

Table 2-2-2

**Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons**

Promoted items	Implementation status (Note 1)			Best practice examples for implementation status
	Yes	No	Summary	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?			<p>1. Describe the Company’s governance framework for the promotion of sustainable development.</p> <p>2. Describe the Company’s organizational departments responsible for implementing sustainability efforts, including but not limited to:</p> <p>(1) Name of the exclusively (or concurrently) dedicated unit, the time of its establishment, and the authorization given to it by the board of directors.</p> <p>(2) Composition of the staff members of the unit promoting sustainability, the state of its operation, and the status of implementation in the current year (e.g., its work plan and the tasks it is charged with).</p> <p>(3) The frequency with which the unit promoting sustainability reports to the board of directors (at least once per year) or the date of its report to the board in the current year.</p>	<p><b>[Reference example]</b></p> <p>In line with the vision and mission of the Company’s ESG policy, the “CSR Committee” was established in 2014. It was renamed to the “Sustainable Development Committee” in 2020. It is the sustainable development decision-making center at the highest level in the Company. The Board Chairperson is the convener, and together with several senior executives from different fields, the Committee reviews the Company’s core operational capabilities and stipulates the mid- to long-term sustainable development plan.</p> <p>The “Sustainable Development Committee” acts as the cross-departmental communication platform for vertical and horizontal integration. The mission task force, established by the quarterly meetings and issues, identifies sustainability issues related to the Company's operations and are of concern to the stakeholders. The task force stipulates response strategies and work guidelines, plans the budgets related to the organizations and sustainable development, and organizes and executes the annual plan. At the same time, the task force tracks the implementation results, ensuring that sustainable development strategies are fully</p>

		<p>3. Describe the board of directors’ oversight of sustainable development, including but not limited to formulating management guidelines and concrete promotional plans and carrying out review measures.</p>	<p>implemented in the daily operations of the Company.</p> <p>The Chairperson of the “Sustainable Development Committee” reports the sustainable development implementation results and future work plans to the Board of Directors every quarter. Four meetings were held in 2020. The agenda included:(1) Identifying sustainability issues that require attention and formulating response action plans; (2) revising the goals and policies related to sustainability issues; and (3) supervising the implementation of sustainable management and evaluating its status.</p> <p>The Company’s Board of Directors will regularly listen to the management team’s reports every quarter (including the ESG report). The management must propose the Company's strategy to the Board of Directors, who will assess the possibility of success for these strategies, and must frequently review the progress of the strategy. The Board of Directors will ask the management team to make adjustments when necessary.</p>
<p>2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk</p>		<p>1. Specify the boundaries of the risk assessment (the scope of the subsidiaries covered). In addition, the risk assessment boundaries of this item should be the same as the boundaries of each subsequent environmental and social topic in this Table. If there is any difference, the boundaries should be described in each such item.</p>	<p><b>[Reference example]</b></p> <p>1. The disclosed information covers the sustainable development performance of major operating locations of the Company from January 2020 to December 2020. The scope of the risk assessment mainly covers the Company, including existing locations in Taiwan, China, other regions in Asia, Americas and Europe. The subsidiaries 00 (Suzhou) Co., Ltd. and 00 Manufacturing (Kunshan) Co., Ltd. were also included in the scope because of the relevance of their</p>

<p>management policies or strategies? (Note 2)</p>			<p>2. Specify the assessment standards and processes used by the Company in its ESG materiality assessment to describe significant ESG issues, the results of the assessment, and the risk management policies or strategies adopted.</p>	<p>main operations and their impact on the material topics.</p> <p>2. The Sustainable Development Committee will conduct the analysis based on the principles of materiality of the Sustainability Report. The Committee communicates with internal and external stakeholders, and reviews domestic and foreign study reports, literature, and the integrated assessment information of each department and subsidiary. The information is used to evaluate material ESG topics, and to stipulate effective risk management policies for identifying, measuring, assessing, supervising, and controlling risks, in order to reduce its impact.</p> <p>3. After assessing the risks, the following management policies or strategies have been stipulated:</p> <table border="1" data-bbox="1373 691 2188 1367"> <thead> <tr> <th data-bbox="1373 691 1527 826"><b>Material topics</b></th> <th data-bbox="1527 691 1718 826"><b>Risk assessment items</b></th> <th data-bbox="1718 691 2188 826"><b>Explanation</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="1373 826 1527 1367">Environment</td> <td data-bbox="1527 826 1718 1367">Environmental impact and management</td> <td data-bbox="1718 826 2188 1367"> <p>1. The Company has effectively reduced the emission of pollutants and the impact on the environment through safety management during manufacturing and systematic management cycles.</p> <p>2. The Company is primarily focused on the US and EU markets. The products are required to comply with the environmental regulations.</p> </td> </tr> </tbody> </table>	<b>Material topics</b>	<b>Risk assessment items</b>	<b>Explanation</b>	Environment	Environmental impact and management	<p>1. The Company has effectively reduced the emission of pollutants and the impact on the environment through safety management during manufacturing and systematic management cycles.</p> <p>2. The Company is primarily focused on the US and EU markets. The products are required to comply with the environmental regulations.</p>
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Environment	Environmental impact and management	<p>1. The Company has effectively reduced the emission of pollutants and the impact on the environment through safety management during manufacturing and systematic management cycles.</p> <p>2. The Company is primarily focused on the US and EU markets. The products are required to comply with the environmental regulations.</p>								

