



GREAT TAIWAN GEAR

Batom Co., Ltd.



2022

Batom Co., Ltd

Sustainability Report or ESG Report

www.greataiwangear.com

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Batom Co., LTD adheres to excellent quality, takes customer satisfaction as the first priority, and is committed to upholding the business philosophy of corporate growth for future generations. We constantly provide competitive and high-quality products to meet our customers' needs and expectations. The president once said : Seeing a stone of hope chopping out from the mountain of despair can make your life wonderful. This sentence deeply represents our persistence and courage while facing challenges.

Taiwan's Manufacturing Leading the World

As one of the world's leading suppliers of transmission systems in electric vehicles, we represent "Made in Taiwan" cutting-edge technology for nearly 40 years. With 221 employees in Taiwan, we are constantly striving for excellence to ensure that our customers' expectations are met. Our BATOM technology, high quality products, automation solutions, and world-class technical support allow customers to stand out from the competition. As a reliable and powerful partner, we continuously improve the competitiveness of our products and support our current and potential customers.

ESG Sustainability Strategy

We are committed to developing sustainable products with low pollution, low carbon emissions, and low energy consumption, which is one of the most fundamental and direct ways to achieve ESG goals. Enterprises must adapt to face the challenge of climate change. We are committed to reaching the goal of becoming a benchmark enterprise in the health and green industry and develop in industries such as agriculture, green energy, and circular economy.

Goal and Strategy in 2022

With the spread of COVID-19 in 2022, we hope to work with all stakeholders to overcome the impact of the epidemic and regard sustainability as a part of business operational decision-making. We make use of sustainable strategies to promote innovation and become a better enterprise by examining the management structure of governance, the environment, and society.



Sustainable expectations



President **Morley Lin**



General Manager **Samuel Lin**

CULTURE / STRATEGY / ORGANIZATION / PEOPLE

In 2022 (our first year of sustainability), we, Batom Co., LTD, have achieved cross-departmental collaboration on issues such as zero emissions, circular economy, biodiversity, community management, environmental education, labor human rights, occupational safety, corporate governance, and carry out agile reviews and make continuous improvement.

Midterm sustainable goals (2030)

Batom Co., LTD responds promptly to the United Nations Sustainable Development Goals (SDGs) , considers the best plan for the aspects of the environment , society, and corporate governance , and works with the world to move towards sustainability :

Environment (E) : We demonstrate green impact. Batom Co., LTD is committed to adopting a target of the sustainable goal of net zero emissions in stages and promises to use renewable energy and supports the development of renewable energy.

Society (S) : We continue to pursue a business model that complies with corporate ethics, adopt the concept of sustainable branches with regional features and achieve mutual benefits, coexistence, and co-creation with local communities, offer a complete talent training system and shape the new brand experience for next generation.

Governance (G) : We implement transparent and honest corporate governance, and the four major aspects of corporate management CSOP (Culture, Strategy, Organization, People). We are dedicated to developing a sustainable corporate culture, strategy, organization, and talent training.

Supply chain : By promoting a sustainable supply chain and establishing the supplier sustainability scoring system, the rate of key supplier inspection rate is able to increase to 95% by 2030.

Long-term vision and strategy (2050)

Our framework of long-term development in environment, society, and governance (ESG) follows the "Principle of Batom Co., LTD sustainable performance" as the strategic goal. For sustainable development issues that the world faces, such as climate change, economic growth, social equality, and economic inequality, we start with the core concern of ESG, consider the interests of all stakeholders, continue to innovate, and set goals of future sustainable development.



Disclosure Scope and Timeline

The period disclosed in this report is from January 1, 2022, to December 31, 2022. The disclosure information is mainly based on Batom Co., Ltd. (hereinafter referred to as we, the company, or our company). We consolidated financial reporting of affiliated organizations including BATOM GREAT TAIWAN GEAR LTD. (US subsidiary), Great Taiwan Gear LTD ` Guan Quan industry. However, the proportion of the revenue of affiliated companies has a very small impact on overall revenue of Batom Co., Ltd, therefore, it was not included in the disclosure statement.

Since there is currently no plan to establish a sustainable development committee, therefore based on issues such as economic, environmental, social, and risk issues related to sustainable management, Batom Ct., LTD and its subsidiary responsibility unit (such as Human Resources Department, Management Department (Occupational Safety Office), Finance Department, Production Department, Supply Department, and other relevant departments) are responsible for collecting and providing information. It will be finalized and published after being reviewed by the general manager and president.

The statistics disclosed in the report come from the results of Batom Co., Ltd self-statistic, and investigations. The source of the financial data is publicly released after the verification of KPMG firm, part of the data was cited from public information on government websites and is represented in a general idiomatic numerical description. The financial statements are compiled in accordance with International Financial Reporting Standards (hereinafter referred to as IFRSs), and the financial data is denominated in New Taiwan dollars.

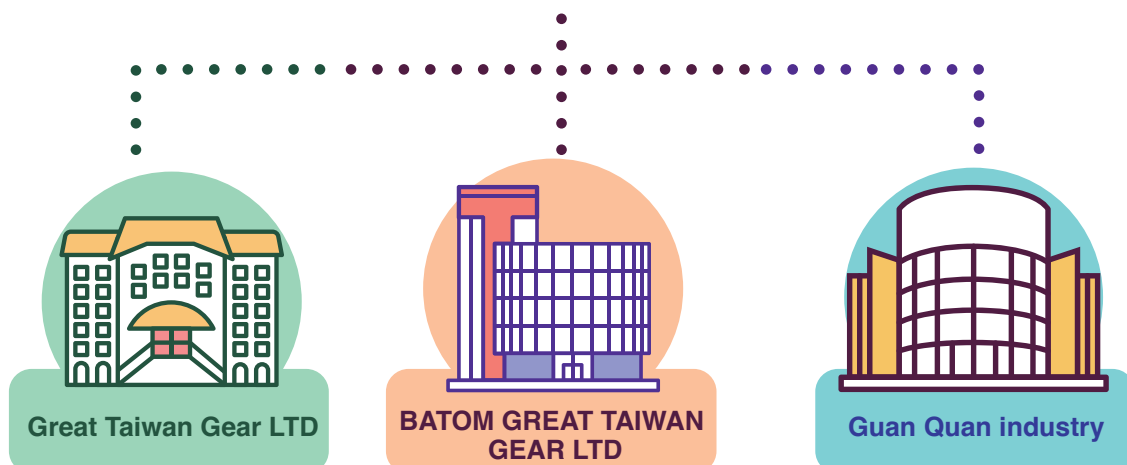
In order to ensure the credibility of the report, all information and data published adopted type 1 moderate assurance level of AA1000V3:2018 by TUV NORD and validated the GRI framework to ensure that the report complies with quality principles such as accuracy, balance, clarity, comparability, reliability, and timeliness.

During the reporting period, the company had no major operational changes. Since this is the first report, therefore, there is no reorganization of information or changes.

The following is a list of our corporate affiliate information :



Corporate Affiliate Information :





Edit Guidelines

The structure of this report refers to the Universal Standards 2021 announced by the GRI Association in 2021, and compiles with Task Force on Climate-related Financial Disclosures, TCFD and Sustainability Accounting Standards Board, SASB.

Report Issuance and Plan

This is the first sustainability report prepared by Batom Co., LTD, it is expected to be issued regularly every year and published on our website simultaneously.

Current version: Issued in July 2023

Next version: To be issued in July 2024

Contact Information

If you have any questions, guidance, or suggestions about this report, please feel free to contact us.

Contact Person : HR Administration Department / Jenny Lin

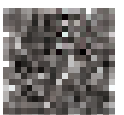
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Company official website and ESG feedback / complaint mailbox :

<https://www.greataiwangear.com/>



ESG Performance Highlights



Carry out product research and development for electrified gearboxes to meet market trends and customer needs and assist customers to achieve energy conservation goals.

No substances that destroy the ozone layer are used. Implementation R32 and R410 for air conditioners and refrigerants. No Hailong fire extinguisher is used. Chemicals and oils do not contain fluorine-related substances.

We commit to reducing greenhouse gas emissions, cast a brick to attract jade and cultivate the habit of energy saving and carbon reduction from all aspects of our operation in every employee.

Adopt actions such as "rechargeable batteries instead of dry batteries to reduce the amount of waste dry batteries produced each year," "minicomputer instead of desktop computer to reduce the weight and volume of waste," "reduce the quantity of waste oil mixture by using waste oil separator" reduce the generation of waste and continue to move forward to the development of circular economy

The recycling of grinding wheel waste produced by processing equipment is entrusted to the recycling industry. The final disposal is reused for building materials and casting sand, which enable waste recycling to be practiced fundamentally

◀◀◀ Environmental protection 4R action

REDUCE

Reduce the amount of garbage produced, for example : choose double-sided or reused paper for photocopying and printing, and commit to using electronic documents, thereby reducing the amount of paper printed ; use refillable / big bottles such as cleaning supplies, etc. ; improve process control ; reduce scrap goods, and overuse of packaging materials ; properly manage inventory and minimize disposable products ; handle and store materials with care to reduce damage or spillage, etc.

REUSE

Distribute environmentally friendly tableware to employees to avoid the use of disposable tableware; replace disposable items with durable utensils (e.g., porcelain/glass cups instead of paper cups; separate collect and recycle waste of packaging materials, packing tape, envelopes, and other recyclable materials; renovate office and work equipment, household appliances, etc. to reduce waste.

RECYCLE

Carry out garbage classification, and provide free resources such as paper, plastic bottles, metal (including tin and aluminum cans), plastics, etc. to Tzu Chi Foundation for recycling; and establish wastewater reclamation equipment.

REPLACE

Replace solvent-based paint with water-based paint; promotes towels instead of paper towels; use environmentally friendly alternatives as much as possible such as naturally decomposable detergent and plastic bags and use less toxic chemical, rent rather than purchase equipment such as photocopiers to reduce waste caused by system upgrades; replace the carbon-zinc battery with a rechargeable battery, etc.



Social ASPECT

To boost economic development and prosperity in our community, we participate in cultural activities and charitable events (including having mobile blood collection vehicle to enter our factory on a regular basis, street sweeping, stream cleaning, etc.) student scholarship, sports events (such as road running, badminton competitions, aerobics courses, etc.) and environmental protection activities (implementation of garbage classification and recycling in our factory, sharing area of second-hand items, etc.), spread hope and love to every corner of the world that needs (such as Ukraine Disaster Relief Donation), contribute to the society, and fulfill corporate social responsibility.

G Corporate Governance ASPECT

We are introducing RBA and have already incorporated human rights policy "Code of Practice for Sustainable Development of Enterprises" into the rule. Relevant rules will be applied to issues related to supervisory impact management.

We regularly carry out internal audit operations every year, if there are major changes in violations of antitrust laws or relevant regulations, audit will be implemented irregularly. When the information security check proceeds, we verify whether the computer records (including e-mails) of the relevant colleagues are involved in violation of the relevant regulations of the anti-trust law or violation of this regulation.

