycle club, and badminton club to bond the friendship between colleagues within the Company through shared hobbies.</li> </ul>
Health Promotion Seminars	<ul style="list-style-type: none"> <li>Organizing non-periodical health promotion seminars tailoring the needs of employees to help soothe the tension and bustle of work stress.</li> </ul>

2023 NEW

2023 NEW

Staff Travel (Nantou San-Link-Sea Forest and Nature Resort and Lihpao Resort)



Lottery Prizes and Pictures at Year-End Party



Item	Contents
Welfare and Various Subsidies	<ul style="list-style-type: none"> <li>Meal allowances, maternity celebration, injury and illness hospitalization consolation, wedding and funeral gifts, holiday and birthday bonuses, language-learning subsidies, and cooperative vendors (A total of 231 cooperative stores in 2023.)</li> <li>In the event of unfortunate passing of employees during their employment, TYC fulfills its responsibility of taking care of its employees by providing full support for their minor children's tuitions until their graduation from high school or vocational high schools, allowing the children to finish school with ease. The amount accumulated was \$93,709. Currently, there are still 2 children of our employees receiving the assistance.</li> </ul>
Flexible Clock In/Out System	<ul style="list-style-type: none"> <li>Employees with the need of child care or health issues may apply for a flexible clock in/out. This is to create a friendly and warm-hearted environment. <b>2023 NEW</b></li> </ul>
Life Insurance and Health Insurance	<ul style="list-style-type: none"> <li>Taking out various types of insurance for employees, including labor insurance, national health insurance, employee group insurance, occupational accident insurance, and travel insurance to provide a more thorough protection.</li> </ul>
Group Insurance	<ul style="list-style-type: none"> <li>In addition to the government's basic social insurance, we even provide benefits of group insurance, which includes life insurance, catastrophic illness insurance, accident insurance, medical insurance, and cancer prevention insurance, to allow colleagues to enjoy complete medical care and compensation in the event of unforeseen catastrophic illness and accidents, and to simultaneously provide colleagues relatively flexible and preferential insurance items at their own expenses according to the different needs of themselves or family.</li> </ul>
On-Site Counseling of Group Insurance Personnel	<ul style="list-style-type: none"> <li>Group insurance personnel provides professional consultations at the Company factory periodically.</li> </ul>
Annual Health Check-Up	<ul style="list-style-type: none"> <li>Apart from providing complimentary annual health check-ups, the Company also arranges physical examinations and medical counseling for those involved in special tasks, safeguarding employees' mental and physical health.</li> </ul>
Psychological Counseling	<ul style="list-style-type: none"> <li>In the event of workplace misconduct or other catastrophic accidents affecting colleagues' psychological and physical condition, the Company organizes professional consulting groups to provide intervention and ease emotions as well as stress through the help of counseling. <b>2023 NEW</b></li> </ul>
Commemorative Gold Coin Medal for Service	<ul style="list-style-type: none"> <li>In recognition of the dedication and great loyalty of our senior colleagues completing 25 years of service, the Company awards the "Commemorative Gold Coin for 25 Years of Service" at year-end parties to express our deepest gratitude. A total of 145 individuals were rewarded in 2023.</li> </ul>
Leave System	<ul style="list-style-type: none"> <li>Besides the special leave, the personal/sick leave, the maternity leave, the parental leave, and the marriage leave mandated by law, the Company provides a 2-day leave for children's marriage and an 1-day leave for biological siblings' marriages that surpass the laws and regulations.</li> </ul>

Christmas Party for Foreign Colleagues



Activity of Welcoming the God of Wealth for the New Year



Distributing Afternoon Tea to Employees



employee selection fair



## Enforcement of Parental Leave

To guarantee the physical and mental wellbeing of female employees throughout the stages of pregnancy and breastfeeding, we have established the "Maternal Health Protection Program," which encompasses the implementation of measures designed to safeguard maternal health in the workplace. The Company's healthcare personnel conduct interviews with physicians and provide health education and information during pregnancy, before and after childbirth. They also ask employees to complete the Labor Health Self-Assessment Form and the Suggestion for Adequate Work Arrangement Form. This allows the company to adjust the contents of the workforce and provide care and assistance to employees in various aspects. In 2023, the Company has conducted a total of 12 pregnancy care programs for employees in related departments.

The Company is committed to supporting its employees in maintaining a healthy work-life balance. To this end, it offers eligible employees a range of leave options, including childcare leave, in accordance with the Gender Equality Act. After six months of employment, employees may apply for childcare leave without pay until each child reaches the age of three, but not more than two years. In the case of employees raising two or more children simultaneously, the period of leave without pay for childcare may be combined, with the maximum period being two years for the youngest child. Additionally, a bonus of NT\$2,000 will be granted. The factory has a clean and comfortable breastfeeding room, which is not only isolated but is also equipped with a refrigerator for breast milk, back chairs, tables, and auto-sensor alcohol sterilizers to provide the greatest convenience and care to breastfeeding mothers. In addition, the Company has contracted two childcare service organizations to provide preferential childcare services for their employees.

In 2023, 17 employees (9 male and 8 female) applied for unpaid babysitting positions. Of these, 10 (7 male and 3 female) were reinstated beyond this period. Of the 10 reinstated employees, 8 (6 male and 2 female) were actually reinstated, representing a reinstatement rate of 80% and an overall retention rate of 72.73%. Please refer to the relevant statistics on the right.

### Statistics of Parental Leave

2023			
Male	Item	Female	Total
100	Number of Persons Who Are Eligible for Parental Leave Without Pay A	66	166
9	Number of Persons Who Actually Applied for Parental Leave Without Pay for the Current year B	8	17
7	Number of Persons Who Should be Reinstated After Parental Leave Without Pay for the Current Year C	3	10
6	Number of Persons Who Are Actually Reinstated After Parental Leave Without Pay for the Current Year D	2	8
3	Number of Persons Who Are Actually Reinstated After Parental Leave Without Pay for the Previous Year E	8	11
3	Number of Persons Who Have Worked for One Year Since the Reinstatement After Parental Leave Without Pay F	5	8
86%	Reinstatement Rate After Parental Leave Without Pay for the Current Year % (D/C)	67%	80.00%
100%	Retention Rate After Parental Leave Without Pay for the Current Year % (F/E)	63%	72.73%

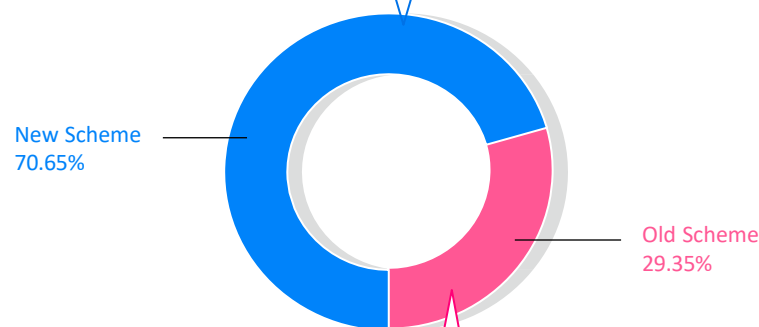
Note: The number of eligible applicants for parental leave without pay was calculated based on the number of employees who have applied for maternity leave and parental leave within three years. For example, the calculation period for 2023 was from January 1, 2020 to December 31, 2023.

## Retirement Planning and Protection

TYC is committed to supporting its employees in both their professional and personal lives. We communicate with our team members regularly in the workplace and also consider their future financial security after retirement. In accordance with the Labor Standards Act and the Labor Pension Act, TYC's retirement system adheres to the law and contributes monthly to each employee's social insurance. During the reporting period, 29.35% of employees were covered by the old system, while 70.65% were covered by the new system.

### Applying the New Labor Pension Scheme

In accordance with the Labor Pension Act, which took effect on July 1, 2005, TYC has been contributing 6% of each employee's monthly salary to their individual accounts at the Bureau of Labor Insurance. Employees may contribute an additional 0-6% of their salary to these accounts for pension payments, according to their personal preference.



In accordance with the Labor Standards Act, TYC contributes 3% of employees' monthly salaries to the Labor Retirement Reserve Account at the Bank of Taiwan. The Labor Retirement Reserve Supervision Committee is responsible for reviewing, checking, and supervising the Labor Retirement Reserve Account. Each year, a professional accounting consultant is hired to perform an actuarial calculation in order to prepare for the full amount of the reserve. By the end of each year, the company will provide an estimate of the balance of the Labor Retirement Reserve Account. In the event that the balance is insufficient to cover the estimated retirement benefits for eligible employees in the following year, the company will make up for the lack by March of the following year to ensure the protection of employee rights and interests. In 2023, a total of nine employees retired, and a total of NT\$8,081,786 was paid in retirement benefits.

### Applying the Old Labor Pension Scheme

## 5.5 Human Resources Development and Training

At TYC, we place a strong emphasis on the professional development of our employees, both in terms of their current roles and as lifelong learners. Our goal is to support our employees not only in their work, but also in their personal and professional growth within the workplace. TYC has developed a comprehensive education and training framework, offering a diverse range of courses and seminars to enhance job-related skills and provide employees with valuable professional development opportunities. Furthermore, to facilitate career development and align with operational requirements, we have implemented a reassignment system. In the event of a company reorganization or reassignment requirement, the supervisor will consult with employees to ascertain their preferences. All job changes will be conducted in a manner that ensures the original rights and interests of employees are protected. The company will provide the necessary assistance to facilitate a smooth transition and address any issues that may arise.

### Training Program Development System

To develop professional skills and managerial talent, TYC has established the "Education and Training Implementation Regulations." The training system encompasses training for new hires, initial position training, general function training, core function training, and professional function training, among other areas. Annually, the Human Resources Development Department, along with every other unit, creates and offers courses that enhance the unit's operational and management performance, fostering the growth of staff knowledge and professional skills while improving work performance and quality. Additionally, to develop management talent, we provide management function training at each level annually, strengthening the leadership abilities of management professionals. Furthermore, in order to cultivate management talent on an ongoing basis, we provide management training courses at all levels to enhance the leadership abilities of management executives.

In addition to organizing internal training activities, TYC also facilitates participation in external learning activities. Through a variety of educational offerings, including lectures, seminars, and on-the-job training, professionals can gain the expertise necessary to excel in their roles and enhance their competitiveness in the workplace. The company fully subsidizes the cost of external training and travel expenses, ensuring that all employees have access to these valuable learning opportunities.

Additionally, TYC facilitates English and Japanese language training and Thai language courses for stationed personnel intermittently, motivating employees to pursue independent learning to enhance their global perspective and foreign language abilities. Furthermore, TYC administers a "Language Scholarship Program" to incentivize employees to attain language proficiency. From 2023 onward, TYC will offer supplementary scholarships for language proficiency, including Thai and Vietnamese, to align with the company's evolving southbound expansion.

## Overview of Education and Training

In 2023, the total training hours were 27,783. There were 714 internal educational training courses, which took a total of 25,748 hours with 15,501 person-time. A total of 2,035 hours with 194 person-time were complete for external training course. The total expense for training was NT\$3,817,702. The average training hour was 16.8 hour/person with NT\$2,315/person for all employees in 2023.

Year	2021				2022				2023			
Type of Training	Male		Female		Male		Female		Male		Female	
	Hour	Trainee	Hour	Trainee	Hour	Trainee	Hour	Trainee	Hour	Trainee	Hour	Trainee
General Ability Training	4,869	1,264	3,556	808	4,334	2,197	2,383	1,273	8,070	5,819	3,839	2,555
Core Ability Training	329	32	126	15	2,611	387	704	91	2,882	441	746	98
Job-Specific Training	2,031	319	483	89	727	187	432	116	1,428	300	201	88
Professional Ability Training	5,963	3,858	2,079	1,245	2,915	2,233	1,381	924	5,212	4,460	2,247	1,518
Management Ability Training	2,129	249	497	50	739	110	207	28	2,558	333	600	83
Total	15,321	5,722	6,741	2,207	11,326	5,114	5,107	2,432	20,150	11,353	7,633	4,342

Note: The training hours include the hours of internal courses and external training and exclude the hours taken in other training methods such as work guidance and job rotation.