						<p>Therefore, starting in 2015, the Company has acquired “ISO 14001” and “ISO 50001” environmental and energy management certification. Following this, the Company has been regularly renewing such certifications.</p> <ol style="list-style-type: none"> <li>3. The Company has used the TCFD framework to construct the climate risk identification procedure. After cross-departmental discussion of climate risks and opportunities, a total of nine opportunities and six risks were identified.</li> <li>4. The Company has completed the product lifecycle, carbon footprint, and water footprint evaluations for all plants and subsidiaries in 2020, and obtained ISO14040 and ISO14046 certifications.</li> <li>5. We have reviewed the impacts the Company’s operations are facing according to ISO14064-1 regular inventory of Greenhouse Gas (“GHG”)</li> </ol>
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						<p>Emissions. According to the results of the carbon survey, the Company continues to implement carbon reduction measures, effectively reducing the emissions risks in Domain 1 and the indirect greenhouse gas emissions caused by power use in Domain 2.</p> <p>6. The annual planning of the internal audit plan focuses on Company compliance with relevant environmental laws and regulations. We have audited the procedures and deemed them to be compliant.</p>
				Social	Occupational safety	<p>1. In 2020, all plants and subsidiaries have completed “ISO 45001 Occupational Health and Safety Management System” certifications.</p> <p>2. The Company regularly organizes fire drills, work safety education and training every year, to prepare employees for emergencies and improve their self-safety</p>

						management abilities.
					Product safety	<ol style="list-style-type: none"> <li>1. The products of the Company comply with the government's laws and regulations and the EU RoHS regulations. The products do not contain hazardous materials. At the same time, to ensure customer service quality, we have established a customer service hotline and website. Each year, the Company actively conducts customer service satisfaction surveys to strengthen the cooperation with customers.</li> <li>2. The Company has purchased product liability insurance worth NT\$20 million, policy number XXX, in order to mitigate product liability risks, reduce property losses, and improve product safety.</li> </ol>
				Corporate governance	Social economics and regulatory compliance	<ol style="list-style-type: none"> <li>1. The Company has established a governance structure and implemented internal controls to ensure legal compliance by all employees</li> </ol>

						<p>and operations of the Company.</p> <p>2. The Company has applied for patents for products developed by the Company to legally protect the company's interests.</p>
					Strengthen director competency	<p>1. The Company provides continuing education for directors. Each year, the latest laws and regulations, system developments, and policies are provided to the directors.</p> <p>2. The Company has purchased director liability insurance for the directors, to protect against litigation or claims against directors.</p>
					Communication with Stakeholders	<p>1. In order to prevent disagreements between stakeholders and the Company leading to misunderstandings that cause operational or litigation risks, the Company analyzes the material stakeholders and the topics of their concerns.</p> <p>2. Establish various</p>

						communication channels to encourage communication and reduce confrontations or misunderstandings. The investor complaint mailbox shall be handled and responded to by the spokesperson.
3. Environmental Issues						
(1) Has the Company set an environmental management system designed to industry characteristics?			<ol style="list-style-type: none"> <li>Specify how the Company implements an effective environmental management system, and the laws and regulations on which it is based.</li> <li>Specify the relevant international certification standards adopted by the company (which should be valid as at the date of printing of the annual report) and the scope of their coverage.</li> </ol>			<p><b>[Reference example]</b></p> <p>All plants and subsidiaries of the Company comply with ISO 14001 in the establishment of an environmental management system, and continue to pass third party verification. The Company conducts the GHG emission inventory every year according to ISO14064-1. The tracked carbon reductions and benefits are disclosed in the Sustainability Report and on the Company's website (<a href="https://esg.XXXX.com/ESG-Reports">https://esg.XXXX.com/ESG-Reports</a>).</p>
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?			Describe the Company's policies to improve energy efficiency and use renewable materials, including but not limited to base year data, promotion measures, targets and achievements.			<p><b>[Reference example]</b></p> <p>The Company is actively promoting various energy conservation measures, for example, choosing high energy efficiency and energy saving equipment. This can reduce the energy consumption of corporations and products, expanding the use of renewable energies and optimizing energy usage efficiency.</p> <p>The goal for 2020 is to reduce power consumption per unit product by 10% compared to 2018. In the year, power reductions reached 54,000MWh (12%), achieving the original goal. In the</p>