Anti-corruption policy and educational training are expected to be initiated in the second quarter of 2023. Although anti-corruption publicity and educational training in the first quarter is still in planning stage, the internal staffs have signed the "Letter of Integrity and Self-discipline Commitment", and the completion rate is **100%**.

Awards Performance



▼ Having a large order for electric vehicles and our mentality of "low-cost and smart manufacturing"





Awards Performance



◀ 2010 Little Giant Award



◀ 2011 Golden Torch Award



2021 National Rock Award ▶

▲ Electric vehicle gears and high-end mechanic techniques produced by Batom Co., LTD won OEMA, National Award of Outstanding SMEs and Rising Star Award



Awarded



Little Giant Award



Golden Torch Award



National Rock Award



Basic information

Company Name	本土股份有限公司
English Name	BATOM CO., LTD.
Established	1981
Present	Morley Lin
General Manager	Samuel Lin
Total Employee	221
Operational Base	
Headquarter	No. 45, Siyu St, Dali District, Taichung City, Taiwan 412
American location	131 Joe Leonard Road Greer, SC29651-9056 (South Carolina)
Capital (100 million)	3.15 /million
Plan Area	7260.81 /square meters
Factory And Building Area	3283.62 /square meters (factory area: 1635.46 square meters; building area: 1648.16 square meters)



Shareholder Structure

Deadline: 2022-12-31

Shareholder	Number of shares	Proportion of Shares
Individual	6,803,129	21.56%
Other Legal People	24,751,871	78.44%
Total	31,555,000	100%

Note: There is no controlling shareholder in the company

Batom Co., LTD operates business in the gear manufacturing industry. The main business operations are automobile/scooter transmission gear and gearbox development. The products are mainly sold in America, Asia (including Taiwan), Europe and other regions. As of December 31, 2022, there was one domestic investment in forging industry with an investment amount of NT\$18,510,000, and accounts for 100% of overall investment.

Company Product or Service

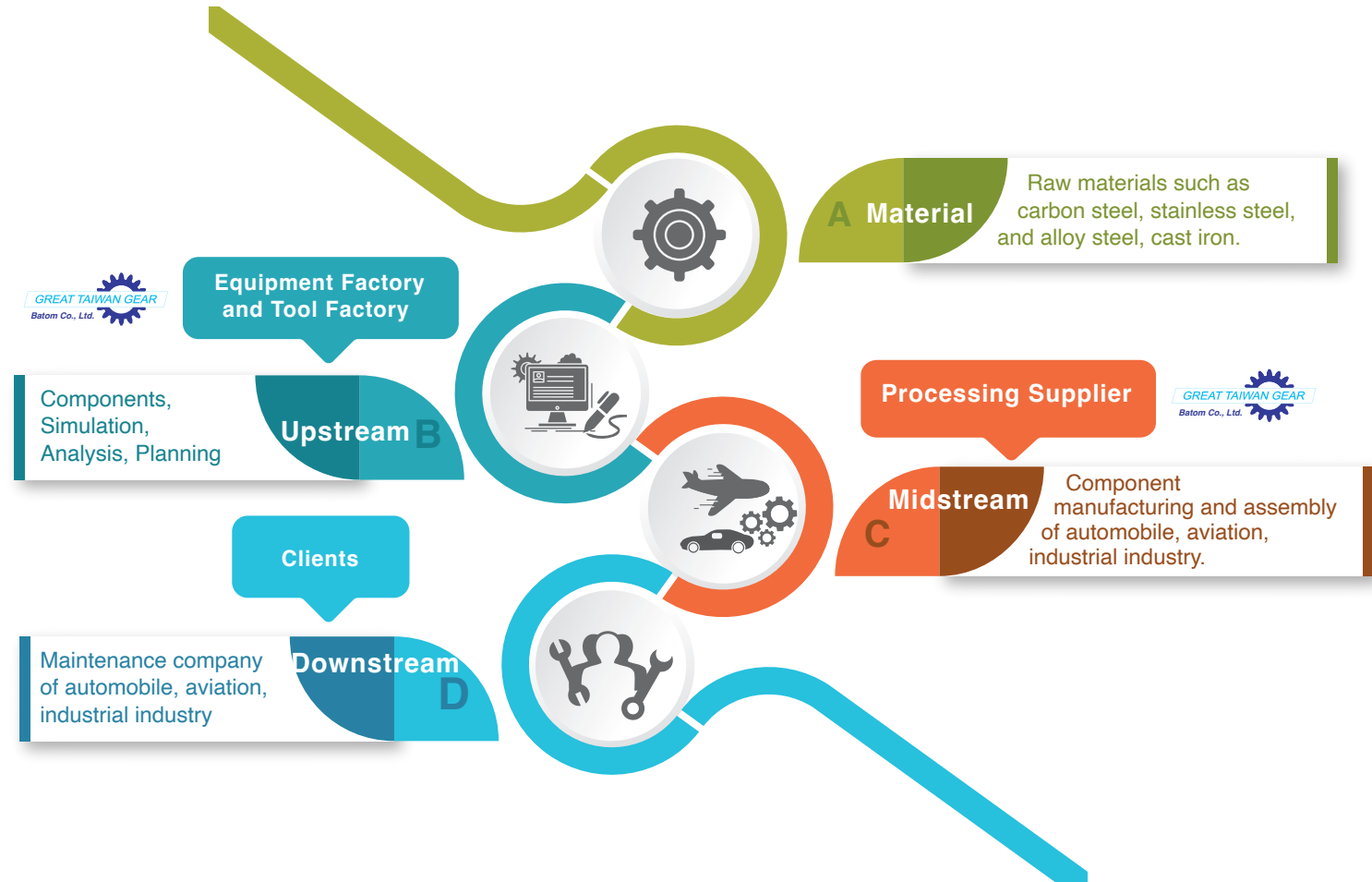
Product or Service	Sales Region	Client Type	Sales Volume	Sales Unit
Gear	America	Automobiles, Electric vehicles, Electric bicycle, Electric scooter	2,875,593	P C
	Asia	Hybrid electric vehicles, Boeing, Airbus, Comac, General industrial customers	50,828	
	Europe	General industrial customers	74,073	
	Oceania		6,785	

▶ We supply raw materials and all kinds of product processing services such as: cutting, forging, lathe turning, gear hobbing, heat treatment, OD grinding, gear grinding, etc.



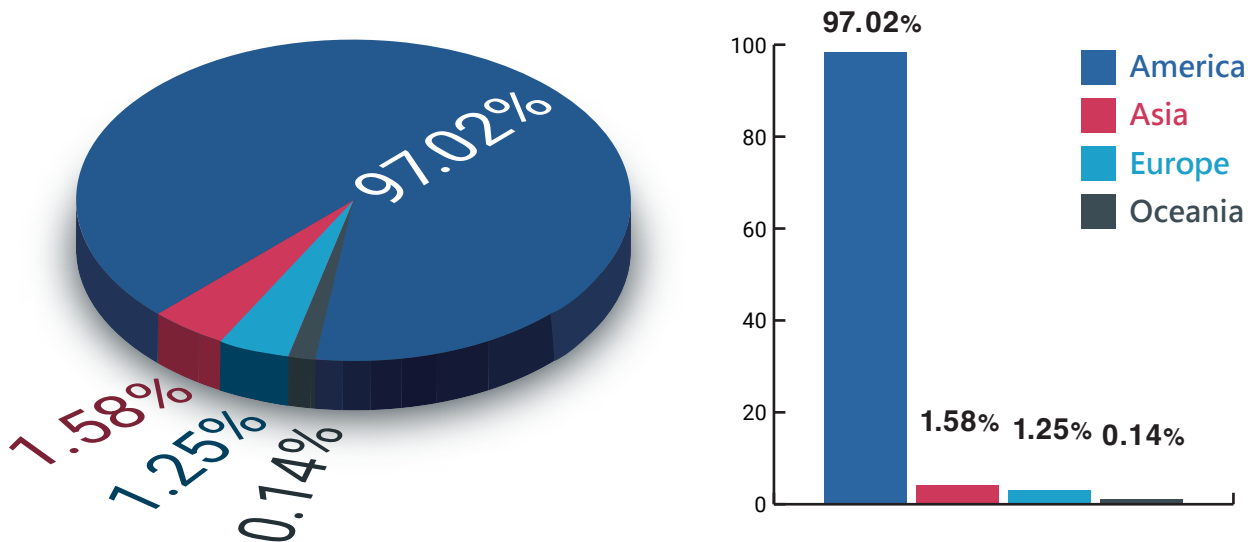
The company's proportion of sales region in 2022, sale volume and the diagram of upstream, midstream, and downstream supply chain are as below.

▼ Supply Chain



▼ The Proportion of Sales Region and Sales Volume

2022 sales area ratio (continent)





1.2 Communication with Stakeholders

The company refers to GRI standards rule and lists the possible stakeholders including business partners, social welfare organizations, consumers, employees, and other workers, government authorities, local communities, non-governmental organizations, shareholders and other investors, suppliers, public associations, vulnerable groups, financial institutions, academic units, etc., as well as stakeholders in the same industry are identified. We have external experts to rank the influence of stakeholders based on the company's actual negative impact, potential negative impact, actual positive impact, and potential positive impact.

Those with a total score greater than 10 points are considered the important stakeholders of the company in 2022.

After discussing with external scholars and experts, the company concluded that there are seven types of stakeholders: employees, shareholders/investors, customers, suppliers/contractors, government authorities, financial institutions, and academic institutions.