### Statistics on Internal/External Education and Training

Year		2021	2022	2023
Internal Training	Total Training Hours	20,420	15,236	25,748
	Total Number of Trainees	7,797	7,441	15,501
External Training	Total Training Hours	1,642	1,197	2,035
	Total Number of Trainees	132	105	194

### Type, Gender, and Average Training Hours of Trained Employees

Year		2021			2022			2023		
Item/Gender		Total Number of Participants	Total Training Hours	Average Training Hours	Total Number of Participants	Total Training Hours	Average Training Hours	Total Number of Participants	Total Training Hours	Average Training Hours
Managerial	Male	132	2,100	16	130	1,010	8	137	3,573	26
	Female	22	377	17	21	134	6	25	524	21
Non-Managerial	Male	979	13,221	14	988	10,316	10	1,038	16,577	16
	Female	482	6,364	13	468	4,973	10	449	7,109	16
Total		1,615	22,062	13.7	1,607	16,433	10.2	1,649	27,783	16.8

Note:

1. Definition of the management rank: Team leaders (incl.) and above.
2. Average Training Hours = Total Training Hours / Total Number of Participants; Average Training Hours of Each Gender = Total Training Hours of Each Gender for the Current Year / Total Number of Participants of Each Gender for the Current Year

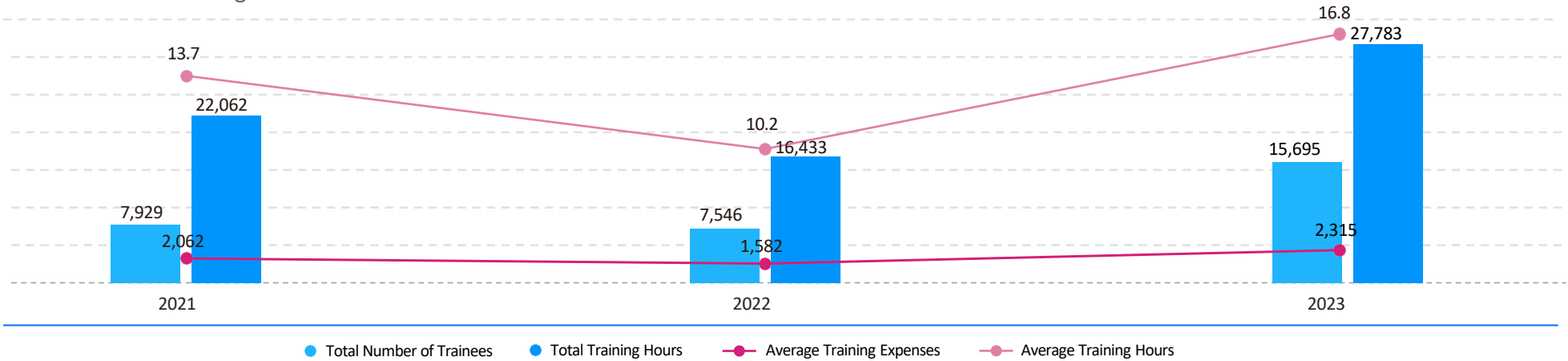
### Gender and Average Training Expenses of Trained Employees

Unit: NT\$

Year		2021		2022		2023	
Item/Gender		Total Training Expenses	Average Training Expenses	Total Training Expenses	Average Training Expenses	Total Training Expenses	Average Training Expenses
Male		2,403,733	2,164	1,722,461	1,541	2,761,540	2,350
Female		927,130	1,840	819,129	1,675	1,056,162	2,228
Total		3,330,863	2,062	2,541,590	1,582	3,817,702	2,315

Note: Average Training Expenses = Total Training Expenses / Total Number of Participants; Average Training Expenses of Each Gender = Total Training Expenses of Each Gender for the Current Year / Total Number of Participants of Each Gender for the Current Year

## Education and Training Statistics in the Recent Three Years



TYC



▲ FTA Fault Tree Analysis



▲ Capability of Mastering Financial Numbers for Non-Financial Supervisors



▲ Coaching and Leading Capability



▲ Adaptation to New Generation Workplace



▲ Strategic Consensus Camp



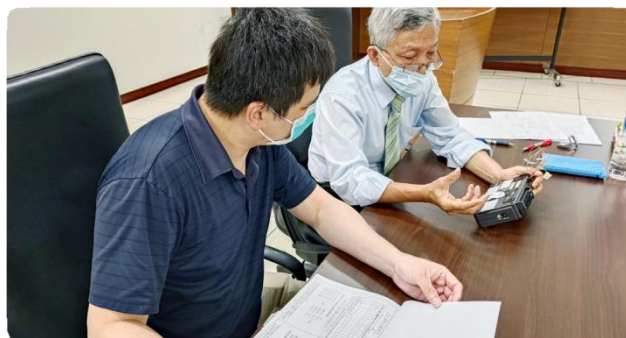
▲ Courses on the Basic Level of Japanese-Language Proficiency Test

## 6 SIGMA

To enhance the colleagues' proficiency in problem analysis and improvement techniques, TYC has been conducting the first 6 Sigma training activities since 2018. This marks the seventh consecutive year of such training (2024). Annually, through training courses and improvement projects, TYC has trained its staff to establish correct and effective quality problem-solving procedures, as well as optimize work efficiency and effectiveness. By the end of 2023, a total of 16 black belts have been trained and 65 improvement projects have been conducted.

### 6 Sigma Training Input and Effectiveness

year	Number of trainee	Training hour (total training hours)	Training expenses	Number of Annual Projects	Blue Belt	Green Belt	Black Belt
	71	141.25	\$1,526,780	23	30	75	8
2020	46	30.5	\$326,520	8	—	—	—
2021	36	33.5	\$325,010	8	—	—	3
2022	35	99.5	\$940,650	8	—	26	4
2023	37	72	\$644,850	8	—	17	—
Total	298	522.75	\$5,234,850	65	80	118	16



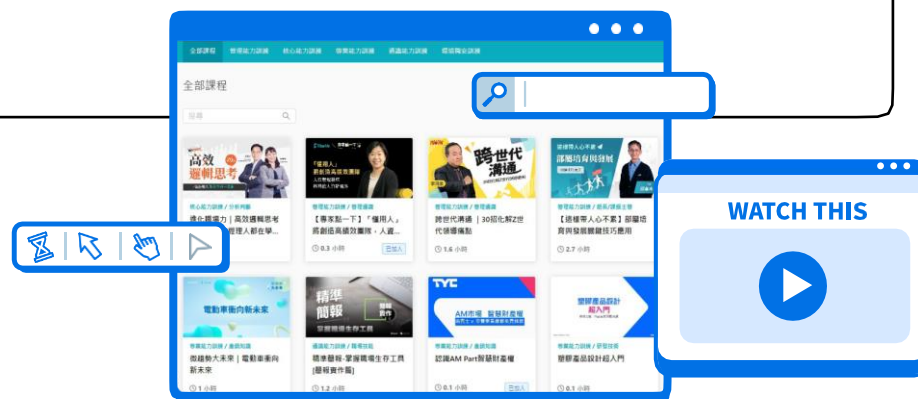
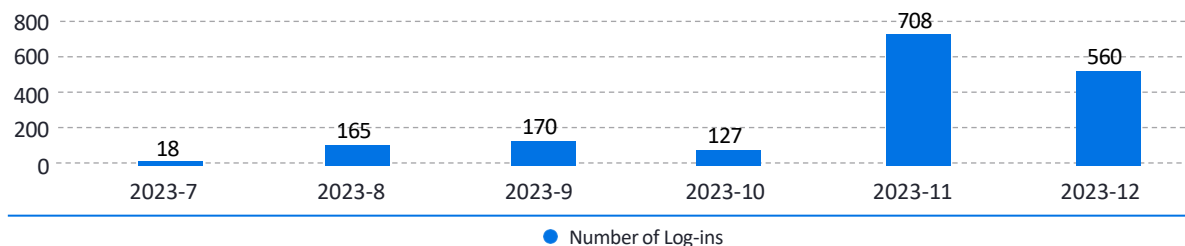
▲ 6 SIGMA Training Campaign and Certification Presentation



### Launch of the E-Learning Platform in 2023

To provide diverse learning development for employees, the installation of the "TYC E-learning Network" has commenced since the second half of 2023. Employees can proactively and flexibly use their free time during the workdays, off-days, or night time to watch courses on the platform through computers or mobile apps and to schedule their own learning topics and progress. Currently the platform has 50 courses in place that include general management, departmental professional knowledge, occupational safety propaganda, workplace tools, and language development. The diversity and abundance of the courses will be expanded year by year.

Number of Log-ins to the E-Learning Network



## Fair and Effective Performance Management System

TYC is dedicated to enhancing the collective performance of our employees and the efficiency of the company through the implementation of a comprehensive performance management system, fostering two-way communication and developing robust employee development plans. TYC categorizes performance appraisals into two distinct categories: "Project Evaluation" and "Annual Evaluation." "Project Evaluation" is designed to develop the capabilities of high-performing employees to assist their supervisors in management functions, including training on management techniques. The "Annual Evaluation" is a crucial component of our performance management system. It aligns with the company's mission and vision and assesses an employee's annual performance and potential.

TYC conducts annual evaluations in accordance with a pre-established schedule and implementation method. This approach allows us to leverage the potential, abilities, and productivity of our employees to their fullest extent. Furthermore, TYC has established the "Employee Future Intention Development" program within its performance management system. During the annual evaluation process, TYC administers a survey on the employees' future work intentions. This not only serves as a human resource reference for the company's business strategy but also reflects the importance TYC places on employees' career development planning. Additionally, it promotes alignment between the company's and the employees' duties. In 2023, after excluding employees who had served for less than three months and those on retained pay, 94 staff were not included in the performance appraisal. A total of 1,555 employees participated in the appraisal.

## Percentage of Employees Receiving Periodic Assessment in 2023

Category	Direct Personnel		Indirect Personnel	
	Number of Persons	Percentage	Number of Persons	Percentage
Male Receiving Assessment	669	100%	431	100%
Female Receiving Assessment	230	100%	225	100%
Total of Employees Receiving Assessment	899	100%	656	100%

Note:

1. Employees not included in the evaluation include: work-study students, interns, employees who have been in their role for less than three months, and employees who have been retained without pay.
2. Appraisal ratio: the number of employees who have undergone an appraisal/the total number of employees to be appraised.
3. Direct employees: technicians who are directly engaged in production site operations.
4. Indirect employees: all employees other than those mentioned direct employees.

The Company has adopted a continuous cycle model, integrating performance evaluation into daily management during the annual evaluation process and implementing it on an ongoing basis throughout the year. The model is introduced at the beginning, middle, and end of the evaluation period to ensure comprehensive coverage. The content of the evaluation differs for employees in different roles or positions, and subsequent monitoring is conducted in line with performance outcomes. By distributing the relevant appraisal system and training supervisors in performance management, we ensure that they are able to effectively monitor the performance of their employees and provide feedback and support in a timely manner.

Category	Frequency	Appraisal Content
Supervisors	Half-year	Company KPI, department goals, and personal development plans
Professional Personnel	Half Year	Company KPI, department goals, and personal development plans
Technical Personnel	Half Year	Company KPI, department goals, work efficiency, and level of cooperation
Newly-Hired Personnel	Three Month After Hiring	Initial job training (job responsibilities, standards, and evaluation)



Beginning Assessment	Mid-Term Assessment	Final Assessment
In January and February, supervisors conduct an inventory on manpower deployment of the previous year through the performance assessment system. Based on the cross-analysis of personal performance achievements as well as the company strategic index, supervisors set performance goals and schedule interviews with their subordinates so that the staff not only can better understand the goal setting and the projected results but are able to measure their level of performance achievement according to the timeline of the Company.	The goal follow-ups and feedback are carried out during mid-term, and the performance results of the first half year are made into an inventory through the semi-annual reports by supervisors. In the meantime, employees with good performance are given encouragement and expectation. For employees with poor adaptation skills and slower learning pace, supervisors may conduct the employee guidance process or initiate the improvement plans for employees who are struggling in their performance after the completion of the mid-term assessment. Reminders are given to employees to keep up with the pace, and appropriate stress and strengthening training are also provided.	The final assessment is to summarize the performance throughout the year and evaluate objective achievements based on the work performance and the relevant records of the whole year, then supervisors are instructed in various training sessions and performance assessment forums to utilize the SMART principles for performance management. Goals proposed should be Specific, Measurable, Attainable, Relevant, and Time-Based. Also, paring with performance management tools, supervisors are able to acquire the correct performance management concepts and understand the purpose and efficacy of assessments.

# Employee Health and Safety Management

## Material Topics: Fire Safety Management, Safe Sanitation

<b>Positive Benefits Description</b>	We are dedicated to maintaining the standards set forth by ISO 45001, promoting occupational health and safety initiatives, and enhancing our fire and disaster prevention preparedness through comprehensive drills and training.	
<b>Negative Impact Description</b>	In 2023, there were no serious public injury incidents or plant accidents. However, the incidence rate of general public injuries was higher than that of the previous year. This resulted in lost production hours and had an impact on the life and property safety of employees.	
<b>Remedy/ Measures</b>	In the event of a public injury, the Company will comply with the Labor Standards Act and assist employees in applying for labor insurance benefits, group insurance, and other claims. Additionally, the Company will transfer employees to other positions, contingent on their recovery status upon return to work. For further details on our management practices, please refer to the relevant management policy and section 5.6, Employee Safety and Health.	
<b>Complaints/ Communication Channels</b>	<p>Should any colleagues have any health and safety-related concerns, they are invited to respond to the Safe Sanitation Room via the grievance communication channel.</p> <ul style="list-style-type: none"> <li>E-mail: <a href="mailto:WX_Tazn@tyc.com.tw">WX_Tazn@tyc.com.tw</a></li> <li>Tel: 06-3841888 #391, Tien Wen Hsuan, Associate Manager.</li> </ul>	
<b>Policy/ Commitment</b>	<ul style="list-style-type: none"> <li>For further information on the Safe Sanitation policy, please refer to section 5.6, Employee Safety and Health.</li> <li>We will continue to promote and comply with ISO 45001 in order to maintain a safe and secure workplace.</li> </ul>	
<b>Liability</b>	A Safe Sanitation Room has been designated, and a Safe Sanitation Promotion Team has been formed to promote Safe Sanitation, with the Admin Division serving as the convener.	
<b>Management Evaluation</b>	The Safe Sanitation Room adheres to ISO 45001 internal and external management review procedures and conducts PDCA effectiveness evaluations on occupational health and safety issues on an annual basis.	
<b>Goals &amp; Objectives</b>	<ul style="list-style-type: none"> <li>The occupational accidents rate is less than 2.5.</li> <li>There have been no fire incidents.</li> <li>There have been no cases of occupational disease.</li> <li>There were no serious public injuries or work injury in the factory.</li> <li>The plant had no record of injuries to non-employee workers.</li> </ul>	
<b>Specific Actions in 2023</b>	<ul style="list-style-type: none"> <li>Continuously promote ISO 45001 external certification and monthly safety inspections.</li> <li>Monthly visit to each unit to publicize cases of occupational accidents and safety and health precautions.</li> <li>Convene 4 meetings of the Safe Sanitation Committee.</li> <li>Provide safety and health education and training to new employees, current employees, and employees in specific operations.</li> <li>Provide annual health checkups, quarterly health promotion seminars, and monthly doctor on-site services.</li> <li>Non-slip mats have been installed on staircases, staircases have been widened, and the height difference has been improved.</li> <li>Unmanned transportation machines and automatic sealing machines have been introduced to continuously improve the working environment for staff.</li> <li>Personal protective equipment has been upgraded.</li> <li>Fire drills and training are regularly organized.</li> <li>The Company participates in the organization and training of volunteer firefighters in the region.</li> </ul>	
<b>Performance Results</b>	<ul style="list-style-type: none"> <li>All personnel have participated in the health screening process.</li> <li>There has been a reduction in the number of Level 4 management personnel compared to the previous year.</li> <li>There were no occupational diseases.</li> <li>There were no serious public injuries or work injury in the factory.</li> <li>There were no injuries to non-employee workers in the plant.</li> </ul>	

## 5.6 Employee Safety and Health

### OCCUPATIONAL HEALTH AND SAFETY POLICY



- Compliance with rules and regulations for enterprise sustainability.
- Energy saving and carbon reduction for pollution prevention.
- Risk control management for zero disaster.
- Implementation of health awareness to avoid injury and sickness. Communication and consultation makes continuous improvements.