				<p>future (2021 to 2025), the goal will be to reduce power consumption per unit product by 15% (2025) compared to 2021. The Company also established the renewable energy equipment and green energy procurement, in order to increase renewable energy usage efficiency.</p> <p>The raw materials used by the Company comply with RoHS, REACH, and halogen free regulations of the EU. The Circular Economy Task Force was established in 2019 to establish a cross platform resource integration system, including recycling, renewable energy products or the reduction of pollutants during manufacturing, in order to reduce the environmental impact.</p> <p>During green production, we minimize unnecessary waste, seek waste reductions, and develop recycling technologies. In the upstream and downstream of the value chain, the Company works together to reuse packaging. Additionally, for the products, the Company continues to test recycled materials to reduce our environmental impact and maximize the benefits of a circular economy. Through the recycling of materials during production, the development of waste reduction technologies, and design and sales of recycled products, the Company creates circular value, leading to 30% economic growth (compared to 2017).</p>
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<p>(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?</p>			<p>Describe how the Company assesses the current and emerging potential risks and opportunities of climate change for its business, its assessment results, and the relevant response measures taken.</p>	<p><b>[Reference example]</b></p> <p>The Sustainable Development Committee is the Company’s highest authority for climate change management. The Board Chairperson is the convener. The Committee reviews the Company’s climate change strategies and goals, risks and opportunities of managing climate change, assesses the implementation status, and discusses the future plan. The Committee reports the matter to the Board of Directors.</p> <p>The Company follows the TCFD Suggestions published by the Financial Stability Board to assess the risks and opportunities for the Company created by climate change. Full evaluations are conducted every three years and it is reviewed and updated every year. The Company completed the latest climate risk assessment in 2020. The six following risks were identified from 22 climate risk items: GHG emission price increase, environmental laws and regulations, replacement of products and services with low carbon technologies, cost of low carbon economy transformations, raw material cost increases, and rising average temperatures.</p> <p>In order to reduce the aforementioned risk factors, the Company has identified feasible opportunities and formulated response measures. In terms of improving climate change, the Company is focusing on the development of green operations, energy management, carbon information disclosure, and green</p>
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				<p>buildings. In terms of adapting to climate change, the Company has implemented strengthened basic measures, established sustainable operations, and fully utilized green buildings.</p> <p>The detailed descriptions of the climate change risks and opportunities have been disclosed in the Company Sustainability Report. (<a href="https://esg.XXXX.com/ESG-Reports">https://esg.XXXX.com/ESG-Reports</a>)</p>															
<p>(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?</p>			<p>1. State the statistical data, intensity (e.g., per unit of product, service, or turnover) and scope of coverage (e.g., all factories and subsidiaries) for the following items in the last two years:</p> <p>(1) Greenhouse gases: including carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, nitrogen trifluoride and others announced by the competent central authorities, distinguishing between direct emissions (domain 1, i.e., emissions directly from sources owned or controlled by the Company), emissions from indirect energy choices (domain 2, i.e., indirect greenhouse gas emissions from intaken electricity, heat, or steam) and other indirect emissions (domain 3, i.e., emissions from</p>	<p>[Reference example]</p> <p>1. All plants and subsidiaries of the Company have completed the ISO14064-1 Domain 1, Domain 2, and Domain 3 inventories and third party verification in 2020. The Taiwan plant completed ISO 50001 and third party verification in 2020.</p> <p><b><u>GHG emissions in the most recent two years:</u></b>  <b>(Information under Domain 1 and 2 cover all plants and subsidiaries. Domain 3 contains information about the Taiwan plant.)