▼ Stakeholder communication channels

Stakeholder	Corresponding Major	Significance of Stakeholders to	Communication Channels	Frequency	Communication Effectiveness
Employee	Occupational Safety and Health (GRI 403) Training and Education (GRI 404) Employment (GRI 401) Labor-Management Relations (GRI 402)	Employees are the pillar of our sustainable management and also a driving force for our growth. We improve the cohesion of employees through complete educational training and a friendly working environment.	<ul style="list-style-type: none"> · E-mail · Telephone line · Staff suggestion box · Labor meeting · Department meetings · Bulletin Board and Electronic Bulletin Board · Educational training 	<ul style="list-style-type: none"> · Instant · Once every three months · Weekly, monthly, or irregular 	<ol style="list-style-type: none"> 1. To plan work instructions according to employee's personal work needs, the result of performance evaluation, and the need for career development 2. To hold regular labor communication meetings 3. We will establish Occupational Safety and Health Committee and have obtained management system ISO 45001 certification, and fulfill safety and sanitation 4. ISO 14001 environmental verification. 5. To provide complete employee benefits
Shareholder / Investor	Energy (GRI 302) Emissions (GRI 305) Waste (GRI 306) Customer Health and Safety (GRI 416) Economic Performance (GRI 201) Occupational Safety and Health (GRI 403)	We are responsible for stockholders of Batom Co., LTD	<ul style="list-style-type: none"> · General meeting of shareholders · Telephone · E-mail 	<ul style="list-style-type: none"> · Instant · Once a year · Irregular 	<ol style="list-style-type: none"> 1. To publish the operating status of self-statistics statements every year 2. To provide the company's handbook of the meeting of shareholder, annual report of the shareholders'
Client	Energy (GRI 302) Emissions (GRI 305) Waste (GRI 306) Customer Health and Safety (GRI 416) Economic Performance (GRI 201)	To do everything possible to meet the needs of customers, to continuously improve skills such as development technology, manufacturing technology, and management technology to move our progress forward so we can provide safe, reliable and high-quality products.	<ul style="list-style-type: none"> · Email · Telephone · Electronic messages 	<ul style="list-style-type: none"> · Anytime 	<p>The results of the customer satisfaction survey are higher than the indicator.</p> <p>Only by giving customers fine and safe product, can we ensure our sustainable operation.</p>

▼ Stakeholder communication channels

Stakeholder	Corresponding Major	Significance of Stakeholders to	Communication Channels	Frequency	Communication Effectiveness
Supplier / Contractor					
	Waste (GRI 306) Customer Health and Safety (GRI 416) Economic Performance (GRI 201) Occupational Safety and Health (GRI 403)	To provide our production process of manufacturing services or OEM or other labor activities.	<ul style="list-style-type: none"> Telephone, E-mail, personnel visit Annual supplier c Social Responsibility Commit ment letter 	<ul style="list-style-type: none"> Irregular Annual 	<ol style="list-style-type: none"> Delivery schedules meet customer needs. The products are manufactured in accordance with IATF16949, AS9100 and other systems. Suppliers comply with corporate social responsibility.
Governmental Authorities					
	Energy (GRI 302) Emission (GRI 305) Waste (GRI 306) Customer Health and Safety (GRI 416) Occupational Safety and Health (GRI 403)	<p>Fire department: Supervise the fire plan and fire safety functions and notify irregularly of the latest fire news.</p> <p>Environmental Protection: Provide legal disposal firm.</p> <p>Office of Labor Inspection: Monitor safety and health compliance, Notify irregularly the latest news of occupational safety and health regulations and inspect on-site health and safety conditions.</p> <p>National Taxation Bureau Head Office of the Ministry of Economic Affairs: The products and services and related marketing activities launched by the company are subject to inspection and supervision by the competent authorities.</p> <p>Occupational Safety Administration, Labor Inspection Office:</p> <ol style="list-style-type: none"> Comply with various labor regulations and communicate with government authorities. Comply with various occupational regulations and enter in contact with the Occupational Safety Administration, and Labor Inspection Office: 	<ul style="list-style-type: none"> Correspondence of Fire department and social media (LINE) regional groups chat Government correspondence Correspondence from the labor inspection office and on-site examination (irregular) E-mail , official document, meeting, telephone 	<ul style="list-style-type: none"> Every six months Every year Irregular Instant / once every two months / once a year / irregularly Instant / Monthly 	<ol style="list-style-type: none"> Compliance with regulations Compliance with regulations Compliance with regulations Provide the information of tax declaration report every two months (years). Regular production and marketing cycles / Interdepartmental communication Communicate with supervisors if necessary Pay closely attention to government policies and regulations, Implement, and comply with regulations, assist proactively in promoting policies.
Financial Institution					
	Economic Performance (GRI 201)	The financial institution understands the status of the company operations, financing, and credit conditions	<ul style="list-style-type: none"> E-mail Correspondence Conference Telephone Visit 	<ul style="list-style-type: none"> Instant Once a month Irregular 	<ol style="list-style-type: none"> Provide monthly self-statistics financial report. Hold regularly department meetings. Communicate with supervisors if necessary
Academic Unit					
	Training and Education (GRI 404) Employment labor/Management Relations (GRI 402)	By industry-academia cooperation, we train and discover talents. We cooperate with professionals from academic institutions to improve our expertise.	<ul style="list-style-type: none"> Telephone Official correspondence Letters Presentation Regular visits by professors 	<ul style="list-style-type: none"> Instant Regularly Irregular 	We have been cooperating with universities in central Taiwan for 8 years. In 2022, there were 7 students joined our team.



Sustainable Development

1.3 Identification of Mayor Issues

We refer to the GRI and the SASB for the options of major themes. The identification is made by our representatives, head department, and external experts. They evaluate based on actual or potential negative or positive impacts on the topics of the economy, environment, and society (human beings and human rights).

The evaluation process can be divided into four stages :

1 Understand the context of the organization

A total of 35 sustainable issues were collected based on the reference of GRI guidelines and Sustainability Accounting Standards Board (SASB),

2 Identify actual and potential impacts

Our representatives, head department, and external experts evaluate according to actual potential negative or positive impacts on the sustainability issue of the economy, environment, and society (human beings and human rights). The actual and potential negative impacts or actual and potential positive impacts of each theme in the economy, environment, and society (human and human rights) are ranked according to scores. There is total 15 items with scores greater than 30 points.

3 Evaluate the significance of the impact

A meeting with external experts will be held after discussing with our representatives, head department, and stakeholders. There are nine subjects as major issues are identified based on previous operating experience and the discussion of significance and possibility of the impact on the issue.

4 Prioritize reports with the most significant impact

Our representatives and head department carry out a comprehensive evaluation with external experts based on the analysis results of major sustainable issues. One economic, three environmental and five social (human beings and human rights) subjects were merged into six major topics. These major topics are successively allocated to each chapter of the report for disclosure purpose.

The company identified six major topics

Energy & Emissions

Waste

Customer Health and Safety

Economic Performance

Occupational Safety and Health

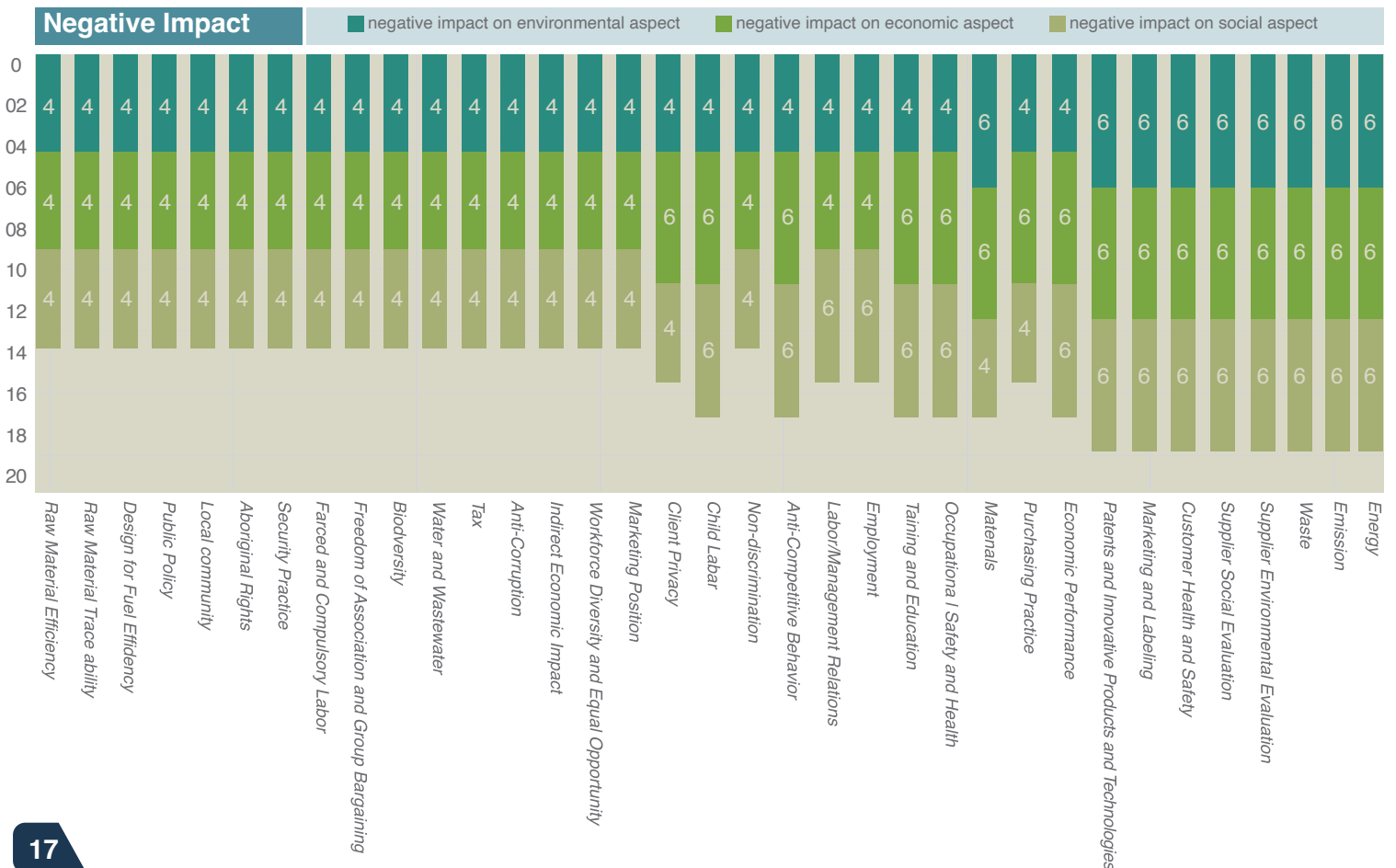
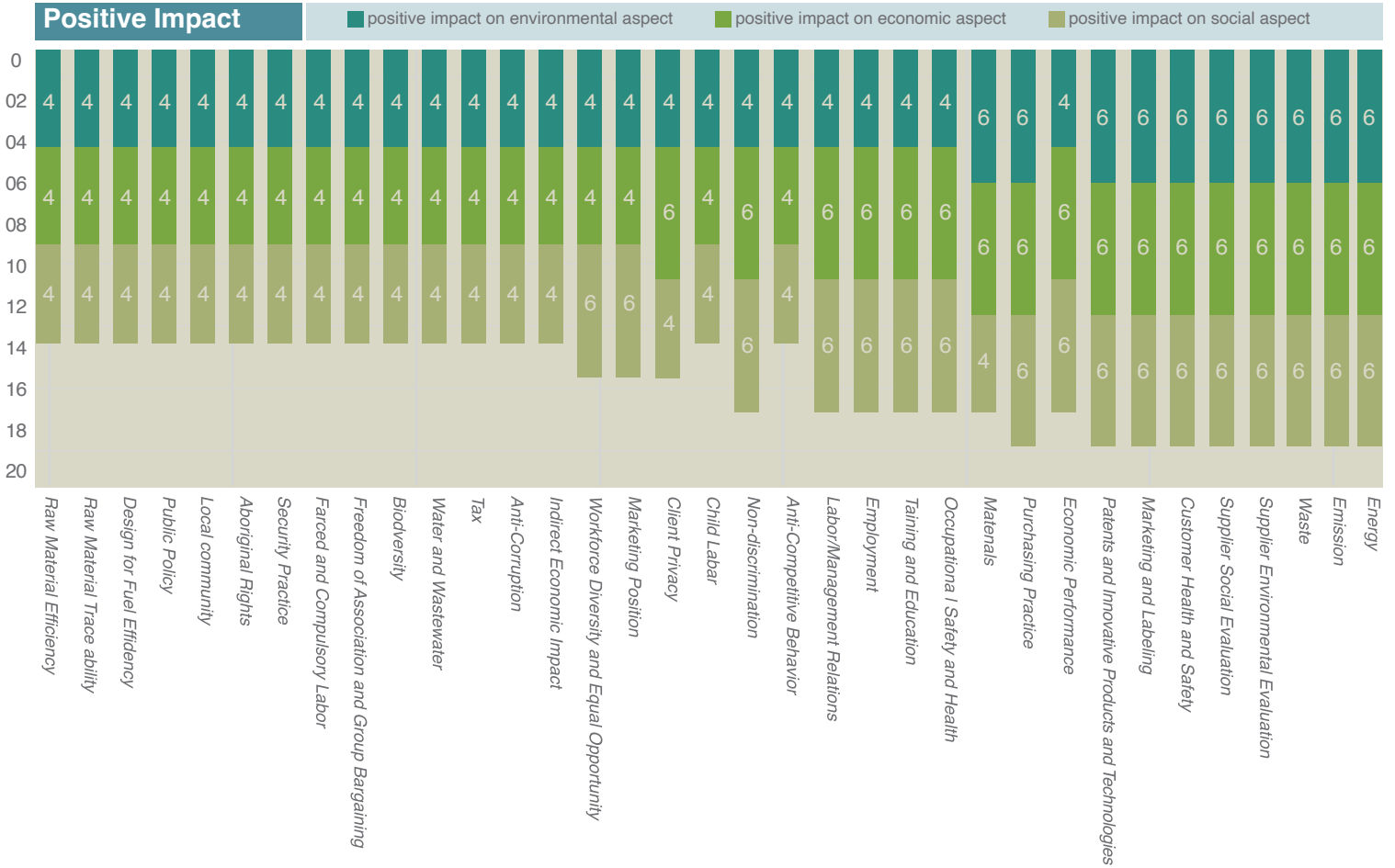
Training & Education & Employment & Labor/Management Relations.