TYC provides a safe, harmonious, and excellent working environment, and has obtained ISO/CNS 45001:2018 safe sanitation management system since September 2020, in accordance with the requirements in the Occupational Health and Safety Management Regulations. It continues to practice and maintain the effectiveness of the Occupational Health and Safety Management System and manages activities and products that are within the management system of the Company's Occupational Health and Safety Management System, including all employees in plants in An-ping and Tech Park Phase 1~3 (100% employee) and subcontractor employees. It reviews the hazard in operations through regular risk identification and establishes risk control sequence, as well as further updating the policy, promoting personnel's awareness, strengthening preventive management, and substantially improving the execution. It also focuses on communication between labor and management and implements health promotion. Regular training on employee safety and health are held along with regular inspecting on relevant equipment, so employees can build cohesion on workplace safety and health and health issue and fully shape a comfortable, safe, and healthy sustainable working environment.

## Occupational safety and health committee

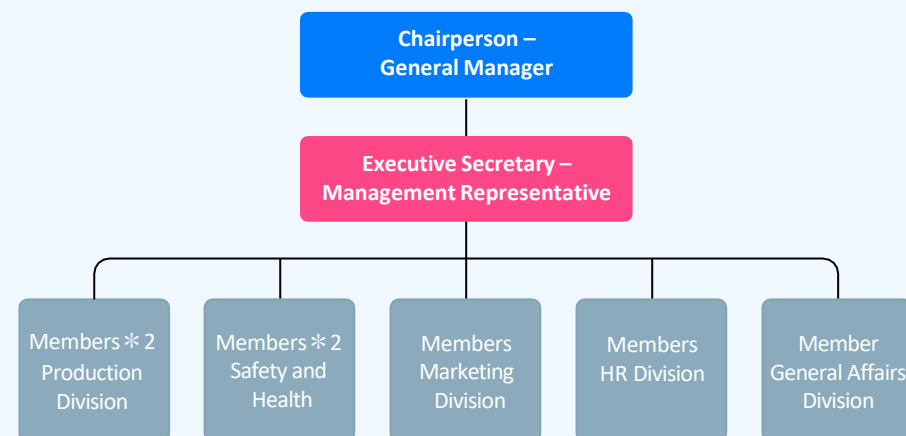
In accordance with the Occupational Health and Safety Management Regulations, TYC has established the Occupational safety and health committee. The committee is comprised of the general manager, the assistant manager of the Admin Division, the supervisor of the production unit, medical and healthcare personnel, labor and safety personnel, and labor representatives, among others. There are a total of nine committee members, four of whom are labor representatives (representing 44% of the committee's membership).

The Occupational safety and health committee is chaired by the General Manager and convenes on a quarterly basis to address safety and health-related matters with unit supervisors and members of the safety committee. The committee addresses a range of matters, including safety and health management plans, education and training, enhancement of the work environment, prevention of work hazards, investigation and mitigation of workplace accidents, contractor management, and health promotion. Additionally, the committee appoints Hsu, Yu Huei, Director of the Admin Division, as the management representative to issue rulings and instructions on safe sanitation-related matters, ensuring the effective implementation of the plant safety inspection. In 2023, four meetings were held, and the key points and outcomes were recorded in the electronic system.



▲ Meeting of the Occupational Safety and Health Committee

### Organizational Structure of the Occupational Safety and Health Committee



## Incident Prevention and Notification

Given that the Company is a production line operation in the manufacturing industry and that its workforce is primarily comprised of technical personnel, our objective is to implement a musculoskeletal prevention program based on a cycle of investigation, evaluation, improvement, and tracking processes. This program is designed to minimize musculoskeletal discomfort in the workplace, reduce the rate of injuries and illnesses, and enhance the efficiency of the workforce.

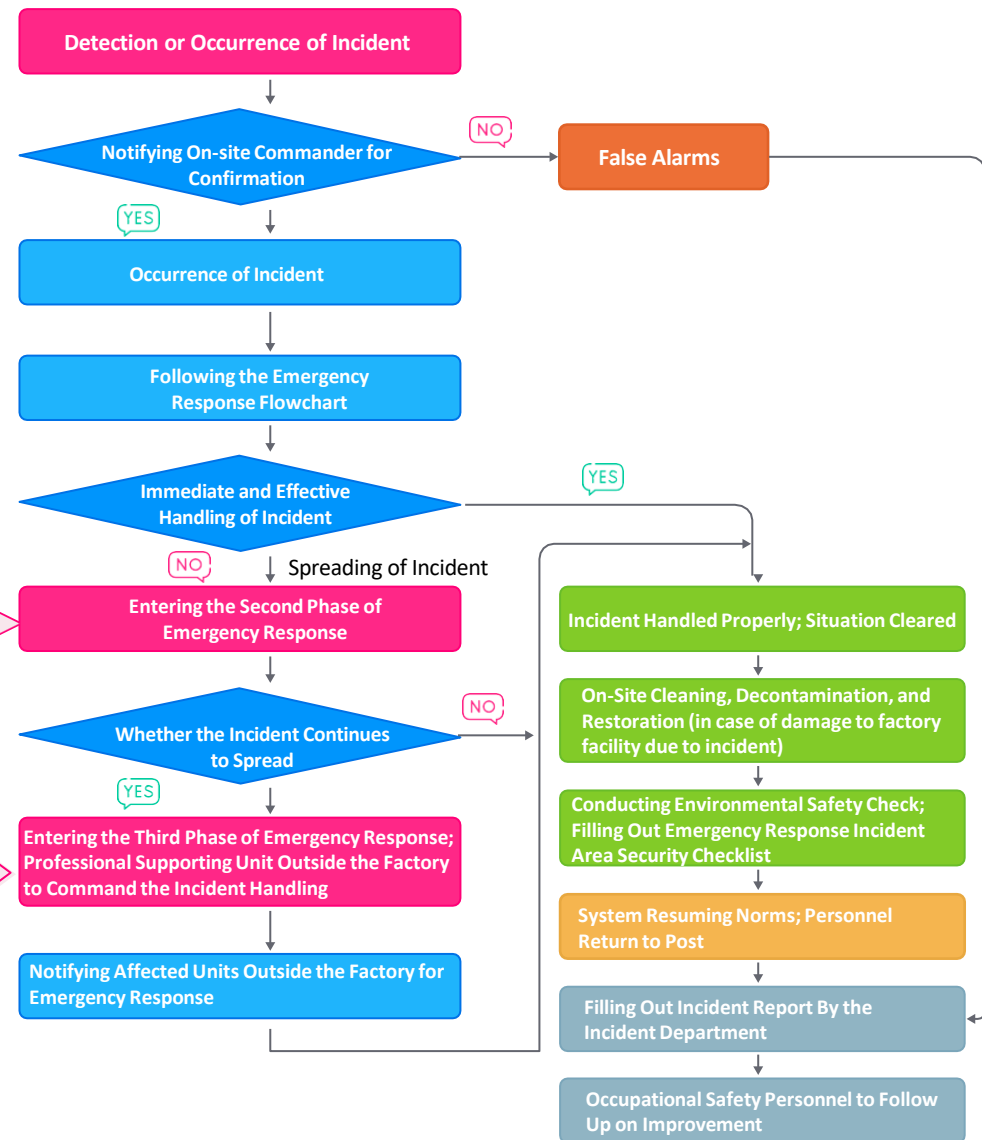
To ensure an effective response to a range of emergency situations, including fire, chemical leakage, gas leakage, wastewater, toxic chemicals, waste gas, power failure, major equipment abnormalities, typhoons, earthquakes, neighboring factories, and other accidents, as well as the implementation of appropriate contingency measures and a smooth recovery process, we have established the "Emergency Response Management Regulations." These regulations apply to all Safe Sanitation accidents occurring in the workplace for workers and other stakeholders.

In the event of an accident, the company's internal emergency management system outlines the procedures to be followed during an industrial safety-related accident. These include the evacuation of employees to a safe place in accordance with the rules and regulations, as well as the completion of an accident investigation report within the prescribed period of time. In the event of a false alarm, a false alarm form should be completed and an investigation and review conducted with the relevant units to implement improvement measures to prevent the incident from evolving into an occupational safety incident. Following the occurrence of an industrial safety incident, an investigation should be conducted to identify the direct, indirect, and underlying causes. Based on this analysis, improvement measures should be formulated to reduce the risk level. To this end, the effectiveness of the improvement measures should be confirmed by combining them with the hazard identification and risk assessment management methods.

- Issuing a whole-plant alert for the second phase of emergency response; the personnel of each group to initiate emergency response according to its organizational responsibilities.
- Emergency Response Announcement: Attention! This is the Safety and Health Room speaking. There is a/an OO incident in the XX area. All colleagues to commence the emergency response plan immediately. All fire-fighting personnel to the △△ spot for rescue. (Repeat)
- Broadcasting an evacuation of personnel in the specific or the whole factory premises depending on the situation; asking for support outside the factory; and notifying the relevant units.
- Personnel Evacuation Announcement: Attention! This is the Safety and Health Room speaking. There is a/an OO incident in the XX area. All colleagues in the XX area (or in the Company) to initiate evacuation immediately through the emergency escape route. (Repeat)

- The Safety and Health Room to issue a whole-plant personnel evacuation announcement.
- Personnel Evacuation Announcement: Attention! This is the Safety and Health Room speaking. There is a/an OO incident in the XX area. All colleagues in the XX area (or in the Company) to initiate evacuation immediately through the emergency escape route. (Repeat)

### Emergency Response Flowchart



The Company maintains a continuous process of identifying and assessing potential hazards that may cause injuries or accidents in routine and non-routine operations and facilities. This process allows us to review the performance of our safety and health management, evaluate the effectiveness of our controls, implement necessary controls for unacceptable risks, and manage them in accordance with the results of the risk classification. In 2023, following an evaluation of the hazard identification and risk assessment, two high-risk items were identified: musculoskeletal hazards caused by personnel handling lamps and structural deterioration of the air pollution platform. These have been reduced to minor and low risk, respectively, following improvements.

Risk Level	High Risk (A)	Medium Risk (B)	Low Risk (C)	Slight Risk (D)
Risk Control	Reviewing the completeness of existing protective measures or carrying out improvement plans.	Acceptable for now but requiring attention to establish control over the current situation	Acceptable and being monitored in the existing manner.	Acceptable and not requiring improvements.

### False Alarms Prevention and Notification

In 2023, a false alarm of fire occurred in a carport which resulted from a crack in the insulant of old wires and water lugging from a typhoon. It is not easy to detect a short-circuit spark in the passageway of the scooter parking area. If not noticed in a timely manner, a fire or an electric shock may be caused by inadvertent contact. Thanks to a highly-vigilant and well-trained colleague, such abnormality was proactively notified and accidents were prevented. Vendors were entrusted to perform maintenance on the premises of the incident and other routes in the area were checked for abnormalities in order to avoid reoccurrence. An award was also presented to the employee who noticed the incident in the first place.



## Contractor Safety Management

Prior to commencing construction work at TYC's factory and designated sites, the contractor is required to sign the "Contractor Safe Sanitation Agreement." This document, which is agreed upon by both parties, outlines the relevant regulations on environmental protection and safe sanitation.

1

Informing contractors of the complete environmental safety and health regulations and hazardous factors; contractors to conduct relevant education, training, and propaganda to their subordinates and contractors.

2

Should there be any violation of the environmental safety and health regulations by the contractors, upon verification, TYC may request a fine or work suspension according to contractor's non-compliant disposal notice.

3

Prior to carrying out any dangerous operations (fire, confined space, and suspension), an approval must be obtained from TYC's Safety and Healthy Unit and the department head of the proposal.

4

The relevant operational equipment and operators must comply with the laws and regulations of the occupational safety and health, and provide related licenses as well as certificates of qualification.

5

Employees hired by contractors to engage in the operations are required to be included in labor insurance and the relevant insurance.



## Safe Sanitation Education and Training

Providing employees with safe sanitation education and training can enhance their knowledge and understanding of safe sanitation regulations, reduce the likelihood of workplace accidents and occupational diseases, and safeguard their lives and health. Education and training also enable employees to understand and comply with relevant regulations. Foreign employees receive additional English language instructions as part of their training, which helps establish the company's safety culture. This fosters a safety-conscious workforce, promoting the implementation of safety management across the entire employee base. TYC regularly conducts targeted training for employees engaged in specific operations, including overhead cranes, forklifts, and organic solvents. In 2023, a total of 141 employees received training, with a total of 2,658 training hours completed.



▲ On-the-job safe sanitation training for all workers



▲ Safe Sanitation Education and Training for Foreign Migrant Workers Operating Dangerous Machines



▲ Emergency Response Training

In addition to providing safe sanitation training for employees engaged in specific operations, we have also implemented a program of safe sanitation awareness courses for new employees and all on-the-job employees. In 2023, we implemented the "Safe Sanitation Hazard Awareness" course for new employees, with a total of 296 participants and 888 hours of training, and the "Safe Sanitation Education and Training" course for on-the-job employees in all units, with a total of 4,301 participants and 4,596.59 hours of training. This included (1) on-the-job training on safe sanitation for general laborers (1,321), (2) training for labor safe sanitation administrators (43), (3) safe sanitation training for supervisors of hazardous operations (91), (4) on-site safety training for 1,301 employees, and (5) emergency response training for 1,538 employees.