</b></p> <p style="text-align: right;">Unit: ten thousand tCO<sub>2</sub>e</p> <table border="1" data-bbox="1373 1015 2130 1259"> <thead> <tr> <th>Year</th> <th>Domain 1</th> <th>Domain 2</th> <th>Emissions per unit product (kgCO<sub>2</sub>e /m<sup>2</sup>)</th> <th>Domain 3</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>100</td> <td>327</td> <td>52</td> <td>80</td> </tr> <tr> <td>2020</td> <td>78</td> <td>302</td> <td>47.5</td> <td>70</td> </tr> </tbody> </table> <p>In 2020, the total greenhouse gas emissions of Domain 1 and Domain 2 were 38 thousand tons of CO<sub>2</sub>e. The</p>	Year	Domain 1	Domain 2	Emissions per unit product (kgCO <sub>2</sub> e /m <sup>2</sup> )	Domain 3	2019	100	327	52	80	2020	78	302	47.5	70
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		<p>company activities that are not indirect energy emissions, but originate from sources owned or controlled by other companies);</p> <p>(2) Volume of water consumption;</p> <p>(3) Waste: Distinguish the total weight of hazardous waste and non-hazardous waste. If not in the manufacturing industry, it is not necessary to make this distinction, and it is sufficient to disclose the total weight of waste and additionally describe the statistical methods adopted based on the characteristics of the industry.</p> <p>2. Describe the policies for greenhouse gas reduction, water use reduction or other waste management, including but not limited to base year data, reduction targets, promotion measures and achievements.</p> <p>3. State the certification status of each piece of information (should be valid as of the date of publication of the annual report) and the scope of coverage of the information.</p>	<p>emissions per unit product were 47.5 kgCO<sub>2</sub>e /m<sup>2</sup>. The main source of the emissions was power use in Domain 2, which accounted for 79.47% of the aforementioned total emissions. The second biggest source was the use of PFCs during manufacturing and the fuel emissions from public systems in Domain 1, accounting for 20.53%.</p> <p>In order to continue meeting the international reduction trends, the Company tracks the reductions through the Sustainable Development Committee. In 2015, the Company proposed the Carbon 2020 5-year reduction of carbon by one million tons. Based on the product lifecycles, the Company implements the measures in material design and selection, local procurement from suppliers and the 4R strategy, energy saving manufacturing, and green transportation. As of 2020, the Company has achieved 142% of the goal (using 2015 as the base year).</p> <p>In 2020, the greenhouse gas emissions per unit product was 47.5 kgCO<sub>2</sub>e /m<sup>2</sup>, which was lower than the target for the previous year of 51.3kgCO<sub>2</sub>e /m<sup>2</sup> and represented a decrease of 8.65% compared to 2019. The main emissions reduction measures include large-scale investments in smart manufacturing and improvements, third party DRE measurements for fluorine gases, improved maintenance and management of combustion equipment, and enhanced</p>
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				<p>energy conservation and carbon reductions during manufacturing.</p> <p>By combining the carbon reducing actions described above, the absolute carbon reductions (Domain 1 and Domain 2) for 2020 decreased by 11% compared to last year. The carbon emissions per unit product and absolute total carbon emissions are expected to continue to decrease with the active carbon reducing actions.</p> <p>Furthermore, in response to climate change and to promote corporate sustainable management, the Company will continue to purchase renewable energies and invest in the development of energy saving products in the future. We expect to achieve “zero carbon emissions from offices and 20% renewable energy use in manufacturing plants” by 2030, thereby realizing the goal of net zero carbon emissions and 100% renewable energy use by 2050.</p> <p>2. The Company has been focused on the water and energy conservation issues for many years. In terms of water conservation, the Company has fully implemented water saving initiatives for daily life to maximize the benefits of water use. All plants and subsidiaries of the Company have completed the ISO 14046 water footprint inventory in 2020, and obtained certification.</p>
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**Volume of water consumption in the most recent two years**  
**(All plants and subsidiaries)**