Secondary Topic

Supplier Environmental Evaluation • Supplier Social Evaluation • Marketing and Labeling • Patents and Innovative Products and Technologies • Patents and Innovative Products and Technologies • Materials • Anti-competitive Practices (competitive behavior) Non-Discrimination • Child Labor • Consumer Privacy • Market Positioning • Employee Diversity and Equal Opportunities Indirect Economic impact • Anti-corruption • Taxation • Water and Wastewater Treatment • Biodiversity • Freedom of Association and Group Consultation • Forced and Compulsory Labor • Security Practices • Aboriginal Rights • Local Communities Public Policy • Fuel-Efficient Design • Origin of Raw material • Effectiveness' of Raw material



The degree of positive impact of the major themes of Batom co.,Ltd

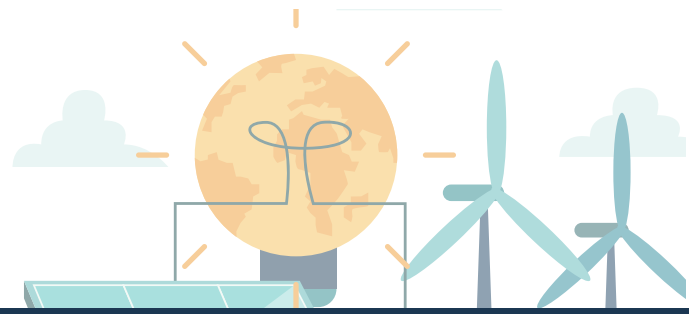




1.3 Identification of Mayor Issues

▼ A List of Major Issues

A list of major issues	Description of the organization and policies or commitments related to major topics	Description of the Impact	Actual / potential Positive / negative	Major impact
Energy & Emissions (Energy GRI 302, Emissions GRI 305)	Environmental safety and health policy: regulatory compliance, health promotion, injury prevention, implementation of communication, continuous improvement	Energy and emissions are major issues of our concern. They are the direct cause of global warming, resulting in sea level rise, extreme weather and endangered species and ecology	Actual Positive / Actual Negative / Potential Positive / Potential Negative	Shareholders and Investors, Customers, Government Authorities
Waste (Waste GRI 306)	Continuous improvement: waste (mixture of waste oil) reduction, decrease the of environment	The mixture of oil waste produced by the machine while cleaning the workpieces has an annual output capacity of about 14 metric tons. The amount of mixture of waste oil that has to be burnt every year is significant, and produces greenhouse gas emissions	Actual Positive / Actual Negative / Potential Positive / Potential Negative	Shareholders and Investors, Customers, Government Authorities, Suppliers or Contractors
Customer Health and Safety (Customer Health and Safety GRI 416)	Giving customers fine and safe products can ensure the sustainable operation of the organization.	Environment: The product will not have an impact on the environment. Economy: If the safety component fails, customers may return the product and cause property losses. Human beings/Human Rights: When there is a failure of safety components, end users may concern its security.	Actual Positive / Actual Negative / Potential Positive / Potential Negative	Shareholders and Investors, Customers, Suppliers or Contractors, Government Authorities
Economic Performance (Economic Performance GRI 201)	Strengthen the competitiveness of enterprises to face the challenges and changes of the global market; long-term stable profits as the foundation of business operations; improve conditions for the sustainable operation of enterprises to create the performance of sustainable development	<ol style="list-style-type: none"> 1. To develop new customers for increasing opportunities and profits 2. When unable to meet customers' needs, orders lose, resulting in decreasing profits 3. Where there is a good corporate reputation, corporal opportunities with industries or distributors increase, and investors and financial institutions have a very high willing to invest. 4. Operation is interrupted when insufficient investor confidence 	Actual Positive / Actual Negative / Potential Positive / Potential Negative	Shareholders and Investors, Customers, Suppliers or Contractors, Financial Institutions



1.3 Identification of Major Issues

▼ A List of Major Issues

A list of major issues	Description of the organization and policies or commitments related to major topics	Description of the Impact	Actual / potential Positive / negative	Major impact
Occupational Safety and Health (Occupational Safety and Health GRI 403)	Environmental safety and health policy: regulatory compliance, health promotion, injury prevention, implementation of communication, continuous improvement	<ol style="list-style-type: none"> 1. Violation of the regulation of the Occupational Safety and Health, the serious occupational accident occurs (For example, Article 37 paragraph 2 of the Occupational Safety and Health Act) 2. It could cause the risk of shutdown or labor shortage when a major occupational accident occurs. The company faces operational disruption or reduces production capacity. 3. Any damage to the corporate reputation will impact customer preference, which may cause direct losses to shareholders 4. Negative news are reported exaggeratedly by the press, and records of violations are kept permanently 	Actual Positive/ Actual Negative/Potential Positive/Potential Negative	Employees, Shareholders and Investors, Suppliers or Contractors, Government Authorities
Training and Education & Employment & Labor / Management Relations (Training and Education GRI 404, Employment GRI 401, Labor / Management Relations GRI 402)	The training plan is being launched in order to establish the staff training system. It enables employees to acquire knowledge, skills and a proactive work attitude needed in the workplace, thereby improving the performance of employees and the company's operational efficiency.	<ol style="list-style-type: none"> 1. If employee training is inadequate, it will directly or indirectly affect the company's production capacity and quality. 2. If employees cannot learn from their career positions, not only their personal development are restricted, but it also affects the overall progress of the company. 3. If the relationship between labor and management deteriorates, the confrontation and distrust increases. 	Actual Positive/ Actual Negative/Potential Positive/Potential Negative	Employees, Academic institutions, Shareholders, and Investors





2.1 Financial Performance

Major Topic: Economic performance

Reporting Requirements	Explanation and Example of Reporting Requirements
Major Reason for This Topic	Strengthen the competitiveness of enterprises to face the challenges and changes of the global market; long-term stable profits as the foundation of business operations; improve conditions for the sustainable operation of enterprises to create the performance of sustainable development
Policies / Strategies	Social Responsibility, Sustainable Operation, International Development
Goal	<ul style="list-style-type: none"> ◀+ Short-term: strengthen enterprises to enhance domestic and foreign competitiveness ◀+ Mid-term: stabilize business growth and profit-making ◀+ Long-term: create economic value of shareholder equity, strengthen the spirit of sustainable development, pursue its growth and balance
Management Evaluation Mechanism	Conduct business management meetings regularly to check the operation status
Performance and Adjustments	In 2022, our revenue increased by 14% compared with 2021, and the net profit increased by 0.33%. Not only did we meet the set goals but had slightly improved.
Preventive or Remedial Measures	In 2022, our revenue increased by 14% compared with 2021, and the net profit increased by 0.33%. Not only did we meet the set goals but had slightly improved.

Item/year		2020	2021	2022
Operating Income	(thousand yuan)	573,419	970,166	1,116,469
Operating Gross Profit	(thousand yuan)	13,063	136,455	103,987
Operating Profit and Loss	(thousand yuan)	(14,444)	64,728	25,787
Non-Operating Income and Expenses	(thousand yuan)	(28,052)	(9,635)	42,339
Net Profit Before Tax	(thousand yuan)	(42,496)	55,093	68,126
Current Period's Net Profit After Tax	(thousand yuan)	(29,160)	45,332	47,666
Current Period's Comprehensive Profit and Loss	(thousand yuan)	(29,102)	42,862	51,132
Earnings Per Share	(thousand yuan)	(1.15)	1.78	1.52
Amount of Employee Benefits	(thousand yuan)	18,578	21,573	27,497
Dividend	(thousand yuan)	0	0	0
Employee Salary (including employee benefits)	(thousand yuan)	108,652	139,115	164,414
Retained Earnings	(thousand yuan)	(24,656)	55,715	14,038
Payment to Contributors	(thousand yuan)	0	0	0
Payment to Government Authorities	(thousand yuan)	0	0	0
Community Investment	(thousand yuan)	0	0	141

Note:

1. The payment to the contributors refers to the dividend paid to all shareholders, plus the interest paid to the lender ((including any kind of loans and interest on loans) (we do not launch special dividend)
 2. Payment to the government authorities refers to all taxes (including business tax, income tax, property tax) and fines.
 3. The employee benefit in the item of "Employee salary (including employee benefits)" includes labor and health insurance and pension, the total amount of benefits provided to employees in monetary form (excluding educational training and costs of protective equipment or those directly related to the employee's job duties); The amount of employee benefits refers to the welfare expenses that the company distribute to the Welfare Committee to pay employees, such as company travel wellness checks, gift boxes for festivals, the total cost of benefits provided to employees in non-monetary form.
 4. Community investment refers to donations
 5. The currency is the New Taiwan Dollar.
 6. Retained earnings refers to "Direct Economic Value Generated" - "Economic Value Distributed."
- *Direct economic value generated: income.
 *Economic value distributed: operating costs, employee salaries and benefits, payments to lenders, payments to governments authorities by countries, community investments.