## Occupational Disaster Statistics

To achieve our goal of minimizing workplace disasters and promoting the safe sanitation of all employees, TYC not only improves the safety of existing or potential workplace environments, but also conducts inspections of contractors and issues "Safe Sanitation Clearance for Contractors" to protect the safety and health of non-employee workers.

In 2023, TYC had a total of 21 occupational accidents (excluding traffic accidents), with a total of 298 days of lost work time. Notably, no occupational accidents occurred at the contractors' factories. The primary category of occupational accidents was "falls." In response to the high frequency of injuries and the types of accidents, the safe sanitation divisions intensified on-site inspections, evaluated the hazard identification and risk assessment forms of the operations in the accident units, and provided one hour of general safety and health education and training to personnel who suffered injuries. This was done to reduce the incidence of injuries from the engineering side, the management side, and the personal behavior side.

## 2023 Employee Occupational Safety Performance Statistics

Item		2023
Total Working Hours	Total Person-Work Hours for Females	1,023,923.48
	Total Person-Work Hours for Males	2,464,778.24
	Total Person-Work Hours	3,488,701.72
Recordable Number of Occupational Injury (incl. fatalities and serious occupational injuries)	Total Occupational Injuries for Females (Person/Times)	1
	Total Occupational Injuries for Males (Person/Times)	20
	Total Occupational Injuries (Person/Times)	21
Recordable Occupational Injury Rate (incl. fatalities and serious occupational injuries)	Total of Occupational Injury Rate for Females	0.97
	Total of Occupational Injury Rate for Males	8.11
	Total of Occupational Injury Rate	6.01

### Note:

- The total number of hours worked is the actual statistical figure.
- The data in this table are statistics from TYC's "Occupational Safety and Health Administration, Ministry of Labor's Occupational Injury Reporting System." They do not include transportation accidents of employees commuting to and from work.
- Please note that the data for fatalities due to occupational injuries is not available for the 2023 period. The calculation is as follows: Number of fatalities due to occupational injuries / Hours worked \* 1,000,000.
- The Serious Occupational Injury Rate is calculated by dividing the number of serious occupational injuries (excluding fatalities) by the number of hours worked and multiplying the result by 1,000,000. Serious occupational injuries are defined as injuries resulting in incapacitation or inability to return to the pre-injury state of health within six months. Please note that there were no events in 2023.
- The recordable occupational injury rate is calculated by dividing the number of recordable occupational injuries (including fatalities and serious occupational injuries) by the number of hours worked and multiplying the result by 1,000,000.
- In 2023, non-employee workers logged a total of 21,472 hours for males, 7,808 for females, and 29,280 hours in total.
- There were no workplace injuries for non-employee workers in 2023.

## Occupational Health Service

### Improvement on Ergonomics Projects

TYC continuously improves Ergonomics projects to enhance the safety and health for employees, perfect the work environment, reduce the burden and damage to human bodies in the manufacturing process, and effectively prevent occupational injuries. In 2023, the unmanned transport vehicles and automated sealing machines were introduced. The semi-automatic equipment are used to replace manual transportation or sorting operations, minimizing the musculoskeletal burden and injuries in the lower back during manual transportation.

#### Automated Sealing Machine

Before



While manually placing items in boxes, employees often need to lift their hands over the shoulders or lower the height of the cardboard boxes due to the fixed tables which are not adjustable to match the height of boxes. With repetitive sealing actions, the high risk parts are the shoulders, the wrists, and the arms.

After



With automated process, employees only need to manually place items into boxes. Automated sealing machines are also used for sealing operations to replace manual repetitive sealing actions. Moreover, the pedal-triggered lifting platforms can significantly reduce the risks of injuries on the shoulders and the arms.

#### Unmanned Transport Vehicle

Before



While operating a forklift in a seated position, the vertical vibration of a moving forklift travels from the hips through the spine to all parts of the body, exposing our colleagues to potential lower back pain and herniated disc.

After



The unmanned transport vehicles will move to the bottom of the racks for jacking, lift the racks, and then move to designated positions. With "racks" as the unit transportation mode, the risks of potential lumbar hazards due to vertical vibration caused by repetitive cargo transportation operations in forklift trucks can be avoided.

## Health Examination

To encourage preventive health management for employees and foster a healthy workplace, we employ family doctors and occupational medicine doctors to provide on-site services, with the number of employees in each plant determining the size of the team. In 2023, the company provided a total of 52 sessions of one-on-one health consultation, including health check abnormalities, return-to-work evaluations, three highs, overwork, maternity protection, and human factors engineering. These sessions were made available to employees during work hours to facilitate professional medical consultation and promote early detection and early treatment. Furthermore, the company regularly conducts health lectures and courses, and encourages colleagues in on-site units to participate.

It is inevitable that noise, dust, n-hexane, and its compounds will present health hazards during the production process in traditional industries. TYC is committed to ensuring a safe and healthy working environment for its employees. We do this through regular "labor environment monitoring" and "special health checkups." In accordance with Article 20 of the Occupational Safety and Health Act and Article 17 of the Labor Health Protection Rules, TYC conducts employee health checkups on an annual basis. These comprehensive checkups encompass both general and special health assessments. In 2023, SinLau Hospital was designated to conduct annual employee health checkups. TYC had 100% participation in both the general and special health checkups, with 284 employees undergoing general health checkups and 212 employees undergoing special health checkups. The total expenditure on health checkups was NT\$369,200. The results of the special health check in 2023 classified three employees as noise level 4 management and the remainder as level 1-2. The company has continued to enhance its hearing protection measures for employees, including providing and requiring the use of appropriate personal protective equipment, conducting annual hearing protection education and training, and monitoring the physical and mental conditions of employees according to the classification of the health management system. In 2023, there were no occupational diseases.



## Maternal Health Care

In accordance with the Maternal Health Protection Program established by the Department of Occupational Safety and Health, Ministry of Labor, the following measures are to be taken to prevent workplace safety and health hazards that may adversely affect pregnancy and breastfeeding, and when women's participation in the workplace is indispensable: TYC includes pregnant women, women who are pregnant or breastfeeding for one year after giving birth, or women who are breastfeeding continuously in the workplace as the target of protection. The "Maternal Health Protection Assessment Sheet" must be completed. Plant doctors and nurses conduct on-site evaluations and interviews to assess the situation and propose improvements and measures to be taken. In 2023, there were two pregnant women and four postpartum women. The results of the on-site environmental assessment and doctor's interviews were used to allocate labor. Currently, there are two individuals in Level 1 Maternal Management and none in Level 2 Maternal Management.



### Type of Examination

### Items of Examination

General Health Check-up

Blood pressure, vision, audiometry, blood, urine, liver function, gallbladder function, renal ultrasound, blood lipids, cardiac function, metabolism, bone mass density, chest x-ray, abdominal ultrasound, doctors' examination, and glycated hemoglobin (HbA1c)

Special Health Check-up

Noise, methylene diphenyl diisocyanate (MDI), n-Hexane, and dust

## Health Care

A company's most valuable asset is a healthy workforce. In accordance with the Occupational Safety and Health Act and Labor Health Protection Rules, TYC actively promotes health and work-life balance for employees. Annually, TYC collaborates with Tainan Chimei Hospital and seasoned professionals to host exclusive lectures on a range of health and wellness topics. These events feature renowned doctors, occupational therapists, nursing staff, and industry experts who share insights on health, medicine, diet, exercise, stress management, and more. By offering comprehensive health education and disease prevention, these lectures equip colleagues with the knowledge to maintain optimal well-being. Additionally, they foster a culture of stress reduction and injury prevention, ultimately creating a healthier and more productive workplace.

In response to the health issues caused by the pandemic, we held seminars in 2023 on "Exercise Prescription for Post-Covid" and "Diet and Nutritional Knowledge." By conducting a self-assessment of physical fitness, we instructed employees on how to overcome the after-effects of the COVID and safely restore their physical fitness and health through relaxation techniques, various muscle-building and lung-strengthening exercises, and dietary adjustments. Furthermore, we have implemented an employee counseling and assistance program to provide professional counseling services to employees whose physical and mental conditions have been affected by major accidents, or to provide government agencies with other counseling and assistance resources, with the goal of helping employees reduce the negative impact of the incident, stabilize their emotions, and return to their normal and mentally healthy state as soon as possible. In 2023, we conducted 14 health promotion seminars, with a total of 579 attendees.

Theme	Number of Participants
How to Positively Change Your Mindset	93
Emotion Is A Choice	90
Post-Covid-19 Workout Prescription	44
Understanding and Preventing Sarcopenia	76
Common Sense of Diets and Nutrition	97
Risk Assessment of Chronic Illness and Cancer Screening	75
Q&A on Shoulder and Neck Pain for Office Workers – Say Goodbye to Shoulder and Neck Pain	48
Prevention of Musculoskeletal Disorders Associated with Repetitive Operations	31
Understanding Metabolic Syndrome	25



▲ Post-Covid-19 Workout Prescription



▲ Understanding and Preventing Sarcopenia

## 5.7 Fire Control Safety Management

In recent years, there have been numerous instances of significant fires in industrial facilities, resulting in substantial damage to the enterprise in terms of property, personnel, and brand reputation. Additionally, these incidents pose a significant risk to public safety and environmental contamination.

TYC's corporate philosophy, "Light up every corner of the world, protect your safety at all times," aligns with the Fire Department's mission of safeguarding the lives and properties of the public. For this reason, TYC places great importance on fire safety. This is achieved through the implementation of a fire safety ESG management policy, the reinforcement of fire protection and education, and the ongoing promotion of fire-related risk management. The objective is to prevent and eliminate the occurrence of fire, thereby reducing and mitigating disasters and maintaining the safety of the enterprise, employees, and the surrounding community, as well as implementing fire safety.

In accordance with Article 47, Paragraph 1 of the Regulations for the Establishment of Standards and Safety Management of Public Hazardous Substances and Flammable High-Pressure Gases Manufacturing, Storage, and Handling Facilities (hereinafter referred to as the Regulations), and in order To achieve pre-disaster prevention, disaster response, and post-disaster restoration of disaster management issues at each stage, the Company has established three major aspects of fire safety planning: disaster reduction, preparation, and response and restoration and reconstruction. The goal is to strengthen the fire protection ability and safety awareness, prevent the occurrence of fire, and achieve the goal of "zero fire."

## Mitigate Disasters

### Establishment of Fire Safety System

#### 1. Fire prevention ESG is included in the Sustainability Committee.

Fire has a significant impact on the sustainable operation of an enterprise. To address this, the TYC Sustainability Committee and the Sustainability Report Editorial Board include a member with a fire prevention manager's license. This demonstrates the importance of fire prevention management from a sustainability perspective.

#### 2. Fire Protection System

In accordance with ISO 45001:2018 standards for occupational safety and health management, we have introduced fire prevention measures into our management system and key checking procedures. Furthermore, we have developed a comprehensive fire prevention plan and submitted it to the local fire department on an annual basis, ensuring full compliance with all applicable regulations. Our company specializes in fire and explosion safety management. We conduct hazard and risk identification to reduce, eliminate, avoid, and prevent fire risks. Through a combination of internal audits, management reviews, automatic inspections, and safety and security inspections, we ensure that fire safety management is effectively implemented and promptly address any identified safety concerns or opportunities for improvement.

#### 3. Fire Emergency Response Procedures

In accordance with the Emergency Response Management Regulations, the fire emergency response procedures have been established to enable effective response to a range of potential emergencies, including fire. The procedures also facilitate the implementation of contingency measures and aftercare work, with the objective of minimizing both personnel and financial losses.

#### 4. Setting up a fire safety contribution reward system

In order to promote the importance of fire safety from the top down, TYC has incorporated fire safety into the work reward system with the following specific measures:



▲ Fire safety reward

- Those employees who are successful in fire prevention or firefighting will be duly recognized with merit awards.
- Incentive pay will be provided to employees who participate in corporate volunteer training outside of their regular working hours.

#### 5. Occupational Hazard Management, Fire Safety and others

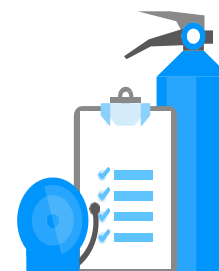
Ensuring the safety and health of workers is a key indicator of sustainable enterprise development. TYC has established an occupational accident investigation system to identify the causes and trends of occupational accidents, including false alarms, fires, and equipment disasters. This system enables us to take preventive and corrective measures to minimize risks and enhance the level of safety and health of workers.



▲ Occupational Safety and Health Incident Investigation Form - False Alarm of Sparks Caused by Broken Wires

#### 6. Strictly prohibit fireworks in the factory

Strictly prohibit fireworks in the factory and set up special smoking areas. If it is necessary to start a fire in a specific workplace or repair project, such as cutting, welding, etc., we must apply for a permit to start a fire in advance. Upon approval, we will configure the necessary fire prevention tools and equipment, such as fire extinguishers and fire blankets, and assign a safety supervisor before starting any fire work.



## 7. Responsible Management of Chemical Substances in accordance with the Law

- In regard to our management system, we have established chemical management protocols in line with pertinent legislations, including the Occupational Safety and Health Act, the Environmental Protection Act, and the Fire Services Act. These methods specify the management of chemicals in all stages, from purchase, storage, use, to disposal.

In accordance with relevant laws and regulations, we have implemented a system to declare inventory, post necessary GHS labels, and provide SDSs (Safety Data Sheets). Additionally, we utilize the "Chemical Control Zone" application to effectively control and record information about chemicals, SDS forms, locations, and movements.