Unit: Million tons

Year	Total volume of water consumption	Volume of water consumption per unit area (tons/m <sup>2</sup> )
2019	28.7	3,505
2020	22.8	3,767

The Company has invested in several improvement measures, including the introduction of a recycling system in the waste water system and the use of recycled water for water used in the manufacturing process. With the water management and conservation technologies, the Company saved around 5.9 million tons of water in 2020, reducing use by 20%.

The Company has been dedicated to water recycling and reuse for many years. Besides the commitment to reduce water use intensity by 30% by 2020 (with 2015 as the base year), the Company has introduced the 2025 SDG goals in 2019. The manufacturing recycling rate was 90.3% in 2019 and is expected to increase by 1.1%. In 2020, the recycling rate of the entire company reached 92.29%, successfully reaching the goal. In 2020, water conservation exceeded the goal of 30%.

3. The Company is committed to environmental protection and has stipulated KPIs for waste reduction. The Sustainable Development Committee conducts performance assessments every year and implements internal and external audits. In 2020, all plants and subsidiaries of the Company have passed ISO 14001 Environmental Management System certification.

In order to achieve sustainable recycling, the order of waste processing actions of the Company is the reuse of resources by the plants first to reduce raw material usage, then recycling, and finally, incineration or landfilling.

**Waste generated in the most recent two years**

Unit: tons

**(All plants and subsidiaries)**

Year	Hazardous waste	Non-hazardous waste	Output volume per unit product (kg/m <sup>2</sup> )
2019	15,885	12,553	1.59
109	14,015	13,002	1.36

“Zero waste” is the ultimate goal of the Company's waste management. We will continue implementing the Green 2025 plan to reduce waste per unit product by 25% (with 2015 as the base year). The Company aims to reduce total

			<p>waste volume and recycle waste. We will reduce the output of waste through manufacturing technology improvements, raw material reductions, and other source management measures, in order to achieve waste reductions.</p> <p>The waste output of the Company in 2020 was 27,017 tons. The waste output per unit product was 1.36 kg/m<sup>2</sup>, representing a 5% reduction to total output and a 14.47% reduction to output per unit product compared to 2019. The reduction in waste output per unit product reached the annual target (a 10% reduction compared to the previous year).</p>
<p>4. Social Issues</p> <p>(1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?</p>		<p>Describe the policies and specific management plans for the protection of human rights (such as human rights assessment, human rights risk mitigation measures, relevant education and training, etc.), and the relevant laws and regulations and international human rights conventions on which they are based.</p>	<p><b>[Reference example]</b></p> <p>The Company acknowledges and voluntarily complies with the “United Nations Universal Declaration of Human Rights,” “United Nations Global Compact,” “United Nations Guiding Principles on Business and Human Rights,” “United Nations Internal Labor Organization,” and other internationally recognized human rights standards. The Company has approved the “00 Company Human Rights Management Policy” to implement the protections in the human rights conventions. The policy has been published on the Company’s website.</p> <p>The Company regularly reviews its operations, value chain, new business activities (e.g. mergers and joint ventures), and other related activities through the focus on major social issues, data monitoring, and questionnaires and surveys, in order to identify</p>



				<p>and assess the groups at risk and potential human rights risks. The Company formulates human right issue control plans according to the potential risks, and continues to monitor and improve the implementation results.</p> <p>The summary of the Company’s human rights management policy and specific solutions is as follows:</p> <table border="1" data-bbox="1373 435 2190 1353"> <thead> <tr> <th data-bbox="1373 435 1671 533">Human rights management policy</th> <th data-bbox="1671 435 2190 533">Specific solutions</th> </tr> </thead> <tbody> <tr> <td data-bbox="1373 533 1671 683">Provide a safe and healthy work environment</td> <td data-bbox="1671 533 2190 772"> <ul style="list-style-type: none"> <li>● Please refer to “Preventive measures taken to ensure a safe working environment and maintain employee safety” under labor relations on page XX.</li> </ul> </td> </tr> <tr> <td data-bbox="1373 683 1671 1070">Help employees maintain physical and mental health, achieve work-life balance</td> <td data-bbox="1671 772 2190 1011"> <ul style="list-style-type: none"> <li>● Employees are given 1.5 hour lunch breaks, giving them enough time to rest.</li> <li>● New sales employees are guaranteed six months of salary.</li> </ul> </td> </tr> <tr> <td data-bbox="1373 1070 1671 1353">Implement the “3 highs” strategy. High salary, high level of development, and high degree of care.</td> <td data-bbox="1671 1011 2190 1353"> <ul style="list-style-type: none"> <li>● Complete and unhindered promotion channels.</li> </ul> </td> </tr> </tbody> </table>	Human rights management policy	Specific solutions	Provide a safe and healthy work environment	<ul style="list-style-type: none"> <li>● Please refer to “Preventive measures taken to ensure a safe working environment and maintain employee safety” under labor relations on page XX.</li> </ul>	Help employees maintain physical and mental health, achieve work-life balance	<ul style="list-style-type: none"> <li>● Employees are given 1.5 hour lunch breaks, giving them enough time to rest.</li> <li>● New sales employees are guaranteed six months of salary.</li> </ul>	Implement the “3 highs” strategy. High salary, high level of development, and high degree of care.	<ul style="list-style-type: none"> <li>● Complete and unhindered promotion channels.</li> </ul>
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			<p>Forced labor is forbidden. The Company complies with the labor laws of the local government.</p> <p>Included human rights clauses in the supplier contracts, and thoroughly implement on-site audits.</p> <p>Implemented a leave system that encourages employees to find their work-life balance.</p> <p>Each supplier is asked to fill out the sustainable development self-evaluation form. 750 on-site visits were conducted in 2020.</p> <p>Furthermore, human rights protection training was conducted for the employees in 2020. The total training hours were 116,907 hours, with 48,763 employees (92,971 people) completing the training, which accounts for 95% of total employees. In the future, the Company will continue to focus on human rights protection and promote related education and training, in order to improve human rights protection awareness and reduce the likelihood of related risks occurring.</p>
(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits),		1. The employee welfare measures that should be described include but are not limited to employee salary/compensation, workplace diversity and equality (including but not limited to the proportion of female employees and senior managers), leave, allowances, gift money, and	<p><b>[Reference example]</b></p> <p><u>Employee remuneration</u></p> <p>The annual bonuses of the Company are based on 1/3 of the Company's operating profit after tax. It is distributed to employees according to their years of service and annual performance evaluations, in order to encourage the employees to work towards the Company's goals. Employee remuneration is</p>