The following table indicates our financial support from the government in 2022, and it's expected to apply for grants of "Health Promotion" from Ministry of Labor in 2023.

Item	Grant Institute	Subsidy amount (yuan)
Onsite clinic Health Services Subsidy	Occupational safety and Health Administration, Ministry of Labor	86,400
Total		86,400

Note: Tax deduction, subsidy program and epidemic aid are belonged to government subsidies.

* Period of financial report disclosure : 2022/01/01-12/31

Company Governance

2.1 Financial Performance



Our tax policies are strictly followed as below :

Elevant tax laws and regulations such as the securities and exchange act, income Tax Law, and business tax law published by the current authority competent.

The proposed tax policies are considered as below

Principle of the Rule of Law :

Regularly carry out legal identification and update the regulations published by the authorities competent, comply with the tax regulations and legislative spirit, declare, and pay taxes correctly, and have supporting documents prepared.

Principle of Comprehensive Decision-making :

Concern the changes in national and international tax regulations and evaluate its impact and adjust strategies accordingly.

Principle of Information Transparency :

Appoint accountants to conduct financial statement audits regularly, issue financial reports and publish tax-related information to ensure its correctness and transparency.

Principle of Proactive Communications :

Maintain honest communication with the National Taxation Bureau and Revenue Service, if needed, support to improve the tax environment and system

Principle of Reasonable Tax Reduction :

Proceed legitimate and transparent tax incentives from the government, do not access methods that violate the regulations to save taxes and improper channels to avoid taxes.

Principle of Risk Control :

When carrying out tax decision-making, we evaluate relevant risks and adopt appropriate strategies to reduce the loss.

Principle of Commercial Substance :

The transaction of interested party must comply with economic substance, decision makers take risks and receive appropriate rewards.

Principle of Regular Transaction :

The prices and conditions of transactions between related parties and non-related parties should be reasonable.

In terms of tax governance, control and risk management, the financial institute carries out identification of regulation and follows the latest regional tax laws to keep the board of directors informed of internal risks and tax trend. We decrease frequency of tax disputes and control the amount under the effective operation of the risk management mechanism.

Internal auditors follow the annual audit and issue an audit report based on the audit result and keep board of directors informed of the status of audit implementation every quarter.

Tax Policies

Compliance and planning : It's expected that in 2023, the system will be updated, and the information will be integrated to improve accuracy and efficiency on finance and taxation operation.

Professional standardization : Professional knowledge on taxes is passed down through the establishment of operation manuals, working papers, experience sharing and the establishment of the agent system.

Performance evaluation : Since the performance of financial personnel is highly related to the annual taxation plan, therefore evaluation will be based on achievement of the outcome of goalsetting. Radical tax evasion to obtain personal performance is prohibited.



2.1 Financial Performance

Tax Risk Management Mechanism

Accountants and lawyers :

Consult with professional experts to assist in our improvement of tax administration and evaluate the risk of regional tax laws.

Board of Directors :

With the advice provided by experts and the discussion within the internal management department, high-risk tax issues will be reported to the board of directors to play the supervisory role.

The mechanism of whistleblowing :

Formulating protection procedures for complaints and whistleblowers and setting whistle-blowing hotline/mailbox allow employees and interested parties to report illegal tax or immoral issues.

Correctness of tax disclosure :

Based on the financial statements issued by the accounting firm, they will be published on the official website, the meeting of annual report of shareholder and other public channels.

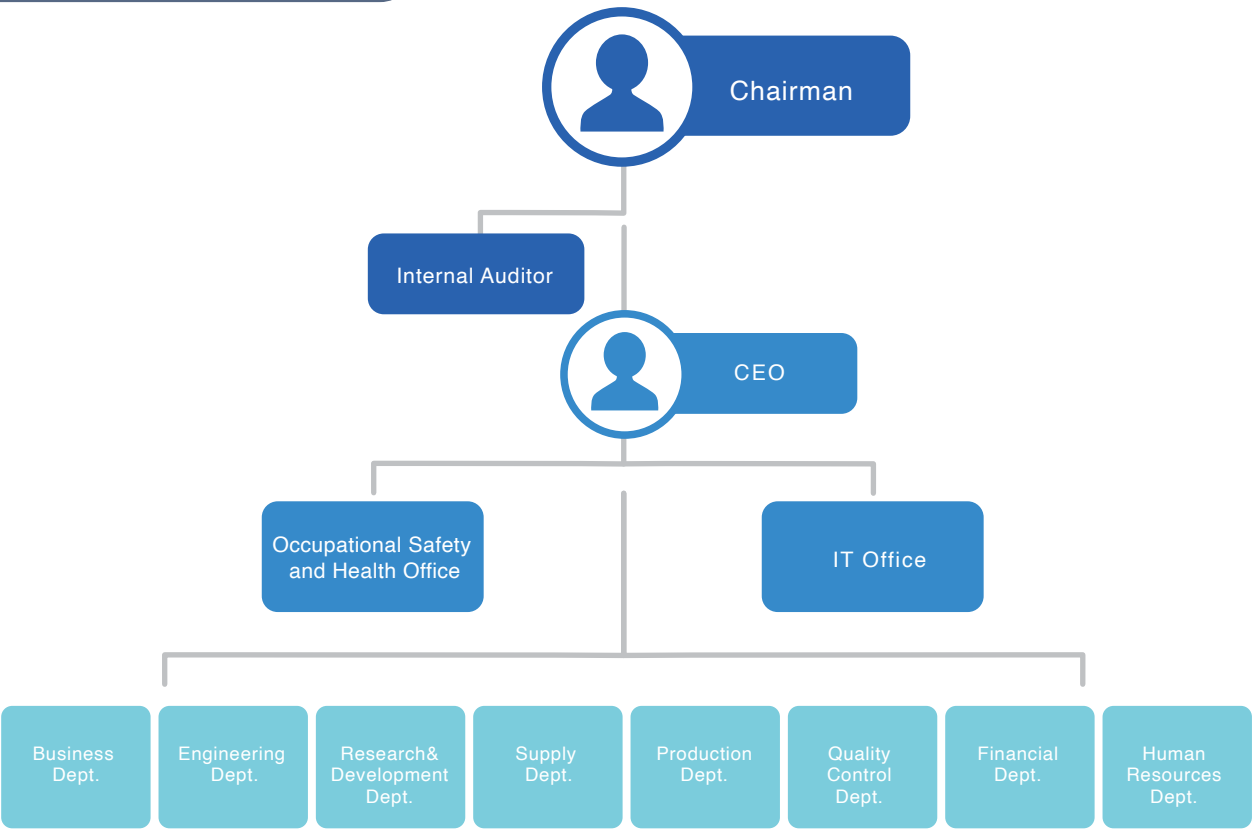
Regarding to the topics related to tax, stakeholder negotiation and management, we actively establish multi-channels to communicate with stakeholders, participate in actions such as tax initiatives to support the implementation of several new tax policies, and provide a tax environment in which trust and co-operation can develop.

National Taxation Bureau and Revenue Service Office - if there is any doubt about the application of laws and regulations, we will take the initiative to communicate with the National Taxation Bureau and Revenue Service Office ; we are dedicated in submitting relevant documents and instructions when receiving a request from the tax authorities.

Global ESG - We are currently establishing ESG system and expect to participate in relevant organizational meetings and discuss thoughtfully with investors and members about international tax issues and exchange the message of sustainable taxation to employees, manufacturers and other enterprises.

Supervisors and investors - they can effectively understand the status of risk control situation by communicating tax issues between the board of directors and supervisors, and tax page on our official website is set up to explain effectively to investors the reasons for changes in tax rates and outcome of tax management.

Company Organizational Chart 2.2 Summary Operations



Board of Directors

The information of our board members and supervisors are as below :

Title	Name	Gender	Age (Year)	Date of the first (election) appoint	Academic Experience	Current holding positions in the company and other companies	Industrial Experience				Professional Ability		
							Banking/ Finance	Operational/ experience	Marketing	Research	Accounting and Financial Analysis	Information/ Technology	Risk management
President	Morley Lin	M.	over 50	2015/04/15	EMBA Business -Leader Team in National Chung Hsing University	—		●	●	●			●
Board	Samuel Lin	M.	over 50	2015/04/15	Graduate education in Architecture, National Check Kung University	—		●	●	●		●	
Board	Linda Lin	F.	over 50	2015/04/15	Bachelor's degree in accounting, Feng Chia University	—		●	●		●		
Board	SHIH, JUNG-HUI	F.	30~50	2022/06/02	Master's degree in accounting, Soochow University	Project manager in Pegatron Corporation	●	●			●		●
Board	HO, PING-TZU	M.	over 50	2022/06/02	Guanghua Vocational High School	General Manager in FENG FUH MACHINERY CO., LTD.		●	●	●			●
Supervisor	CHI, PANG-CHIEH	M.	over 50	2022/06/02	National Defense Medical Center School of Medicine	Chair of board in JiWai Urology clinic		●	●				●
Supervisor	TSAI, TSUNG-HSIEN	M.	over 50	2022/06/25	Feng Chia University	—	●	●	●		●		

Note: One member of the board of directors is 30-50 years old, and 6 are over 50 years old.

Morley Lin, the president of Batom Co., LTD, is chairman, and Samuel Lin, the general manager, is the management chairman to oversee ESG-related projects. Regarding the details of the nomination and selection of the highest governance body of the company, the board of directors focuses on high efficiency, transparency, diversity, and professionalism to enhance corporate governance. The board of directors considers the professional abilities to execute business such as operational judgment, accounting and financial analysis, operation management, crisis management, industry knowledge, international market outlook, leadership, to avoid blind spots in decision making.

Our board members adopt a candidate nomination system in accordance with company policy. In June 2015, the shareholders elected the first members of board of directors according to the "Rules for Election of Directors" during the meeting. The term of office is 3 years. There were three directors and one supervisor (one female director and one supervisor) served as members of board of directors with a term of 3 years. Female directors accounted for 33%, and the attendance rate was 100%. The present does not serve as general manager of the company, he expects that the quality of management is improved by introducing the perspectives of external stakeholders with its outstanding industrial knowledge. On June 2, 2022, our shareholders were re-elected according to the "Rules for Election of Directors and Supervisors " There were two female directors being elected, and the proportion of female directors was 40%. The number of directors has increased from three to five, and the number of supervisors has increased from one to two. Our company's "Rules for Election of Directors and Supervisors " was approved by the shareholders during the meeting on June 2, 2022.

Article 1 :

Article 1: In order to seek fairness, justness, and openness to select directors and supervisors, we establish regulations in accordance with articles 21 and 41 of the Code of Practice for Corporate Governance of listed companies", we shall handle issues in accordance with this regulation, except as otherwise provided by rules or regulations.

Article 2 :

The election of directors and supervisors of the company shall be held during the shareholders' meeting. It should be done in accordance with the procedure of candidate nomination system stipulated in article 192-1 of the company law. Both elections adopt cumulative voting. Each share has the same voting right for the number of directors or supervisors to be elected. The ballots referred to in the preceding paragraph may be a centralized election of one person or a number of persons shall be allocated for. The registration of voters may be substituted by the number of the attendance card.