- In accordance with the law, the Fire Department is required to report to the reasonable control of the safety stockpile and establish minimum stockpile management in the plant. To ensure the responsible management of chemical substances, the chemical warehouses are equipped with a range of safety features, including leakage disposal trucks, leakage prevention pallets, exhaust fans, explosion-proof doors, and more.



▲ Chemical Warehouse



## 8. Innovative Actions in Fire Safety

From the perspective of the production and manufacturing process in the vehicle lighting profession, TYC employs innovative thinking to identify, assess, and mitigate risk hazards, thereby reducing the likelihood of fires and other disasters.

- Optimize chemical storage in a two-pronged approach: Reducing the amount of chemicals stored at the production site to below the legal standard and optimizing the on-site storage equipment, specifically the "pressure barrels." This approach aims to mitigate the risk of potential hazards.



▲ Optimized Pressure Barrels

- Reduce the use of organic solvents: The introduction of new equipment, such as ion bombardment, instead of chemical detergents, to clean the surface of the material is an effective method for reducing the amount of industrial detergents used. This not only mitigates the risk of industrial detergents, such as fire and other hazards, but also reduces the amount of VOC production, thereby reducing air pollution and benefiting the environment.



▲ Plasma cleaning machine

- Real-time monitoring of temperature and pressure difference: The air pollution tower is equipped with a monitoring system that allows for instant temperature and pressure difference monitoring, thus reducing the risk of fire.

## 9. TYC's specific actions to reinforce the promotion of fire safety concepts and enhance firefighting equipment.

### • Sponsor the Fire Safety Promotion:

Sponsor the 2024 Fire Prevention Calendar and the video "City Heroes, From the Heart" to provide the public with a comprehensive understanding of the Fire Department's expertise in disaster relief and rescue operations, as well as the commendable image of the firefighting spirit, which is "dedicated to safeguarding lives and property."



### • Donation has been made to the fire department to improve building facilities:

TYC made a contribution to the Tainan Tucheng Branch to enhance building facilities with the addition of garages, driveway lighting, and four rapid metal roll-up doors. The total combined donation amounted to approximately \$1 million, marking the inaugural instance in which a Tainan fire brigade has The installation of driveway lights and fast metal roll-up doors enhances the safety of access to fire trucks and halls, preventing damage to vehicles caused by the sun and improving the quality of maintenance of rescue vehicles, which will have a substantial effect on the safety of mission attendance. The quality of maintenance is improved, and the actual effect of safety on duty is realized.

### • Donation of Firefighting Equipment:

As a member of the Technology Park, TYC has joined the Fire Department's "Promoting the Technology Park Home Guard Program" and donated \$50,000 in advanced firefighting equipment to enhance TYC's emergency response capabilities in the event of high-tech factory incidents and hazardous material emergencies. This equipment will also be used to ensure the personal safety of TYC's vendors and the protection of the property of the companies in TYC.



## Improvement of Fire Safety Hardware

### 1. Conduct Regular Inspection of Fire Safety Equipment and Identify any Hidden Dangers

In addition to allotting annual budgets in accordance with fire safety inspection and maintenance requirements, TYC also commissions fire safety instructors and technicians (referred to as fire safety specialists) or fire safety equipment professional inspection and maintenance organizations (referred to as fire safety inspection and maintenance organizations) based on the classification of premises use and inspection and maintenance frequency. These entities are responsible for submitting fire safety equipment declarations during the annual declaration period. Moreover, in conjunction with the internal "fire safety equipment management system," the relevant units in the various regions report the results of inspections of items that can be checked independently, such as fire extinguishers, marking equipment, or emergency lighting. In addition to the fire safety equipment declaration during the annual declaration period, we also collaborate with the internal "Fire Safety Equipment Management System." This system enables the relevant units in each region to report the outcomes of their own inspections of items such as fire extinguishers, labelling equipment, emergency lighting, and so forth. This information is then utilized to guarantee the optimal functioning of equipment in the factory by facilitating subsequent maintenance and repair. However, should any irregularities be identified in the refuge or systematic fire safety equipment during the inspection and repair process, the fire-fighting specialists or repair organizations will provide expert, legally compliant recommendations to identify potential risks, which will inform key improvements to risk management.

填寫人: None系統管理員		檢查紀錄表 -- 結案	
點檢年份	2023	月份	12
設備編號	AM-02	系統編號	A00152
設備類別	滅火器	設備說明	
保管單位	QOMPO AM生產部	廠 區	科工廠
放置場所	有機溶劑室		
有效期限	06/1/2026		
檢 查 項 目		檢 查 結 果	
壓力		* 正常 ✓ 異常	
外觀		* 正常 ✓ 異常	
標籤		* 正常 ✓ 異常	
噴管		* 正常 ✓ 異常	
備 註			
檢 查 員	6311 李思傑	檢查完成日	12/05/2023 上午 08:07
代理人			

▲ Fire Equipment Inspection Record Form

#### Fire Safety Equipment Inspection Implementation Plan

##### Fire Safety Equipment

Fire Extinguisher

Indoor Hydrant

Outdoor Hydrant

Deluge Sprinkler System

Foam System

Automatic Fire Alarm System  
Emergency Broadcasting System

Labeling Equipment

Fire Escape Equipment

Emergency Lighting System

Smoke System

Water Connection System

Power Generator

In compliance with "Article 9 mandated in the Fire Services Act" and the "Inspection of Fire Safety Equipment and Rules of Declaration," fire safety professionals are entrusted to handle relevant inspection and declaration.

### 2. Other Firefighting Hardware

- TYC has established fire prevention zones for its facilities to mitigate the risk of fire by limiting the potential for its spread.
- TYC has established a dedicated firefighting pool, which is solely for firefighting operations and is not to be utilized for production or business activities. In the event of a water shortage or depressurization, TYC maintains that safety is of paramount importance and that firefighting water will not be used for any other purposes.

## Preparation

### Different Level Implementations of Safety Education and Training

TYC develops annual training plans and budgets for external and internal courses on fire safety and public hazardous materials safety management, tailored to the status and job content of employees. Please find a list of related courses below:

- Safety and Health General Education Course:** To ensure that new employees gain a solid understanding of safety procedures, they are required to complete a one-day to one-week pre-job training program. This training covers essential topics such as the proper use of fire extinguishers, first aid procedures, and other crucial safety aspects. Following the training, an examination is administered to assess the participants' knowledge and understanding.

- Occupational Safety and Health On-the-Job Training:** In light of the Ming Yang fire incident in 2023, the Fire Department's Lieutenant Huang Yuan-Ding was invited to serve as the course's instructor. He shared insights on the Ming Yang fire and trained the company on disaster mitigation and employee contingency mechanisms in the event of a disaster.



◀ Firefighters Train Businesses on Disaster Mitigation, Share Lessons Learned from Ming Yang Fire

- Professional Skills and Licensing Courses:** The training provided to employees depends on the nature of their work and production techniques. This may include training in the relevant safety knowledge or obtaining the necessary licenses. To enhance ambulance proficiency and expertise, the company not only offers first aid training but also participates in the ACLS Advanced Heart Saving Course and other specialized programs, including Fire Prevention Administrator's License, Organic Solvents Operations Supervisor, and Specific Chemical Substances Operations Supervisor.

### Self-defense and firefighting training

To guarantee the wellbeing of employees, the community, and neighboring residents, TYC devised a fire prevention plan in line with the "Public Dangerous Goods and Flammable High-Pressure Gases Installation Standards and Safety Management Regulations." This plan was then presented to the fire brigade for review to ensure its practicality and feasibility within the context of a comprehensive emergency response management system and sufficient practical exercises.

Each factory has established a self-defense firefighting team, led by the general manager and senior executives, which conducts regular firefighting drills for a minimum of four hours each. Furthermore, "Night" and "Holiday" self-defense firefighting groups have been established to address the specific needs of different time periods and the number of personnel required in the event of an emergency. The self-defense firefighting groups are responsible for the following tasks and operations:

#### Commanding Team

Setting up the Emergency Operations Center (EOC) with the team leader as the highest commander; and in charge of emergency response at the scene of disasters, coordination with external assistance for rescue, and providing directions in the aftermath.

#### Notification Team

In charge of the notification of fire status and the emergency response matters to each department within the factory premises; as well as the notification of fire status to the local fire-fighting authority.

#### Fire Fighting Team

The department where the incident happened is in charge of the initial on-site fire rescue and treatment.

#### Evacuation Guidance Team

In charge of evacuation, counting people at the scene, and searching for the stranded.

#### Rescue Team

Rescuing injured personnel at the scene in a timely manner and administering first-aid and transportation to minimize the extent of hazards suffered by the injured.

#### Safety Protection Team

Taking emergency response actions to stop the spreading of fire, clearing escape routes, and preventing water loss.

The fire brigade is invited to conduct the latest fire safety education and propaganda at the factory during the drill. They will also instruct the self-defense team in the drill and audit the results. Following the drill, the Safety and Health Department will integrate the audit recommendations from the fire brigade, the feedback from the drill department, and any identified deficiencies in the drill process. They will then revise the relevant contingency operation procedures to enhance the emergency response capability on an ongoing basis.



▲ Fire Drill for Notification Class



▲ Fire Drill for Fire Control Class

In order to maintain fire prevention training and safety awareness throughout the ongoing pandemic, TYC has continued to organize fire drills on a departmental basis over the past three years. In 2023, a total of six fire evacuation drills were conducted, with a total of 362 participants.

## Fire Prevention and Management Unit

In order to effectively reduce the risk of fire in the workplace, TYC has set up a fire prevention and management team. This team is made up of colleagues from various departments and is responsible for carrying out immediate fire prevention monitoring and management work.

## Emergency Response Classification for Fire and Other Disasters

In accordance with the TYC Emergency Management Regulations, "Definition of Disaster Levels and Distribution of Responsibilities," fire and other disasters are classified into three levels to mitigate damage to people and property.

- **Stage 1:** Initial plant disasters can be handled immediately by any department.
- **Stage 2:** If the incident cannot be handled immediately by departmental staff and continues to grow, it is necessary to activate the plant-wide emergency response organization or call in outside assistance and evacuate locally or company-wide, depending on the situation.
- **Stage 3:** If the incident continues to grow and impacts outside the facility, evacuate the entire facility and mobilize outside support to control the disaster.

## Emergency response to different types of hazards

To deal with the possibility of fire from various causes, TYC has planned "Emergency Measures for Accidents Such as Leakage and Explosion" and "Earthquake Prevention Measures" to more comprehensively identify and deal with various fire risks.

## Active participation in community fire safety promotion

In addition to internal firefighting training, TYC also sends its staff to participate in large-scale firefighting drills organized by the Administration of Science and Technology Parks (ASTP), of which TYC is a member. Furthermore, TYC has proactively engaged with the Tainan City Fire Department's "Technology Park Home Guard Program," and now has personnel joining the volunteer firefighting team. This initiative enhances the plant's disaster prevention and response capabilities and enables TYC to play a pivotal role in internal and external communication in the event of an emergency.



## Co-organize community factory safety campaigns

In addition to taking the initiative to participate in community fire safety campaigns, TYC also co-sponsored the "2023 Occupational Safety and Health Act Autonomous Management Practices Seminar," which featured senior-level instructors from the Occupational Safety and Health Bureau to educate manufacturers in industrial areas about fire and other disasters, occupational health, and maternity protection.



## Contingency and Rehabilitation

### Production of fire safety incident statistics

TYC employs the Industrial Safety Incident Reporting System to document fire safety, industrial safety incidents, and false alarms. In 2021, 2022, and 2023, there were no fires. In 2023, a false alarm was triggered by a spark from an electrical wire in the motorcycle shed. This was caused by deterioration or wear and tear of the wire insulation. The fire was promptly extinguished upon notification of the incident to the Safety and Health Department and other pertinent units.

### Fire Improvement Review

Incident investigation forms are used to identify the following aspects related to an incident: people, events, time, place, and things. In order to determine how an incident occurred and why, forms analyze the causes of accidents and false alarms. Hazard identification and risk assessment forms also identify areas that require improvement or corrective measures. The degree of risk reduction after implementing changes is confirmed.

TYC 台灣亞細亞工業股份有限公司  
TYC Brother Industrial Co., Ltd.

調查人：王明輝 日期：20230823 上午 09:54

事故類型：電線短路起火 事故編號：2023008

事故發生地點：TYC 廠房內 發生時間：20230823 下午 08:38

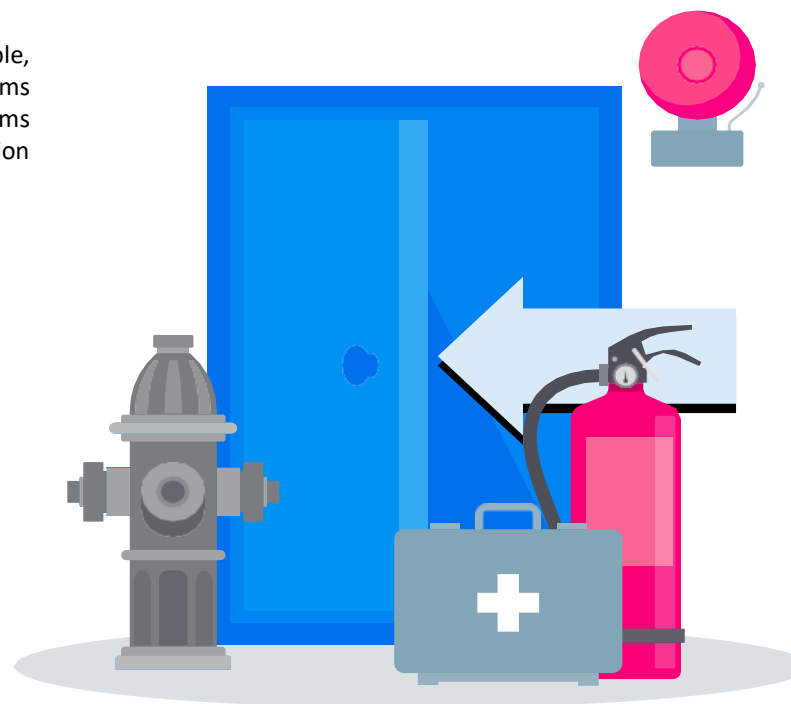
受影響單位：機電課車間入口及機電課

發生經過及原因：

1. 機電課車間入口及機電課於2023年8月23日18時38分發生火警，起火原因為電線短路，起火點位於機電課車間入口及機電課。
2. 機電課立即通知安環課及消防隊，並立即進行撲滅，火勢在10分鐘內撲滅，無人受傷。
3. 機電課立即通知安環課及消防隊，並立即進行撲滅，火勢在10分鐘內撲滅，無人受傷。
4. 機電課立即通知安環課及消防隊，並立即進行撲滅，火勢在10分鐘內撲滅，無人受傷。

調查人：王明輝 日期：20230823 上午 09:54

▲ Incident investigation form





## 6 Social Involvement

- 6.1 Public Welfare
- 6.2 Community Involvement
- 6.3 Academia Collaboration

## 2023 Performance Highlights

### NT\$2,178,040

In 2023, we made donations to a total of 31 emergency cases and 28 organizations with a total donation amount of NT\$2,178,040.