<p>and are business performance or results appropriately reflected in employee salary/compensation?</p>			<p>subsidies, etc.</p> <p>2. Describe the policies for reflecting business performance or results in employee salary/compensation and the status of their implementation.</p>	<p>determined according to the Articles of Incorporation and calculated when the profits of the Company in the current year are not less than 1%.</p> <p><u>Employee welfare measures</u></p> <p>The Company has established the Employee Welfare Committee. Each year, the Company allocates over NT\$20 million to employee benefits and plans and provides excellent benefits to employees. The benefits include employee travel allowances, life and art class allowances, birthday gift certificates, wedding allowances, childbirth allowances, funeral subsidies, and more. The Company also provides free physical examinations, discounts for purchasing cars, and other benefits to employees.</p> <p>For the leave system, based on the fixed weekend leave system, employees who have worked in the Company for more than one year are given 10 days of paid annual leave each year (those who have served less than a year are given leave proportionally). When an employee needs a longer period of leave for childcare, serious injuries, major accidents, and others, they may also apply for leave without pay, in order to take care of the needs of personal and family care.</p> <p><u>Workplace diversity and equality</u></p> <p>The Company realizes the same remuneration conditions and promotion opportunities for men and women. Over 20% of the managers of the Company are women. We hope to encourage</p>
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				<p>sustainable and inclusive economic growth. In 2020, female employees accounted for 25% of the Company and female supervisors accounted for 21% of management.</p> <p>The Company places great importance on employee rights and benefits. We share our profits with employees and we maintain a good work environment, including physical and mental care for all groups. This includes: (1) the hiring of disabled employees and providing suitable positions and environments for them; (2) projects have been implemented for the hiring, cultural inclusion, and health and safety of Filipino employees; and (3) implement a friendly workplace to empower women and a comfortable environment for all genders.</p> <p><u>Business performance is reflected in employee remuneration</u></p> <ul style="list-style-type: none"> <li>● Article 40 of the Articles of Incorporation: The Company shall reserve an amount to cover losses according to the profitability in the current year (profits before tax prior to the distribution of remuneration for employees and directors). The remainder shall be distributed as remuneration for employees. If the Company's profits for the current year are not lower than 1%, remuneration for directors shall not exceed 0.6%. The employees to whom compensation shall be distributed are employees of the company that comply with specific conditions.</li> <li>● Overall remuneration policy: The Company participates in market remuneration surveys each year. Remuneration is adjusted according to the market standards, economic trends, and personal performance, in order</li> </ul>
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				to maintain competitive remuneration. In 2020, the annual average salary increase was 3% for managers and non-managers in Taiwan. Some individuals received up to 18%.
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?			<ol style="list-style-type: none"> <li>1. Describe the measures taken for a safe and healthy working environment for employees, and the education policy for employees and its implementation.</li> <li>2. The relevant certifications obtained by the company (which should be valid as of the date of publication of the annual report) and the scope covered.</li> <li>3. State the number of cases of occupational accidents and the number of employees involved in the given year, and the ratio to the total number of employees, and related improvement measures.</li> </ol>	<p><b>[Reference example]</b>  <u>Occupational safety and health policy</u></p> <p>The Company complies with the occupational safety and health laws and the policies of customers and related organizations. We respect the occupational safety and health requirements of relevant stakeholder groups, in order to establish a healthy and happy workplace.</p> <p>The Company uses disaster prevention as one of core ideals. We use appropriate management tools and mature technologies as well as available resources to integrate the occupational safety and health issues within a plant. The Company then provides effective responses and continues to promote the occupational safety culture. Furthermore, the Company strengthens protection management for operators and invests resources to improve occupational illness prevention, in order to create a zero-hazard environment. Furthermore, the Company has established quantified indicators and expanded occupational safety and health to its products and services, improving overall performance in this category and effectively controlling risks.</p> <p>The disabling injury frequency in 2020 was 0.24, showing improvement compared to 2019. However, the disabling injury frequency goal of 0.2 was not achieved. There were four cases of employee occupational accidents, which involved two</p>