Article 3 :

Unless approved by the competent authority, representatives of the government or corporate shareholders shall not be elected or serve as directors and supervisors of the company at the same time.

No more than half of the Directors of the Company shall have the following relationships among them.

(1) Spouse.

(2) Relatives within the second degree.

There should be at least one seat among the elected supervisors or between the supervisors and the directors and should not have any of the above-mentioned relationships.

Article 4 :

When the company made a public offering, if the elected directors and supervisors do not comply with Article 26-3 of the Securities and Exchange Act, they shall be determined in accordance with the following provisions:

(1) If the directors do not meet the requirements, the non-qualifying Director(s) who was elected with the fewer number of votes shall be deemed not to have been elected

(2) If the supervisors do not comply with the regulations, the provisions of the preceding paragraph shall apply mutatis mutandis.

(3) If the supervisors and directors do not meet the requirements, the non-qualifying supervisor(s) who was elected with the fewer number of votes shall be deemed not to have been elected.



2.2 Summary Operations

Article 5 :

In the election of directors and supervisors of the company, unless otherwise stipulated by laws and regulations, each share has the same voting right as the number of directors or supervisors to be elected according to its voting rights, and the board of directors prepares the ballots that should be elected as the number of directors or supervisors and distributes them to the shareholders.

The ballots referred to in the preceding paragraph may be a centralized election of one person or a number of persons shall be allocated for

Article 6 :

In the election of directors and supervisors of the company, the candidates with the most votes win in order of descending number of votes. For those elected as Directors and Supervisors at the same time shall decide to choose the seats as Directors or Supervisors. If the supervisor confirms that information does not match or election is invalid due to the violations of relevant laws and regulations, the vacancy will be filled by the candidate with the second most votes originally elected. If two or more persons have the same number of rights, the number of persons with the same number of rights shall be determined by drawing lots, and if there are no participants, the Chairman shall draw lots on his behalf.

Article 7 :

When the board of directors prepares ballots, besides stamping company seal on the ballot, they number according to the attendance card number and fill in its number of rights and distribute them to the shareholders.

Article 8 :

Before the election begins, the chairman shall designate a scrutineer and a recorder to handle vote-taking procedures.

Article 9 :

If the candidate is a shareholder of the company, voters shall fill in the "candidate" column the candidate's name and shareholder's number, then put it in the voting box. If the candidate is not a shareholder of the company, voters shall fill in the "candidate" column the candidate's name, the candidate's ID number. If the candidate is a legal entity, the full name of the legal entity or the name(s) of their representative(s) should be filled in the column. If there are several representatives, the names of the representatives should be added separately.

Article 10 :

Ballots shall be deemed void under the following conditions:

Ballots not prepared under regulations; Those who put blank ballots into the ballot box; The handwriting is blurred and unrecognizable or has been altered; If the candidate is a shareholder of the company, the name or shareholder's number of the candidate filled in the ballot inconsistent with the shareholders' register. If the candidate is not a shareholder of the company, the name or ID number of the candidate filled in the ballot is incorrect. Two or more candidates are listed on the same ballot. Ballots with other written characters or symbols in addition to candidate's name, shareholder's number (ID number) and the number of votes cast for the candidate; The name of the candidates filled in the ballots being the same as another candidate's name and the respective shareholder's numbers (ID numbers) not being indicated to distinguish them.

Article 11 :

the ballots should be calculated during the meeting right after the vote casting and the results of the election should be announced by the Chairman at the meeting.

The ballots for the elections mentioned in the preceding paragraph shall be sealed and signed by the scrutineers and shall be kept in a safe place for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Law, it shall be kept until the conclusion of the lawsuit.

Article 12 :

The company shall issue notifications to the directors elected.

Article 13 :

Issues not specified in measurement shall be executed in accordance with the Company Law and relevant regulations.

Article 14 :

These Rules and any revision thereof shall become effective after approval at the shareholders' meeting.



Education and Training of the Board of Directors

Our members of the board of directors have not received professional education and training programs in 2022, but it is expected that in 2023 relevant education and training courses will be provided.

Regarding the performance evaluation of the highest governance body, it is expected to apply for OTC in June 2024 according to our IPO schedule, therefore, at the moment, no independent directors have been established yet. The company's salary determination process is expected to be completed in the first quarter of 2023. At the moment, the remuneration management for directors and senior management personnel is still being formulated. In the second quarter of 2023, the "rule for "Self-valuation of the Board of Directors" is expected to be completed and will have the Board of directors approved in the second quarter of 2024. The remuneration committee and the audit committee will be established by the board of directors in the second quarter of 2023 and its members will be elected. And in the meanwhile, the proposals of "Organizational Regulations of the Salary and Remuneration Committee", "Management Operations of Salary and Compensation Committee", "Management Measures of Audit Committee Operation" and "Organizational Regulation of Audit committee" and other related management measures should be proposed and passed.

Communicate about Important Issues

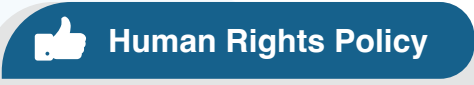
We value the importance of sustainable development, we continue ESG systems and compile sustainability reports. The content of the report is reviewed and approved by the president and general manager and launched after the approval of the board of directors' proposal.

No significant event occurred in 2022.

Aspect	Total Number of Major Incidents	Communication Method and Frequency	Communication Results
Environmental Aspect	Energy & Emission	<ol style="list-style-type: none"> 1. Meeting / once a week 2. Employee suggestion box/ irregular 3. Announcement of environmental and energy-related policies and regulations on the bulletin board/ Irregular 	<ol style="list-style-type: none"> 1. Monitoring the environmental objectives and performance 2. Encouraging employees to save energy, reduce carbon emissions, save water and minimize waste 3. Encouraging employees to propose a competition of improvements of environmental issues.
	Waste	<ol style="list-style-type: none"> 1. Meeting / once a week 2. Employee suggestion box/ irregular 3. Announcement of environmental and energy-related policies and regulations on the bulletin board/ Irregular 	<ol style="list-style-type: none"> 1. Monitoring the environmental objectives and performance 2. Encouraging employees to reduce waste 3. Encouraging employees to propose a competition of improvements of environmental issues.
Economic Aspect	Economic Performance	Summoning a meeting of directors/ once every quarter	<p>The board of directors authorizes the manager to directly organize and carry out business activities, and if necessary, report the situation to the board of directors.</p> <p>For board resolutions, previous tracking report on status of board decisions should be presented at quarterly meetings,</p>
Social Aspect	Training and Education & Employment	<ol style="list-style-type: none"> 1. Training and education shall be carried out according to the annual plan. 2. Department meeting / monthly or weekly 3. Meeting of Labor-management and occupational safety and health committees/ once every 3 months 4. Employee suggestion boxes / irregular. 5. Announcement of policies and regulations related to human resources and regulations on a bulletin/ irregular 	<ol style="list-style-type: none"> 1. Encourage employees to participate in education and training, an annual education and training plan is provided to employees with aspects such as knowledge, skills or career development, health promotion, etc. 2. We promise to follow governmental regulations, RBA responsible business alliance code of conduct, and other applicable industry standards and international conventions 3. We continue to improve the working environment and employee benefits and encourage employees to participate in public welfare, and activities of health and environmental protection. 4. Encourage employees to discuss labor-management issues and proposals for improvement.
	Customers Health and Safety	Meeting/ every week	No product safety parts have been manufactured yet.
	Occupational Safety and Health	<ol style="list-style-type: none"> 1. Meeting of The Occupational Safety and Health Committee/once a quarter 2. Meeting of the labor-management meeting / once a quarter 3. The employee suggestion box / irregular 4. Announcement of policies and regulations related to safety and hygiene on the bulletin / irregular 	<ol style="list-style-type: none"> 1. Describe occupational safety and health policies and regulations. 2. Supervise safety and health management and draft improvement plans. 3. Occupational accidents and improvement status 4. Encourage employees to propose a competition on safety and health issues.



Human Rights Policy



We are still introducing RBA methodology and integrating sustainable policy into code of practice for "Corporate Sustainable Development". Relevant codes will be applied to supervise impact management. Regarding to economic, environmental, social and risk issues related to sustainable, management, authorities (such as: Human resource department, Management Department, Finance Department, Occupational Safety and health Office and other relevant departments) are responsible for proposals 's discussion and implementation. As soon as paid-in capital reaches more than 2-billion-yuan, a sustainable development committee will be established.

Not only do we have been included the policy commitments, while engaging in business operations, we also strictly follow regulations and relevant applicable international regulations such as the Code of Conduct of the Responsible Business Alliance (RBA), to practice corporate social responsibility, contribute to economic, environmental, and social progress further to achieve the goal of sustainable development.

We establish a proper management system to ensure the implementation of social responsibility practices, and promise:

◆ **1. Comply with integrity and business ethics :**

Uphold integrity management, fairness, and transparency, prevent conflicts of interest, prohibit unreasonable gifts, entertainment or other improper benefits, and any form of corruption, deception and bribery and other improper behavior, Respect and protect our privacy and intellectual property rights and others; prohibit improper benefits through manipulation, concealment, abuse or other unfair trading methods

◆ **2. Protect human rights and respect for the employees :**

Follow international labor human rights standards, respect employees' freedom of association and collective bargaining rights; prohibit child labor and any form of forced labor and human trafficking; care for vulnerable groups; prohibit employment discrimination and implement employment equality and fairness.

◆ **3. Safety, health, and environmental protection :**

The environmental management institute implements specific action plans for promoting and maintaining relevant environmental management systems and occupational health and safety, advocates the concept of sustainable consumption; ensure the physical and mental health of employees at work.

◆ **4. Supply chain management :**

Do not support or use metals and minerals from armed conflicts and illegal mining, Follow the rules for supplier management and implement corporate social responsibility.

◆ **5. Communication :**

Organize education and training, ensure that policies promoting sustainable development communicate the issues of concern to stakeholders, and provide effective instant communication channels to strengthen the sustainable development.

◆ **Note: Human Rights Management Measures (for human rights issues and management measures of employees)**

Establish a secure and confidential complaint process and protection mechanism, provide channels for problem reports and safety protection system, promote employee equity in a company, advocate safety /education and training in the workplace, implement employee assistance programs such as- measurement for employee care and visit, disclosure and identification of labor laws, ensuring compliance with labor laws, require attendance and record keeping and attendance management system, take the initiative to care for employees with abnormal attendance, reduce the risk of violation of work rules

✓ **Preventive and Remedial Measures**

When facing the negative impact of remedial measures, stakeholders will concern whether the enterprise follows fair labor and environmental protection, balances the risks of cost, reduces damages of company reputation and risk of supply disruption while the process of purchasing and manufacturing.