### 161 KG

In 2023, we participated in beach cleanup activities, removing a total of 112 KG of general garbage and 49 KG of recyclable garbage.

### 7 Activities

In 2023, we participated 7 activities associated with social participation.

### 1,461,460 Hours

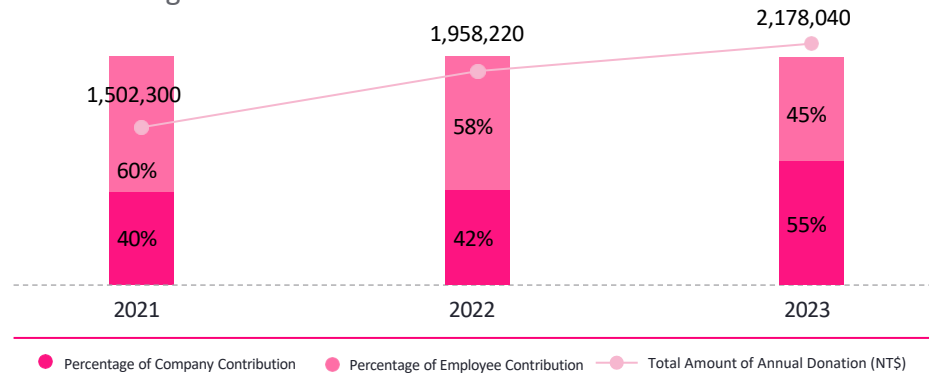
Since 2011, we have shouldered the maintenance of 28 streetlights with an accumulation of 1,461,460 hours of lighting up the safety of using roads.

\*All Taiwan operating locations of the Company are in Tainan City, where the social welfare and community development activities are centrally planned and executed by the head office.

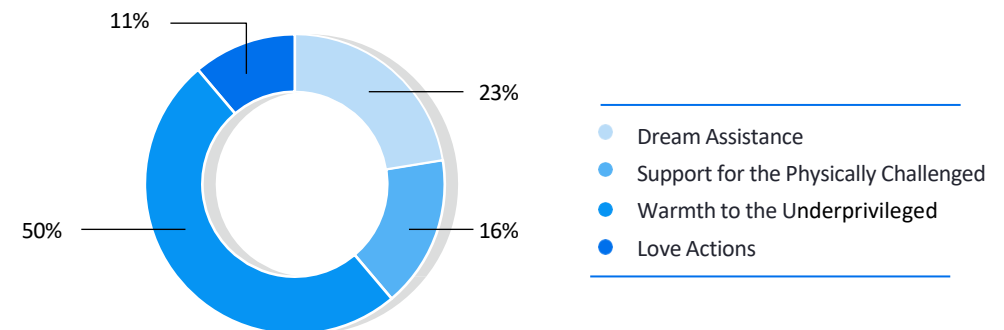
## 6.1 Public Welfare

TYC has established two charitable foundations: TYC Tainan City Charity and Compassion and Love Foundation. The fund is primarily financed through TYC's regular donations, which are made twice a year, and through spontaneous donations from internal staff members on a monthly basis. In total, 45% of staff members make donations. The Foundation coordinates all donations in terms of planning, execution, and announcement. The Foundation's primary focus is on providing assistance to disadvantaged families and social welfare organizations. In 2023, the Foundation plans to donate to 31 emergency cases and 28 organizations, with a total donation amount of NT\$2,178,040. This brings the total amount donated by the Foundation over the past years to NT\$26,216,260. The Foundation has adopted four core themes—"Dreams for Schools," "Supporting the Physically Disabled," "Sending Warmth to the Underprivileged," and "Acting on Love"—to create positive impacts through teamwork, with a commitment to genuine concern and a desire to give back to society. The team leveraged its collective strength to drive positive change through tangible actions.

Percentage of Donation Sources from 2021 to 2023



Distribution Percentage of Donation Items in 2023






### Care for Public Welfare in 2023

Topic	Sponsored Party	Description
Dream Assistance	World Vision Taiwan	The "Education Subsidy, Education Red Envelop" assists children in stabilizing their schooling, supports education expenses such as tuitions and teaching materials, establishes a schooling path of transform and hope.
	Children and Families Center in North District, Tainan.	The "Education Hope Project" provides scholarships for financially-disadvantaged students. By helping underprivileged children receive education, we are opening a door of hope for underprivileged families.
	Children and Families Center in South District, Tainan.	The "2023 Spring Scholarship and Golden Scholarship" assists students, who are aided by children and family centers, in paying education expenses such as registration fees and learning tools and moves towards the road of "Poverty Reduction by Education, Making Dreams Come True."
	Taiwan Joy Baby Community Association	The "Joy Baby Learning Courses – Safeguarding Children's Future of Happiness" promotes post-class escorts for underprivileged children in remote areas and provides opportunities of diverse learning, language learning, and digital learning.



▲ Children and Families Center in South District, Tainan.

Topic	Sponsored Party	Description	
Support for the Physically Challenged	Genesis Social Welfare Foundation	We donated the “Equipment Replacement and Year-Round Service for the Persisted Vegetative State.” After 22 years of establishment, the Genesis Social Welfare Foundation is desperately in need of equipment replacement in order to provide better care space and professional support for patients in vegetative state.	 <p>▲ Certificate of Appreciation from Chi Mei Hospital</p>
	Eden Social Welfare Foundation	The “Service Program for the Physically and Mentally Challenged” helps the physically and mentally challenged to become self-sufficient or to receive vocational training and helps disabled families and their breadwinners to have a brief respite and reduce their burdens and stress.	
	Tainan Association for the Deaf	The “2023 Dragon Boat Festival: Sending Warmth and Love to the Deaf” and the “2023 Year-end: Caring for the Deaf and Sending Warmth and Love Activity.” More than 95% of the hearing impaired people in Tainan are middle-low-income households. The donations were provided for the hearing impaired to receive practical assistance.	
	Other	Taiwan Foundation for Rare Disorders, Hong Chia Shelter Center, Sacred Heart Home (for the severely disabled), and Taiwan Christian Mennonite Church (for the elderly and physically challenged families)...etc.	
Warmth to the Underprivileged	Emergency Cases	There were 31 disadvantaged cases who lacked family support in financial difficulties, incapable of self-care, unable to seek medical treatment. TYC provided immediate assistance and helped the underprivileged to go through the difficulties. Among which, after the passing of one of the employees, TYC continues to provide the tuitions for the employee’s minor children, whose family was financially challenged.	 <p>▲ Certificate of Appreciation from the Genesis Social Welfare Foundation</p>
	Huashan Social Welfare Foundation	“Sending Love to Homes and the Elderly” connects the power from every part of the country to look after the elderly people who are “aging much and fast” and recreate the happiness of “living a good warm day” and “living a good warm year.”	
	Social Work Department, Chi Mei Hospital, Liouying	The “2023 Annual Medical Donation Program for the Economically Disadvantaged Patients” helps the economically disadvantaged patients, who are unable to afford medical expenses due to poverty and emergencies, to receive medical treatment.	
	Chi Mei Hospital, YongKang	The “2023 Medical Donation – Indigent Medical Subsidy” assists indigent patients with medical, pharmaceutical, and care-related expenses.	
Love Actions	Other	Buddhist Zenlight Children’s Home, Senior Citizen’s Foundation, Buddhist True Enlightenment Practitioners Association, Zhi-Shan Foundation Taiwan, Catholic Shih-Guang Nursing Home in Hsinchu County, Sing-Fu Charity Foundation, Formosa Budding Hope Association, and God’s Love Children House in Yilan County.	 <p>▲ Picture of Blood Donation Event</p>
	Blood Donation Events	Hand in hand with the Taiwan Blood Services Foundation and the Fire Departments, we jointly organized blood donation events and purchased white rice grown by excellent farmers in Chishang, Taitung to sponsor the blood donation events. We invited employees, suppliers, and nearby residents to proactively donate blood, and gathered the efforts of the public to alleviate the shortage of blood for medical use. We supported blood donation activities with concrete actions and helped Taiwanese farmers at the same time. In 2023, a total of 192 KG of rice was donated.	
	Material Donation for Dengue Fever	The dengue fever outbreak in Tainan was severe in 2023. In order to improve the protection for medical practitioners and to express our gratitude to their diligent care of patients, we donated a batch of dengue fever prevention materials to An-Nan Hospital to jointly protect the health and safety of healthcare workers.	



▲ Certificate of Appreciation from Chi Mei Hospital



▲ Certificate of Appreciation from the Genesis Social Welfare Foundation



▲ Picture of Blood Donation Event



▲ Dengue Fever Material Donation

## 6.2 Community Involvement

At TYC, we are committed to upholding the spirit of caring for the community and fostering social inclusion. We strive to create a more secure and better community environment through our four core initiatives: "Safeguarding Safety," "Sustainable Culture," "Caring for Neighbors," and "Green Environmental Protection."

### Safeguarding Safety and Streetlight Adoption

TYC has broadened its mission to encompass not only "Lighting up the safety of driving" but also "Lighting up the safety of using roads." Since 2011, TYC has installed energy-saving streetlights in the Science and Technology Industrial Park and the section from Xinle Road to Xinyi Road in the Anping Industrial Park. TYC is responsible for the maintenance of a total of 28 streetlights, which have illuminated the road for 1,461,460 hours. This not only provides employees and community residents with brighter and safer journeys to their homes, but also fulfills the concept of environmental protection, which is to conserve energy and reduce carbon emissions. Note: 28 lamps multiplied by 13 years, 365 days, and 11 hours equals 1,461,460 hours. Tai Power controls the streetlights based on sunrise and sunset, and the average time they are on in Tainan City in 2023 will be 11 hours, according to the [Weather Bureau Sunrise and Sunset Timetable](#)



▲ Streetlight Adoption – Keji 1<sup>st</sup> Road, Tainan Science Park



▲ Streetlight Adoption – Xinle Road to Xinyi Road, An-Ping Industrial Park

### Promote Driving Safety and Light Science

In addition to fostering physical community interaction, TYC is also extending the safety and scientific knowledge of vehicle lights to the virtual world. From time to time, TYC publishes themed posts on its official fan club, such as "Lights and Driving Safety" and "Warm Knowledge of Light," with the objective of promoting interaction with netizens and fans while also safeguarding the safety of drivers and passengers.



facebook

堤維西TYC  
2023年10月20日 · 🌐

【🌟光的暖知識🌟】

你知道汽車上有哪些燈嗎? 🚗💡

🚗車頭

近光燈 - 夜間照明前方道路

遠光燈 - 夜間照亮遠方道路

日..... 查看更多

汽車上有哪些燈?



### Sustainable Culture and Arts

Located in Fucheng, a city famous for its historical monuments, TYC values the continuity of local culture and art. TYC co-organized and sponsored the Saving Door Gods Program's Spring Tea Party, allowing more people to appreciate the beauty of the restored "Door Gods of Makung Temple in Fucheng" painted by National Treasure Temple Painting Master Pan Li-shui, and helping to promote and perpetuate Taiwan's cultural and artistic heritage.

#### News Article



Saving Door Gods Program's Spring Tea Party  
Spring festival in front of the colorful front of the temple  
New Five Senses Experience  
(yamNews 2023/02/07)



▲ 2023 Saving Door Gods Program's Spring Tea Party

### Caring for the Neighborhood

Donated 3,000 kilograms of rice (300 packages) to Zhongliao Mazu Temple, which is located near the Tech Park Plant. Through the local temple's understanding of the community, the rice was given to the underprivileged families for their enjoyment, thus realizing neighborly care.



### Fire Safety Promotion and Donation

TYC has continued to promote practical measures related to fire safety, including the donation of firefighting equipment, sponsorship of fire prevention promotion videos totaling \$250,000, in addition to participating in the improvement of fire prevention buildings and facilities with a total value of approximately \$1 million in joint donations. For related information, see 5.7 Fire Control Safety Management.