				<p>employees (0.06% of all employees at the end of 2020). The goal of 0 incidents was not achieved.</p> <p>The Company immediately revised the automatic inspection items, reviewed the machinery safety components, and restated the Company safety clauses by completely reviewing the improvement strategies. The Company asked the managers to care for the physical and psychological conditions of all employees to ensure employee safety during operations.</p> <p><u>Labor Work Environment Monitoring</u></p> <p>In order to protect the employees from hazardous materials in the work environment, and to provide a healthy and comfortable work environment, the Company conducts two work environment inspections each year to understand personnel exposure to hazards.</p> <p><u>Work safety audit</u></p> <p>The Company has stipulated the annual work safety audit team plan. The President shall act as the convener. The Work Safety Audit Team uses the “Work Safety Audit System” to log the audit suggestions and specific improvements in the reports for reference by the different units online. The audit suggestions and improvements are discussed in the Work Safety Audit Team meeting every month to find the defect.</p>
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				<table border="1"> <thead> <tr> <th colspan="2"><b>Work safety audit operations</b></th> </tr> </thead> <tbody> <tr> <td>Work Safety Audit Team</td> <td>Audit once a month</td> </tr> <tr> <td>Worker Safety and Health Office Work Safety Inspection Team</td> <td>Inspected every Wednesday and Friday</td> </tr> <tr> <td>Management Office Joint Inspection Team</td> <td>More than once a week</td> </tr> <tr> <td>Offsite Construction Work Safety Inspection</td> <td>According to the site contractor regulations</td> </tr> <tr> <td>Worker Safety and Health Office Work Safety Audit Team</td> <td>Irregular audits four times a month</td> </tr> </tbody> </table> <p><u>Equipment safety management</u></p> <p>The Company classifies the equipment and manages dangerous machinery and equipment according to the law. The equipment is checked carefully to ensure safe operations. In 2020, the Company’s dangerous machinery totaled 177 units. The machinery is regularly inspected according to the “Dangerous Machinery and Equipment Safety Inspection Rules,” in order to ensure equipment use safety.</p> <p><u>Work safety education, training, and promotion of the Company in the most recent three years</u></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Training and education participants</th> <th>Training and education hours</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>2,886</td> <td>14,446</td> </tr> </tbody> </table>	<b>Work safety audit operations</b>		Work Safety Audit Team	Audit once a month	Worker Safety and Health Office Work Safety Inspection Team	Inspected every Wednesday and Friday	Management Office Joint Inspection Team	More than once a week	Offsite Construction Work Safety Inspection	According to the site contractor regulations	Worker Safety and Health Office Work Safety Audit Team	Irregular audits four times a month	Year	Training and education participants	Training and education hours	2018	2,886	14,446
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(4) Has the Company established effective career development training programs for employees?			Describe the aspects (such as newcomer training, ongoing professional training, manager training, etc.) and scope (such as: managers at all levels, colleagues, etc.) of the training programs and the status of their implementation.	<p><b>[Reference example]</b> The Company has planned complete competency training for supervisors and employees at all levels, including new employee training, professional advanced training, and managerial training. We aim to help employees continue to learn and grow through diversified learning methods, and we introduced training related to corporate ethics, in order to cultivate the critical abilities of our employees. In 2020, 250 people completed career training, totaling 780 training hours.</p> <p>During the annual performance reviews, the supervisor will talk to the employees and set their annual skill development plan together. The Company uses regular reviews and feedback to help employees create the best development plan tailored to them.</p>						
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and			Specify the laws and regulations and international standards that followed for each matter, and state the names, contents, and complaint procedures of the policies protecting the rights and interests of consumers or customers.	<p><b>[Reference example]</b> The Company controls and manages the value chain of products, from raw materials and logistics, to the stores. We have established management mechanisms, and will continue to track product safety information and strengthen internal reporting measures, in order to fulfill our commitment to product safety.</p> <p>The Company has stipulated personal data protection, and</p>						