RBA Guidelines Comparison Table of Responsibility unit and Item

Source: RBA Social Responsibility Management Manual

A.Labor	B. Health&Safety	C.Environment	D.Ethics	E.Management System
Responsibility unit : Human Resource Dept.	Responsibility unit : Occupational Safety and Health office	Responsibility unit : Occupational Safety and Health office	Responsibility unit : Financial Dept	Responsibility unit : Management Representative
Item	Item	Item	Item	Item
<ol style="list-style-type: none"> Free chosen Employment Young workers Working hours Wages and benefits Humane treatment Non-discrimination Freedom of association 	<ol style="list-style-type: none"> Occupational safety Emergency preparedness Occupational injury and illness Industrial hygiene Physically demanding work Machine safeguarding Sanitation, food and housing Health and safety communication 	<ol style="list-style-type: none"> Environmental permits and reporting Pollution prevention and resource reduction Hazardous substances Solid waste Air emissions Materials restrictions Water management Energy consumptio Energy consumption and greenhouse gas emissions. 	<ol style="list-style-type: none"> Business integrity No improper advantage Disclosure of information Intellectual property Fair business, advertising and competition Protection of identity and non-retaliation Responsible sourcing of minerals Privacy 	<ol style="list-style-type: none"> Company commitment Management accountability and responsibility Legal and customer requirements Risk assessment and risk management Improvement objectives Training Communication Worker feedback, participation and grievance Audits and assessments Corrective action process Documentation and records Supplier responsibly

In order to have a sustainable and resilient supply chain, we introduce the performance of RBA and ESG to cooperative selection and management process. We require suppliers to have a safe working environment, prohibit forced labor and child labor, respect and protect the employees, avoid poor environment, comply with business ethics and other regulations by establishing the structure of a responsible and transparent supply chain management. Through annual audits and measures of assistance and counseling program, we ensure that suppliers comply with our business code of conduct. We lead the supply chain to become sustainable and make substantial contributions while reducing potential risk.

Only by cooperating with partners in the value chain, can we truly implement the sustainable operation of the enterprise. Through the code of conduct, risk classification management, and audit assistance, we guide our entire supply chain to transform sustainable development and continue to improve on issues such as environmental protection, human rights, and occupational safety.

Our corrective measures are as below :

Establish a non-conformity procedure, corrective and preventive procedures, to promptly identify inadequacies found in internal and external assessments, inspections, investigations, and audits.

☑ If any non-conformities procedures are found, such as :

A.Non-compliance with regulations and management systems.

B.Failure to meet goals and objectives.

C.Failure to meet the control standards.

☑ Corrective and preventive procedures :

A.Propose abnormalities

: the discovery personnel fill out the “correction and prevention sheet” if necessary and submit it to the execution personnel for improvement.

B.Analyze abnormalities

: After receiving the notification of the abnormality, each responsible personnel conducts investigation and analysis of the cause according to the abnormal situation.

C.Implement countermeasure

: The responsible personnel proposes improvement and preventive measures based on the identification of the abnormal cause.

D.Track improvement efficiency

: The countermeasures and the effectiveness of implementation proposed by the responsible personnel should be tracked and confirmed. If the goal is not met, the improvement measures must be adjusted until the abnormality is recovered.



Responsible unit

Responsibilities

Management representative

Responsible for effectiveness of corrective and preventive actions

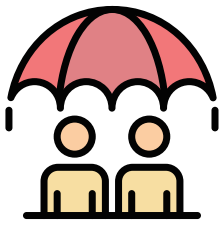
Departments

Responsible for the correction and prevention of non-conformities

☑ **Whistleblowers protection system**

The company has established a protection system for whistleblowers, the parties involved in the report and the relevant personnel in charge of handling the case shall not be made public. We have a duty of confidentiality to protect whistleblowers from unfair treatment, retaliation or threats, Violators shall be punished according to the law.

The relevant personnel in charge of handling the case and whistleblowers have the obligation to accept inquiries, answer honestly and provide relevant information.



Company Governance

2.3 Risk management

Governance unit	Production Department and Occupational Safety Office
Risk-category	Potential Climate Risk: Carbon Emissions
Opportunity-Category	Potential Climate Changes : Power consumption, Gasoline/Diesel (Official Vehicle/Truck/Electricity Generator), Air-conditioning refrigerant, Carbon
Strategy	<p>1.Short-term : Discuss and implement irregularly on energy-saving plans.</p> <p>2.Mid-term : According to the ratio of monthly electricity consumption to the production quantity of finished parts, it is expected that more than 2 workpieces can be produced per kWh to optimize energy and reduce device standby time.</p> <p>3.Long-term : It is expected that the factory will be rebuilt in the second half of this year, it is also planned to install solar power to reduce the consumption of non-renewable energy when the construction is completed.</p>
Risk Management	<p>1. Management of identification of environmental considerations.</p> <p>2. EHS target performance is to control and save power consumption.</p>
Indicate and Goal	If there is unusual high-power consumption, examination mechanisms will be introduced under the environmental and EHS control.

2.4 Regulatory compliance



There are no major fines occurred in 2022

Our company values the importance of regulations and corporate ethics. According to the regulation of "verification and public handling procedures for material information of listed companies on any ROC stock exchange or securities market", it's considered a major violation if the accumulated amount of fines for a single event has reached NT\$1 million or more and the fines have been imposed consecutively, company is forced to suspend operations or face punishment, violates laws and regulations related to occupational safety and health, fire protection, environmental protection, health and welfare.

No juridical information matching the search criteria is found.



Regulatory compliance :

In order to create corporate culture of integrity management and healthy development, our directors, supervisors, managers, and all employees should follow the "Code of Integrity Management" and "Code of Ethical Conduct". While engaging in commercial activities, we must not directly or indirectly provide, promise, demand or accept any improper benefits, or involve in other dishonest actions that violate laws and regulations to obtain benefits, and all behaviors should also require ethical standards. The audit office regularly reports operational status to the board of directors. Besides, an anonymous complaint form is established to encourage employees to report any illegal and violating behaviors so as to prevent illegal activities and supervise relevant units to improve.

Anti-corruption system

We value the importance of integrity and honest morality and establish the "Code of Ethical Conduct" and "Code of Integrity Management". All company members are required to sign "Corporate responsibility and ethical behavior", achievement rate 100%. The content contains the anti-bribery policies:

● Avoid conflicts of interest : 01

The employees have the responsibility to maintain and increase the company's legitimate interests, and avoid accessing company property, information or taking advantage of oneself position to make individual or a third party profitable or compete with the company. Every employee must obtain approval before engaging in any business, investment or related activities that may constitute a conflict of interest between the individual and the company. Relevant personnel should report to the supervisor of their department regarding potential conflicts of interest that may get individuals and companies involved.

02 Fair dealing : ●

Employees should treat equally to those who work with, and should not manipulate, conceal, or abuse the information they have acquired from their positions and obtain improper benefits by misrepresenting important issues or any unfair trade including receiving any form of gifts, hospitality, return, bribes or other improper benefits. However, this does not apply to receive gifts or hospitality when they are considered social etiquette or permitted by company regulations.

Anti-corruption publicity and educational training are expected to be implemented in the second quarter of 2023. Although anti-corruption publicity and educational training in the first quarter is still in the planning stage, the internal staff have signed the "Letter of Integrity and Self-discipline Commitment", and the completion rate is 100%.

In recent years, there is no corruption occurred in the company, if it happens, the relevant personnel will be investigated for "Employee Reward and Punishment Management Measures."

We value the importance of business ethics and integrity, and avoid anti-competitive, anti-trust and monopoly behaviors. No anti-competitive, anti-trust and monopoly behavior occurred in 2022 according to the company's audit report.

To specify prevention and punishment measures for antitrust behaviors, "Code of Integrity Management" is stipulated, employees who may be involved in price setting should avoid inappropriate business behaviors when participating in activities and should strictly follow the behaviors under these regulations. If any violation of relevant antitrust regulations is found, relevant personnel should immediately report to the supervisor of their department and hand it over to the investigators for examination. If any violation of relevant antitrust regulations is found, it should be reported to the head of the department and the internal audit office.

The audit office regularly implements the internal audit every year, but when there is a major violation of the antitrust law or changes of relevant regulations, the internal audit will be conducted irregularly if necessary. During the process of information security, the computer records (including e-mails) of the relevant employees who are involved in violation of the antitrust law or regulations will be investigated. If so, relevant personnel should immediately report to the supervisor of their department and hand it over to the investigators for examination so as to strictly prevent anti-competitive behavior, anti-trust and monopoly.



Complaint/Reporting Channels and Procedures

To implement our work rules, RBA, corporate social responsibility and other relevant regulations, we provide employees and external whistleblowers (hereinafter referred to as whistleblowers) to report any illegal or violation of work rules to ensure the legitimate rights and interests of whistleblowers and related persons and assist in resolving unfair treatment that violates social responsibility and enhance labor-capital relations.

The procedures for complaints/reports are as below

1. Through complaint channel, whistleblower reports specific reasons and information of the violation to facilitate verification (it can be anonymous or named, but it is convenient for communication and investigation if named)
2. When a director or senior executive is involved, it should be reported to the general manager; when a related party is involved or personnel should be avoided, the higher hierarchy or a non-interested person shall be designated.
3. The appeal shall be concluded within one month, and if necessary, it can be extended for another one month.
4. When the case is closed, the complainant will be in touch with the "Response Form for Whistleblowing and Complaints", except for those who do not provide contact information, fail to respond, or report anonymously.
5. If the complainant is not satisfied with the result, he /she may report new reasons and specific new evidence within ten days after receiving the notification. The Human Resources Department shall report to the general manager to designate another appropriate and different personnel to accept the reconsideration. The application for reconsideration is limited to once.
6. If the case is verified to be true, we will proceed in accordance with laws and regulations or our relevant internal disciplinary regulations or reserve the right to take legal action. However, before deciding on punishment, the company shall provide opportunities for counterparts to state his or her opinion or appeal in order to protect their rights. If there is a major violation found after investigation or the company may face major damage, the responsible personnel should report it to the general manager.
7. If the responsible personnel do not proceed the case without reasonable justification, or the supervisor of the reported person is aware of any illegal or unethical conduct but do not take action, Act or the company's internal rewards and punishments regulations should be applied.
8. After requesting additional documents or investigation, the case still meets any of the conditions below, responsible personnel may refuse to accept or close the case immediately.
 - (1) Those who report anonymously and have not filled in or completed the items, so that investigation could not be carried out.
 - (2) Those who makes a maliciously or false report
 - (3) The reason for the report does not meet the violations stipulated in Article 2.
 - (4) The target of the complaint or claim does not meet the targets listed in Article 3.
 - (5) The report has been confirmed to be accepted, or the case has been processed and closed. However, this does not apply if the whistleblower has presented new evidence to prove that the case needs to be re-investigated.
 - (6) Anonymous whistleblowers, who have no specific content for verification and need to provide additional documents or information, fail to reply, or provide contact information.
 - (7) The whistleblower fails to provide contact information or reply after contact.
 - (8) The whistleblower reports the same case for the same reason and has been accepted.