▲ Donation to Tucheng Sub-unit for Improvement of Buildings and Facilities

### Beach cleaning activity

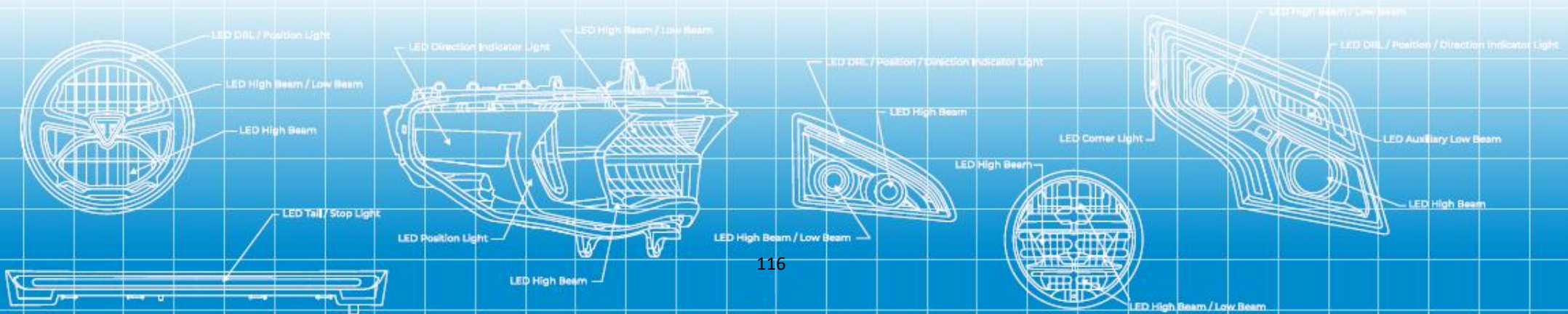
In recent years, the issue of marine debris, which damages the environment and ecology, has attracted a lot of attention. TYC called on its employees to participate in the beach clean-up campaign at Kiaotou Park in An-ping by performing various tasks such as cleaning and sorting and removed 112 kilograms of general waste and 49 kilograms of resource waste, for a total of 161 kilograms.



## 6.3 Academia Collaboration

TYC works closely with universities and colleges in the automotive industry, combining the expertise of businesses and the academe to develop talent in the field of automotive lighting technology. We also provide internships and full-time employment opportunities, enabling students to apply their learning in a practical setting and gain the skills needed to succeed in the industry.

Academia	Content of cooperation
Department of Greenery, National University of Tainan	Provide salary, tuition subsidy, and rental subsidy through cooperation with schools to allow students to enter the workplace early to learn and practice what they have learned and work together to cultivate the talent needed for enterprise development. From 2019 to 2023, with a total of 15 people, the cumulative amount of scholarships amounted to \$755,867.
Department of Mechanical Engineering, National Kaohsiung University of Science and Technology	TYC Scholarship was established to cultivate potential talents in the core technical fields of light, mechanics, electricity (including automotive electronics), heat, etc. TYC has formally signed the "Scholarship and Workplace Internship Contract," which not only provides students with excellent scholarships during their study period, but also provides opportunities for internships during summer and winter vacations to enhance their practical application skills and enable them to seamlessly enter the company's service after graduation. In 2023, a total of 1 student participated in the program and the scholarship amount is \$200,000.
Dept. of Computer Science, Liu Hsin Senior High School	Establish the industry-academia cooperation mechanism, with a cumulative total of 16 students from 2022 to 2023. Allowing overseas Chinese and foreign students to study on the production line during their free time helps them to gain more practical experience and professional skills, and at the same time, enables the company to understand the students' abilities and potentials, providing a better reserve of talents for the company's recruitment.





## **7** Appendix

Appendix 1: GRI Standards Index

Appendix 2: SASB Standards Index

Appendix 3: Taiwan Stock Exchange TCFD

Appendix 4: Independent Statement

# Appendix 1: GRI Standards Index

Terms of Use	TYC has reported for the period from January 1, 2023 to December 31, 2023 in accordance with the GRI Standards.
Use of GRI 1	GRI 1: Foundation 2021
Applicable GRI Disclosures	No applicable GRI disclosures

GRI Disclosures	Topic Disclosures	Related Chapters	Page	Reasons for Omission
<b>GRI 2: General Disclosures 2021</b>				
<b>1. The organization and its reporting practices</b>				
2-1	Organizational details	2.1 Company Introduction	<a href="#">20</a>	
2-2	Entities included in the organization's sustainability reporting	About the report	<a href="#">02</a>	
2-3	Reporting period, frequency, and contact point	About the report	<a href="#">02</a>	
2-4	Restatements of information	About the report	<a href="#">02</a>	
2-5	External assurance	About the report	<a href="#">02</a>	
<b>2. Activities and workers</b>				
2-6	Activities, value chain, and other business relationships	2.1 Company Introduction 2.2 Business Overview 4.1 Purchases Overview	<a href="#">20</a> <a href="#">23</a> <a href="#">71</a>	
2-7	Employees	5.2 Structural of Employees	<a href="#">79</a>	
2-8	Workers who are not employees	5.2 Structural of Employees	<a href="#">79</a>	
<b>3. Governance</b>				
2-9	Governance structure and composition	2.4 Company Governance	<a href="#">30</a>	
2-10	Nomination and selection of the highest governance body	2.4 Company Governance	<a href="#">30</a>	
2-11	Chair of the highest governance body	2.4 Company Governance	<a href="#">30</a>	
2-12	Role of the highest governance body in overseeing the management of impacts	1.1 Sustainability Promotion and Management	<a href="#">06</a>	
2-13	Delegation of responsibility for managing impacts	1.1 Sustainability Promotion and Management	<a href="#">06</a>	
2-14	Role of the highest governance body in sustainability reporting	About the report	<a href="#">02</a>	
2-15	Conflicts of interest	2.4 Company Governance	<a href="#">30</a>	

GRI Disclosures	Topic Disclosures	Related Chapters	Page	Reasons for Omission
2-16	Communication of critical concerns	2.4 Company Governance	<a href="#">30</a>	
2-17	Collective knowledge of the highest governance body	2.4 Company Governance	<a href="#">30</a>	
2-18	Evaluation of the performance of the highest governance body	2.4 Company Governance	<a href="#">30</a>	
2-19	Remuneration policies	2.4 Company Governance	<a href="#">30</a>	
2-20	Process to determine remuneration	2.4 Company Governance	<a href="#">30</a>	
2-21	Annual total compensation ratio	5.3 Talent Attraction and Retention	<a href="#">82</a>	
4. Strategy, policies and practices				
2-22	Statement on sustainable development strategy	A Message from the Chairman	<a href="#">04</a>	
2-23	Policy commitments	2.7 Information Security Management	<a href="#">45</a>	
		4.2 Due Diligence	<a href="#">72</a>	
		5.1 Human Rights Management	<a href="#">76</a>	
2-24	Embedding policy commitments	2.5 Integrity and Law Compliance	<a href="#">36</a>	
		2.7 Information Security Management	<a href="#">45</a>	
		4.2 Due Diligence	<a href="#">72</a>	
		5.1 Human Rights Management	<a href="#">76</a>	
2-25	Processes to remediate negative impacts	5.1 Human Rights Management	<a href="#">76</a>	
2-26	Mechanisms for seeking advice and raising concerns	2.5 Integrity and Law Compliance	<a href="#">36</a>	
2-27	Compliance with laws and regulations	2.5 Integrity and Law Compliance	<a href="#">36</a>	
2-28	Membership associations	2.1 Company Introduction	<a href="#">20</a>	
5. Stakeholder engagement				
2-29	Approach to stakeholder engagement	1.2 Stakeholders Identification and Communication	<a href="#">08</a>	
		2.3 Brand Image and Customer Relationship Management	<a href="#">26</a>	
2-30	Collective bargaining agreements	5.1 Human Rights Management	<a href="#">76</a>	No trade unions or group agreements have been signed
Material Topics				
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	1.3 Material Topics Analysis	<a href="#">12</a>	
3-2	List of material topics	1.3 Material Topics Analysis	<a href="#">12</a>	

GRI Disclosures	Topic Disclosures	Related Chapters	Page	Reasons for Omission
Material Topic: Economic Performance				
3-3	Management of material topics	Economic Performance Management 2 Governance and Operations	<a href="#">19</a> <a href="#">18</a>	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	2.2 Business Overview	<a href="#">23</a>	
	201-4 Financial assistance received from government	2.2 Business Overview	<a href="#">23</a>	
Material Topic: Business Ethics and Integrity				
3-3	Management of material topics Business Ethics and Integrity	Business Ethics and Integrity Management 2 Governance and Operations	<a href="#">33</a> <a href="#">18</a>	
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	2.5 Integrity and Law Compliance	<a href="#">36</a>	
	205-3 Confirmed incidents of corruption and actions taken	2.5 Integrity and Law Compliance	<a href="#">36</a>	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.5 Integrity and Law Compliance	<a href="#">36</a>	
Material Topic: Customer Privacy and Information Security Management				
3-3	Management of material topics	Customer Privacy and Information Security Management 2 Governance and Operations	<a href="#">44</a> <a href="#">18</a>	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.7 Information Security Management	<a href="#">45</a>	
Material Topic: R&D and Intellectual Property Management				
3-3	Management of material topics	R&D and Intellectual Property Management 3 Green Actions	<a href="#">49</a> <a href="#">48</a>	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	3.2 Improve Manufacturing Process	<a href="#">56</a>	
GRI 302: Energy 2016	302-5 Reductions in energy requirements of products and services	3.1 Products and Patents Management	<a href="#">50</a>	
Material Topic: Climate Change Response				
3-3	Management of material topics	Climate Change Response Management 3 Green Actions	<a href="#">58</a> <a href="#">48</a>	

GRI Disclosures	Topic Disclosures	Related Chapters	Page	Reasons for Omission
Material Topic: Climate Change Response				
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	3.3 Risks of Climate Change	<a href="#">59</a>	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	3.4 Energy and Greenhouse Gas Inventory	<a href="#">62</a>	
	302-3 Energy intensity	3.4 Energy and Greenhouse Gas Inventory	<a href="#">62</a>	
	302-4 Reduction of energy consumption	3.4 Energy and Greenhouse Gas Inventory	<a href="#">62</a>	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	3.4 Energy and Greenhouse Gas Inventory	<a href="#">62</a>	
	305-2 Energy indirect (Scope 2) GHG emissions	3.4 Energy and Greenhouse Gas Inventory	<a href="#">62</a>	
	305-3 Other indirect (Scope 3) GHG emissions	3.4 Energy and Greenhouse Gas Inventory	<a href="#">62</a>	
	305-4 GHG emissions intensity	3.4 Energy and Greenhouse Gas Inventory	<a href="#">62</a>	
	305-5 Reduction of GHG emissions	3.4 Energy and Greenhouse Gas Inventory	<a href="#">62</a>	
Material Topic: Human Rights Management				
3-3	Management of material topics	Human Rights Management 5 Friendly Workplace	<a href="#">75</a> <a href="#">74</a>	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2.4 Company Governance 5.2 Structural of Employees	<a href="#">30</a> <a href="#">79</a>	
	405-2 Ratio of basic salary and remuneration of women to men	5.3 Talent Attraction and Retention	<a href="#">82</a>	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	5.1 Human Rights Management	<a href="#">76</a>	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.2 Due Diligence 5.1 Human Rights Management	<a href="#">72</a> <a href="#">76</a>	
Material Topic: Talent Attraction and Retention				
3-3	Management of material topics	Talent Attraction and Retention Management 5 Friendly Workplace	<a href="#">81</a> <a href="#">74</a>	
GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	5.4 Employees' Rights and Benefits	<a href="#">85</a>	

GRI Disclosures	Topic Disclosures	Related Chapters	Page	Reasons for Omission
Material Topic: Talent Attraction and Retention				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	5.3 Talent Attraction and Retention	<a href="#">82</a>	
	202-2 Proportion of senior management hired from the local community	5.2 Structural of Employees	<a href="#">79</a>	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	5.3 Talent Attraction and Retention	<a href="#">82</a>	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.4 Employees' Rights and Benefits	<a href="#">85</a>	
	401-3 Parental leave	5.4 Employees' Rights and Benefits	<a href="#">85</a>	
Material Topic: Occupational Health and Safety				
3-3	Management of material topics	Employee Health and Safety Management 5 Friendly Workplace	<a href="#">96</a> <a href="#">74</a>	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	5.6 Employee Safety and Health	<a href="#">97</a>	
	403-2 Hazard identification, risk assessment, and incident investigation	5.6 Employee Safety and Health	<a href="#">97</a>	
	403-3 Occupational health services	5.6 Employee Safety and Health	<a href="#">97</a>	
	403-4 Worker participation, consultation, and communication on occupational health and safety	5.6 Employee Safety and Health	<a href="#">97</a>	
	403-5 Worker training on occupational health and safety	5.6 Employee Safety and Health	<a href="#">97</a>	
	403-6 Promotion of worker health	5.6 Employee Safety and Health	<a href="#">97</a>	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.6 Employee Safety and Health	<a href="#">97</a>	
	403-8 Workers covered by an occupational health and safety management system	5.6 Employee Safety and Health	<a href="#">97</a>	
	403-9 Work-related injuries	5.6 Employee Safety and Health	<a href="#">97</a>	
	403-10 Work-related ill health	5.6 Employee Safety and Health	<a href="#">97</a>	
Material Topic: Fire Control Safety Management				
3-3	Management of material topics	Employee Health and Safety Management 5 Friendly Workplace	<a href="#">96</a> <a href="#">74</a>	
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	5.7 Fire Control Safety Management	<a href="#">103</a>	
GRI 413: Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	5.7 Fire Control Safety Management	<a href="#">103</a>	

GRI Disclosures	Topic Disclosures	Related Chapters	Page	Reasons for Omission
<b>Voluntarily Disclosures</b>				
<b>Topic-specific standards: 200 Economic</b>				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	6.1 Public Welfare	<a href="#">112</a>	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	4.1 Purchases Overview	<a href="#">71</a>	
<b>Topic-specific standards: 300 Environmental</b>				
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.6 Pollution Prevention Management	<a href="#">66</a>	
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	3.5 Water Resources Management	<a href="#">64</a>	
	303-3 Water withdrawal	3.5 Water Resources Management	<a href="#">64</a>	
	303-4 Water discharge	3.5 Water Resources Management	<a href="#">64</a>	
	303-5 Water consumption	3.5 Water Resources Management	<a href="#">64</a>	
GRI 306: Waste 2020	306-3 Waste generated	3.6 Pollution Prevention Management	<a href="#">66</a>	
	306-4 Waste diverted from disposal	3.6 Pollution Prevention Management	<a href="#">66</a>	
	306-5 Waste directed to disposal	3.6 Pollution Prevention Management	<a href="#">66</a>	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	4.2 Due Diligence	<a href="#">72</a>	
	308-2 Negative environmental impacts in the supply chain and actions taken	4.2 Due Diligence	<a href="#">72</a>	
<b>Topic-specific standards: 400 Social</b>				
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes			In accordance with the provisions of Article 16 of the Labor Standards Act.
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	5.5 Human Resources Development and Training	<a href="#">89</a>	
	404-3 Percentage of employees receiving regular performance and career development reviews	5.5 Human Resources Development and Training	<a href="#">89</a>	