<p>implement consumer protection and grievance policies?</p>				<p>management systems and policies. We have also established a personal data protection team to manage and ensure customer privacy. We protect our customer data through personal data internal audits, external verifications, crisis prevention, and education and training.</p> <p>The Company strictly complies with the government’s laws and regulations. We have stipulated internal marketing and advertising related procedures, and prepared the “Advertisement Review Standards Handbook” for personnel to follow. Some marketing documents must be reviewed by the customer service personnel of the Company before external distribution.</p> <p>Product labels are key to protecting consumer rights and health. The Company has clearly stipulated “product labels must comply with legal labels, food safety and hygiene management laws or other government laws and regulations” as a selection criterion for new suppliers in the “Product Safety Management” rules. Suppliers are asked to sign an agreement to guarantee that the product ingredients, manufacturing, label, and advertising comply with legal requirements.</p> <p>The Company has established the customer service department, and will periodically and actively verify the implementation of the customer policies and the acceptance of customer complaints and handling. The department will help first line sales employees handle customer complaints and maintain customer interests.</p>
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<p>(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?</p>			<p>1. Describe the supplier management policies and related rules and regulations for compliance. The content should have positive and specific requirements for suppliers in environmental protection, occupational safety and health or labor rights (e.g., requirements to pass relevant certifications).</p> <p>Describe the implementation of the supplier management policies and related legal compliance (e.g., the implementation of supplier self-assessment, guidance or education, performance evaluation, etc.).</p>	<p><b>[Reference example]</b></p> <p>The Company has stipulated “00 Company Supplier Management Guidelines.” The Company established the selection criteria for suppliers regarding environmental protection, human rights, safety, health, and sustainable development. The Guidelines also contain the Company’s expectations and requirements for the suppliers in terms of environmental, safety, and health risks, non-use of child labor, labor management, no violations of basic labor rights, ethical guidelines, and ethical management.</p> <p>The Company has established a supplier guidance project. We use supplier selection, audit guidance, performance evaluations, training, and supplier forums to permeate our sustainability requirements throughout daily supply chain management as part of our partnerships. In 2020, the Company’s suppliers showed 100% compliance with the following conditions.</p> <table border="1" data-bbox="1373 916 2197 1361"> <tr> <td data-bbox="1373 916 1585 1361"><b>Supplier assessment</b></td> <td data-bbox="1585 916 2197 1066">All suppliers must pass supplier assessments and comply with the supplier code of conduct.</td> </tr> <tr> <td data-bbox="1373 1066 1585 1216"></td> <td data-bbox="1585 1066 2197 1216">The suppliers of manufacturing related raw materials must pass ISO9001 Quality Management System verification.</td> </tr> <tr> <td data-bbox="1373 1216 1585 1361"></td> <td data-bbox="1585 1216 2197 1361">Contractors of plant affairs and related operations must acquire ISO 45001 Occupational Health and Safety Management</td> </tr> </table>	<b>Supplier assessment</b>	All suppliers must pass supplier assessments and comply with the supplier code of conduct.		The suppliers of manufacturing related raw materials must pass ISO9001 Quality Management System verification.		Contractors of plant affairs and related operations must acquire ISO 45001 Occupational Health and Safety Management
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					System certification.
					Suppliers must acquire a valid factory registration license issued by the government according to the type of their business, and ISO14001 Environmental Management certification.
				<b>Supplier audit</b>	The Company has established an audit team and guidance team to track supplier defects and improvement progress. Together, the Company can improve quality and technology, strengthen environmental, safety, and health performance, and introduce automation to increase production capacity.
				<b>Supplier training</b>	The Company will organize training and small seminars from time to time. The different forms of guidance and communication can effectively improve environmental protection and health and safety performance, as well as comply with international regulations. The courses include occupational hygiene, employee health, fire prevention maintenance, climate change, legal risks, and ethical code of conduct.
				<b>Supplier seminar and commendation</b>	The Company organizes supply chain management seminars every year. Apart from conveying the sustainability ideals and goals of the Company, suppliers who have performed outstandingly and made excellent

				contributions in the four major aspects of quality improvements, reduced costs, guaranteed delivery, and sustainability performance, are recognized during the events.
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?			<ol style="list-style-type: none"> <li>Specify the international reporting standards or guidelines that it refers to and specify the reports that it prepares disclosing non-financial information.</li> <li>If it obtains third party assurance or certification, specify the name of <del>the name</del> of the certifying organization providing the assurance or certification, and the items or scope certified and the standards that are followed.</li> </ol>	<p><b>[Reference example]</b>  The Company’s “2020 00 Sustainability Report,” prepared according to the GRI Standards, has obtained a limited assurance report issued by 0000 Accounting Firm on the selected subject matter information in accordance with the Assurance Standard No. 1 “Assurance Engagement of Examinations or Audits of Non-Historical Financial Information” of the Republic of China Accounting Research and Development Foundation, which is based on the International Standard on Assurance Engagement ISAE 3000. The information is disclosed on the company website.  (<a href="https://esg.XXXX.com/ESG-Reports">https://esg.XXXX.com/ESG-Reports</a>)</p>
6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company’s operations:				
<p><b>[Reference example]</b>  In December 2010, the Board of Directors of the Company approved the Company’s “Practical Guidelines for Corporate Social Responsibility.” The amendments to the Guidelines were approved by the Board of Directors in January 2017 and January 2019, in order to strengthen the implementation of corporate social responsibilities. The Company regularly reviews the implementation status according to the principles and implements improvements. As of today, there has been no deviation.</p>				
7. Other important information to facilitate better understanding of the company’s promotion of sustainable development:				

Note 1: If “Yes” is ticked in the “Implementation status” column, please concretely describe the major policies, strategies, and measures adopted and the status of their implementation. If “No” is ticked in the “Implementation status” column, please explain the deviations and the reasons in the “Deviations

from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons” column and explain the Company’s plans for adoption of related policies, strategies, and measures in the future.

Note 2: The materiality principle refers to focusing on environmental, social and corporate governance issues likely to have a material impact on the Company’s investors and other stakeholders.

Note 3: Regarding the method for disclosure, please refer to the “SAMPLE ANNUAL REPORT” page on the website of the Taiwan Stock Exchange Corporate Governance Center.