GRI Disclosures	Topic Disclosures	Related Chapters	Page	Reasons for Omission
Topic-specific standards: 400 Social				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	4.2 Due Diligence	<a href="#">72</a>	
	414-2 Negative social impacts in the supply chain and actions taken	4.2 Due Diligence	<a href="#">72</a>	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	3.1 Products and Patents Management	<a href="#">50</a>	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	2.5 Integrity and Law Compliance 3.1 Products and Patents Management	<a href="#">36</a> <a href="#">50</a>	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	2.3 Brand Image and Customer Relationship Management	<a href="#">26</a>	
	417-2 Incidents of non-compliance concerning product and service information and labeling	2.3 Brand Image and Customer Relationship Management	<a href="#">26</a>	
		2.5 Integrity and Law Compliance	<a href="#">36</a>	
	417-3 Incidents of non-compliance concerning marketing communications	2.3 Brand Image and Customer Relationship Management 2.5 Integrity and Law Compliance	<a href="#">26</a> <a href="#">36</a>	

## Appendix 2: SASB Standards Index

### TRANSPORTATION / AUTO PARTS SUSTAINABILITY DISCLOSURE TOPICS & METRICS

TOPIC	CODE	METRIC	CATEGORY	UNIT OF MEASURE	RESPONSE
Energy Management	TR-AP-130a.1	1 Total energy consumed, 2 Percentage grid electricity 3 Percentage renewable	Quantitative	Gigajoules(GJ), Percentage(%)	1 Total energy consumption 122,454.7 GJ. 2 Electricity consumption percentage 99.7%. 3 No renewable energy was used, so the percentage of renewable energy used was 0%.
Hazardous Waste Management	TR-AP-150a.1	1. Total amount of waste from manufacturing 2. Percentage hazardous 3. Percentage recycled	Quantitative	Metric tons(t), Percentage(%)	1 The total amount of waste generated was 714.6 metric tons. 2 There was no hazardous waste, so the percentage of hazardous waste was 0%. 3 The percentage of waste recycled was 26.7%.
Product Safety	TR-AP-250a.1	Number of products recalled	Quantitative	Number	Not applicable
Design for Fuel Efficiency	TR-AP-410a.1	Revenue from products designed to increase fuel efficiency or reduce emissions	Quantitative	Presentation currency	Not applicable
Materials Sourcing	TR-AP-440a.1	Description of the management of risks associated with the use of critical materials	Quantitative	N/A	Refer to 2.6 Risk Management
Materials Efficiency	TR-AP-440b.1	Percentage of products sold that are recyclable	Quantitative	Percentage(%)	100% of the wire material inside the lamp can be recycled.
	TR-AP-440b.2	Percentage of input materials from recycled or remanufactured content	Quantitative	Percentage(%)	Refer to 3.2 Improve Manufacturing Process
Competitive Behavior	TR-AP-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	Presentation currency	0 dollars
Activity Metrics	TR-AP-000.A	Number of parts produced	Quantitative	Number	Automobile Lamp: 6,910,257 units Motorbike Lamp: 1,306,702 units Other <sup>Note</sup> : 0 units
Activity Metrics	TR-AP-000.B	Weight of parts produced	Quantitative	Metric tons(t)	Automobile Lamp: 17,757,60 tons Motorbike Lamp: 526.96 tons Other <sup>Note</sup> : 0 tons
Activity Metrics	TR-AP-000.C	Area of manufacturing plants	Quantitative	Square meters(m²)	The manufacturing plants cover a total area of 123,075 square meters.

Note:

1. Other - All categories other than automotive lamps.

2. This appendix refers to the SASB standards for disclosure in the Comparison Table and does not purport to follow the SASB standards for disclosure.

## Appendix 3: Taiwan Stock Exchange TCFD

List	Implementation
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	3.3 Risks of Climate Change
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	3.3 Risks of Climate Change
3. Describe the financial impact of extreme weather events and transformative actions.	3.3 Risks of Climate Change
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	3.3 Risks of Climate Change
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and major financial impacts used should be described.	N/A
6. If there is a transition plan for managing climate-related risks, describe the content of the plan and the indicators and targets used to identify and manage physical risks and transition risks.	N/A
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	N/A
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	N/A
9. GHG inventory and confirmation of status and reduction targets, strategies, and specific action plans (separate from 1-1 and 1-2)	Details are as follows

## 1-1 Company Greenhouse Gas Inventory and Assurance Information for the last two years

### 1-1-1 Greenhouse Gas Inventory

Description of GHG emissions (metric tons of CO<sub>2</sub>e), intensity (metric tons of CO<sub>2</sub>e per million), and data coverage for the last two years.

Item	Unit	2022 年	2023 年
Scope 1 : direct GHG emission	Metric Tons CO <sub>2</sub> e	671.7	366.2
Scope 2 : indirect GHG emission	Metric Tons CO <sub>2</sub> e	17,494.4	16,748.4
Scope 3 : other indirect (scope three) GHG emission	Metric Tons CO <sub>2</sub> e	-	6,105.5
Operation revenue (individual)	Million-dollar revenue	11,531.0	12,664.1
Scope 1 GHG emission density (Total emission/operation revenue (individual))	Metric Tons CO <sub>2</sub> e/ Million-dollar revenue	0.06	0.03
Scope 2 GHG emission density (Total emission/operation revenue (individual))	Metric Tons CO <sub>2</sub> e/ Million-dollar revenue	1.52	1.32
Scope 3 GHG emission density (Total emission/operation revenue(individual))	Metric Tons CO <sub>2</sub> e/ Million-dollar revenue	-	0.48

### 1-1-2 Greenhouse gas assurance information

A description of the status of the assurance for the last two years ended on the date of the annual report, including the scope of the assurance, the assurance organization, the assurance criteria, and the opinion on the assurance.

Item / Year	2022 年	2023 年
Assurance scope	Parent company An-ping plant, Tech Park Phase 1~3, excluding subsidiaries	Parent company An-ping plant, Tech Park Phase 1~3, excluding subsidiaries
Assurance institution	BV	BV
Assurance principles and assurance opinion	According to ISO14064-1, it complies with the reasonable assurance level of the agreement.	According to ISO14064-1, it complies with the reasonable assurance level of the agreement for scope one and two, and limited assurance level for scope three.

## 1-2 Greenhouse Gas Reduction Targets, Strategies and Specific Action Plans

Describe the GHG reduction baseline year and data, reduction targets, strategies and specific action plans, and achievement of reduction targets.

Index	Goals	Concrete Actions
Greenhouse gas emissions	<p>Carbon emissions per unit of product use (4.38 metric tons CO<sub>2</sub>e/unit) in 2022 base year</p> <ul style="list-style-type: none"> <li>• Short-term: 3% reduction by 2024.</li> <li>• Mid-term: 5% reduction in 2025.</li> <li>• Long-term: 10% reduction in 2030.</li> </ul>	<ul style="list-style-type: none"> <li>• Implemented energy management with annual planned improvements to reduce energy consumption and greenhouse gas production:               <ol style="list-style-type: none"> <li>1) Replaced chilled water equipment with energy-efficient models.</li> <li>2) Process-related equipment will be gradually introduced into the variable frequency energy-saving related system.</li> <li>3) Carbon emissions per unit of product will be 4.12 metric tons in 2023 (a 5.9% reduction from the base year).</li> </ol> </li> <li>• Design and construction of a plant using 10% renewable energy is expected to be completed by the end of 2024.</li> </ul>

## Appendix 4: Independent Statement



### INDEPENDENT ASSURANCE STATEMENT

To: The Stakeholders of TYC BROTHER INDUSTRIAL CO., LTD.

#### Introduction and objectives of work

Bureau Veritas Certification Taiwan has been engaged by TYC BROTHER INDUSTRIAL CO., LTD. to conduct an independent assurance of its TYC BROTHER INDUSTRIAL CO., LTD. 2023 Sustainability

Report. This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the TYC BROTHER INDUSTRIAL CO., LTD. 2023 Sustainability Report are the sole responsibility of the management of TYC BROTHER INDUSTRIAL CO., LTD. Bureau Veritas was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on its content.

#### Scope of work

The assurance process was conducted in line with the requirements of the AA1000 Assurance Standard V3, Type I - Account Ability Principles. The scope of work included:

- Data and information included in TYC BROTHER INDUSTRIAL CO., LTD. 2023 Sustainability Report;
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported;
- Evaluation of the Report against the main principles of the AA1000 Accountability Principle (2018)<sup>1</sup>
  - Inclusivity
  - Materiality
  - Responsiveness
  - Impact
- Evaluation of the Report against the principles of Stakeholder Inclusiveness, Sustainability Context, Materiality, Completeness, Balance, Comparability, Accuracy, Timeliness, Clarity, and Reliability, as defined in the GRI Sustainability Reporting Standards.

The levels of assurance have been applied as Moderate assurance.

#### Methodology

As part of its independent assurance, Bureau Veritas undertook the following activities:

1. Interviews with relevant personnel of TYC BROTHER INDUSTRIAL CO., LTD. ;
2. Review of documentary evidence produced by TYC BROTHER INDUSTRIAL CO., LTD. ;
3. Review performance data listed in report with sampling basis;
4. Visits to 4 site located in Taiwan (Tainan City);



5. Review of TYC BROTHER INDUSTRIAL CO., LTD. data and information systems for collection, aggregation, analysis and review.

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external Assurance of Sustainability Reports, based on current best practice in independent assurance.

The work was planned and carried out to provide reasonable, rather than absolute assurance and we believe it provides a reasonable basis for our conclusions.

#### Our findings

On the basis of our methodology and the activities described above, it is our opinion that:

- The information and data included in TYC BROTHER INDUSTRIAL CO., LTD. 2023 Sustainability Report are accurate, reliable and free from material mistake or misstatement;
- The Report provides a fair representation of TYC BROTHER INDUSTRIAL CO., LTD. 's activities over the reporting period;
- The information is presented in a clear, understandable and accessible manner, and allows readers to form a balanced opinion over TYC BROTHER INDUSTRIAL CO., LTD. 's performance and status during the reporting period;
- The Report properly reflects the organisation's alignment to and implementation of the AA1000 Assurance Standard V3 principles of Inclusivity, Materiality, Responsiveness and Impact in its operations. Further detail is provided below;
- TYC BROTHER INDUSTRIAL CO., LTD. has established appropriate systems for the collection, aggregation and analysis of relevant information;

#### Alignment with the principles of AA1000 Accountability Principle (2018)

##### Inclusivity

TYC BROTHER INDUSTRIAL CO., LTD. has processes in place for engaging with key stakeholders including socially responsible investors, clients, employees, supply chain and local community; and has undertaken a few formal stakeholder engagement activities in 2023 covering a range of material topics such as Economic, Social and Environment.

##### Materiality

The Report addresses the range of environmental, social and economic issues of concern that TYC BROTHER INDUSTRIAL CO., LTD. has identified as being of highest material importance. The identification of material topics has considered both internal assessments of risks and opportunities to the business, as well as stakeholders' views and concerns.

##### Responsiveness

TYC BROTHER INDUSTRIAL CO., LTD. is responding to those issues it has identified as material and demonstrates this in its policies, objectives, indicators and performance targets. The reported information can be used by the organisation and its stakeholders as a reasonable basis for their opinions and decision-making.



#### Impact

TYC BROTHER INDUSTRIAL CO., LTD.'s management system can monitor, measure and be accountable for how their actions affect their broader ecosystems.

#### Report Structure

TYC BROTHER INDUSTRIAL CO., LTD. does fully provide the information to achieve the GRI Standards in accordance, and the performance indices do correspond and can be cross referenced to the content of relevant GRI Standards.

#### Key areas for ongoing development

Based on the work conducted, we recommend TYC BROTHER INDUSTRIAL CO., LTD. to consider the following:

- Encouraging the organization to communicate with non-important stakeholders can also be included in the survey of sustainability issues, which will help the organization to respond in an integrated manner. (RESPONSIVENESS)

#### Limitations and Exclusions

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period;
- Positional statements (expressions of opinion, belief, aim or future intention by TYC BROTHER INDUSTRIAL CO., LTD.) and statements of future commitment.

This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist within the Report.

#### Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in Quality, Health, Safety, Social and Environmental management with more than 195 years history in providing independent assurance services. Bureau Veritas 2023 full year revenues reached 5.9 billion euros. The Group's adjusted net profit for 2023 reached 930.2 million euros.

Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities. We are particularly vigilant in the prevention of conflicts of interest.

No member of the assurance team has a business relationship with TYC BROTHER INDUSTRIAL CO., LTD., its Directors or Managers beyond that required of this assignment. We have conducted this verification independently, and there has been no conflict of interest.

The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over years combined experience in this field and an excellent understanding of Bureau Veritas standard methodology for the Assurance of Sustainability Reports.

#### Bureau Veritas Certification Taiwan

3F-B, No. 18, Nanjing E. Rd., Sec. 4, Songshan District, Taipei 10553, Taiwan R.O.C.  
25<sup>th</sup> Jun., 2024



AA1000  
Licensed Report  
000-76/V3-H9283

Technical Reviewer: Carter Liu *Carter Liu*

Verifier: Gary Hsu (Witness by Ryan Man) *Gary Hsu Ryan*