Responsible unit : Human resource department | Contact address : No. 45, Siyu St, Dali District Taichung City, Taiwan 412
 report phone : 04-24929678#106 | Email : jenny@greattaiwangear.com | Official website : <https://www.greattaiwangear.com/>

2.5 Participation of External Organization

Industry associations, other member associations and national or international advocacy organizations	Membership Qualification
Transportation vehicle manufacturers association	membership
Taiwan External Trade Development Council	membership
Taiwan Advanced Automotive Technology Development Association	membership
TAMMA	membership
"American Gear Manufacturers Association"	membership



3.1 Product and service

Major Issue: Customers' Health and Safety

Report Requirements	Explanation and examples of report requirement
Major reason for this major topic	Providing customers fine and safe product to ensure the sustainable operation of the organization.
Policies/ strategies	<ul style="list-style-type: none"> •Try everything possible to meet the needs of customers. •Improve constantly development technology, manufacturing technology, management technology and other technologies. •Promote the company's progress and meet the needs of social development . •Provide safe, reliable, and high-quality gear products to customers and society
Goal	<ul style="list-style-type: none"> •Short-term : 100% product safety components identification for new products of automobiles and aerospace •Mid-term : Security components have 0 PPM defect rate. •Long-term : Zero disaster loss for end-users
Management Evaluation Mechanism	The company examines safety components according to the procedures of product security and escalation management.
Performance and Adjustment	So far, there is no product security component, so performance cannot be identified.
Preventive or Remedial Measure	Choose the appropriate property insurance.

Our company corresponds to the fuel efficiency design mentioned by SASB, and the description is as below. We will try our best to present quantifiable results in the future.

We design and manufacture integrated electric propulsion systems and dedicate electric vehicle transmissions. Electric vehicles can comply with CO2-emission standards (Europe) and New Energy Vehicle Industry Development Plan (2021-2035/China). The improvement of characteristics of electric vehicles are challenging such as improvement on time and cost control and recharge mileage. These are driven by efficiency and energy density. These characteristics can benefit from the efficient integration of electric propulsion systems.

According to the "Global Electric Vehicle Outlook", electric vehicles will be the future of the automotive industry. Therefore, we carry out product research and development of electric gearboxes to meet market trends and satisfy customers' needs. Besides keeping up with international trends, we also do our best in environmental sustainability and achieve the goal of net zero emissions.

According to the WLTP World Light Vehicle Test Procedure, when passenger cars load with the single-speed or two-speed gearboxes for simulation analysis, the energy-saving benefit of the two-speed gearbox can be increased by 4.16% compared with the single-speed gearbox, and its mature products can reach 7-9%; the simulation analysis on commercial vehicles can achieve more than 10% energy-saving benefits, which is our current goal to achieve.



3.1 Product and service

We are currently in compliance with IATF16949 and AS9100 certification.

In order to improve product quality and safety in the product life cycle, if any problem arises, we provide the necessary evidence to prove our reliable products and safety control procedure. To avoid damages and liability claims and ensure the escalation requirements for product life cycle, we have stipulated the "Product Safety and Escalation Management Procedure" which applies to verify product life cycle control involving activities of specific safe products, product life cycle of our company, design and development of the manufacturing process, whole process of production and after-sales service and treatment on product security escalation issues.

For 100% product safety identification of new automotive and aerospace products, the quality control department is responsible for the inspection and testing of product safety and emergency procurement for recovery: cause analysis and corrective measures.

During the reporting period, our products complied with safety regulations, there was no product rejected, no violation of health and safety/ information/ labeling/marketing communication and other regulations for products and services occurred.



External certification : Certificate



IATF 16949 ▲



AS 9100 ▲



ISO 27001 ▲



ISO 14001 ▲



ISO 45001 ▲



3.1 Product and service

The materials of the products provided by us to customers comply with the specifications of AISI American Iron and Steel Institute and customer drawing requirements. The description of the product and the packaging list all detailed information such as raw materials, ingredients, order number, origin, product inspection, size, date of product completion, etc. That allows customers to understand product-related information. If there are quality-related problems, the system will verify through the manufacturing batch number and provide customers answers.

We provide product shipment serial number based on product input system and inventory records to customers. Production control personnel also mark the order number on the packaging for identification.

The product shipment report provided by quality control personnel not only includes inspection records, but also meet material certificates that conforms to the specification of the customer's graphic label.

Customer satisfaction

2022 Results of Customer Satisfaction Survey

General industrial customers	91 points
Automotive customers	97 points
Aerospace customers	91.01 points

Customer privacy

To strengthen information security protection, we passed the ISO/IEC 27001:2013 Information Security Management System Authentication to ensure the confidentiality, integrity and availability of information assets and effectively operate mechanisms such as information security management and privacy protection.

We sign a confidentiality agreement with the clients to protect their confidential information and ensure that our employees follow confidentiality rules and regulations. Each new employee must sign "Information Security Management Practice", which clearly states that staff must abide by confidentiality clauses and non-disclosure agreements. They should have self-discipline in accordance with the regulations of company's information management. We provide information security of education and training for employees every year to enhance their awareness of information security.

There are no sanctions of the competent authority and customer information leakage during the reporting period in 2022. We actively respond to customer complaints to improve our service quality.



3.2 Supply Chain management

Contact Types	Purchasing region	2020		2021		2022	
		Number	Proportion of this purchase to the total purchase amount (%)	Number	Proportion of this purchase to the total purchase amount (%)	Number	Proportion of this purchase to the total purchase amount (%)
Assets (Raw material)	Domestic	52	57.60	66	64.10	52	75.00
	Oversee	11	4.60	14	5.90	12	3.70
Project (Construction and equipment)	Domestic	59	26.00	64	12.00	79	8.20
	Oversee	2	11.80	4	18.00	4	13.10
Total		124	100%	148	100%	147	100%

Note:

1. Domestic refers to Taiwan; oversee refers to regions outside Taiwan (such as: the United States, Vietnam, etc.).
2. Assets (raw materials) include suppliers of outsourced processing.
3. There is no cross-shareholding in the company

We evaluate the performance of the supplier every year based on the "quality", "price" and "delivery date" of the supplier, so that the purchasing department understands the overall status of and perspective for suppliers. Most of the main raw materials are purchased from Taiwan. We have more than two suppliers for the same raw materials to diversify the risks of essential materials.

Evaluation standard

Quality	50% Based on the PPM provided by the quality control personnel, and the purchasing personnel then converts it according to its proportion.
Delivery date	25% Production personnel determines delivery volume based on whether the total number of monthly orders from each manufacturer has been achieved
Price	Before the end of January of the following year, the purchasing personnel shall calculate the total effective annual transaction of outsourcing manufacturers and rank and score them sequentially.



3.2 Supply Chain management

The total score of the above three criteria is the basis for supplier evaluation. If it does not reach 60 points or more, it is necessary to make a gap analysis for the manufacturer to understand the reasons for the low score. If necessary, we will consider changing suppliers for some of the projects.

The RBA team should evaluate the transaction, criticality, scale, and other factors through the "Supplier Social Responsibility Risk Assessment" to determine the risk level of the supplier, then adjust the frequency and depth of supplier field audits according to the risk level. Supplier audit frequency is as below:

Supplier	Supplier Social Responsibility Risk Assessment	Frequency of Requiring Suppliers to Self-assessment	Field Audit Frequency
Top 20 Manufacturers by Transaction	Once every year/ new cooperation	Once every year/ new cooperation	Once every year (at least 3 manufacturers)
Indirect supplier (Security, cleaning, human resource agency)	Once every year/ new cooperation	Once every year/ new cooperation	Once every year
High risk (after evaluation of supplier social responsibility risk)	-	Once every year	Once every quarter
Medium risk (after evaluation of supplier social responsibility risk)	-	Once every year	Once every year
Low risk (after evaluation of supplier social responsibility risk)	-	Once every year	Once every two years

Supplier evaluation is as below :

1. The supplier's social responsibility performance is based on the "Indirect Supplier RBA Survey Form" and "Supplier Social Responsibility Assessment Form". The items include human rights, environmental safety and health, business ethics, management system.
2. All indirect suppliers (such as: security guards, human resource agencies, etc.) that the company cooperates with should be audited. The specialist staff will conduct on-site visits, interviews and inspections based on the "Indirect Supplier RBA Survey Form."
3. Supplier management :
The specialist staff should integrate the audit results into the management review report or supplier evaluation report. Procurement personnel should give priority to those with high scores according to the evaluation results. If there are major violations of laws and regulations, they should be listed in the observation, and evaluated whether to proceed with the transaction during the management review meeting.

Implementation Performance Process of Supplier RBA Guidelines :

1. There is an obligation to review CAP process with suppliers when a non-conformity is detected.
2. We commit not to immediately terminate the business relationship when discovering of priority non-conformities, only applicable if the CAP process is not implemented.
3. We improve the implementation performance of supplier RBA guidelines, avoid any "priority" non-conformities °



3.2 Supply Chain management

We have signed agreement documents with 40% (127) suppliers to comply with the norms such as Agreement of Non-Use of Conflict Minerals, Supplier Social Responsibility Commitment, and abide by Responsible Business Alliance Code (RBA) to practice social commitments and responsibilities, to promote the progress of economy, environment, and society, so as to achieve the goal of sustainable development.

We value the importance of the negative environmental impact of the supply chain and take actions if necessary. Although there is no ISO14001 evaluation for suppliers, we adopt the RBA social responsibility management system to require suppliers to comply with supplier's social responsibility commitment and carry out supplier social responsibility and evaluation of environmental pollution on our top twenty suppliers and ask for their improvement.

For the supplier's annual evaluation, we will conduct analysis and require unqualified manufacturers to improve within three months. If no improvement is seen, the transaction will be suspended.

In 2022, a total of eighty-six supplier audits is completed, and no unqualified suppliers in the evaluation results is found.

We promote and comply with the guidelines of Responsible Business Alliance, RBA, and sign social and responsibility commitment with our suppliers, which requires the prohibition of child labor and any forms of forced labor. If there is any violation, the transaction will be terminated.

During the reporting period, no child labor or forced labor occurred in the company.

3.3 Material Management

We value the importance of environmental protection and utilize renewable resources. We are dedicated to increasing the proportion of recycled and reused materials. Our metalworking products use iron materials from China Steel Corporation. From iron materials, there are 90% molten iron made from iron ore, and 10% recycled steel. Therefore, the percentage of recycled materials is 10%. The iron materials used in the metalworking are supplied by domestic suppliers such as China Steel Corporation and Feng Hsin Steel Co. Ltd. No material shortage occurred.

The consumption of raw materials and non-renewable materials used is as below :

Name of raw material	Unit	Renewable	Number of parts produced (year)	2022
Gasoline	Ton	No	66 barrels (1 barrel = 0.2 tons)	13.01
Super diesel	Ton	No	61 barrels (1 barrel = 0.2 tons)	12.06
Lubricating oil for equipment such as rust preventive oil, Cutting fluid, hydraulic oil	Ton	No	596 barrels (1 barrel = 0.2 tons)	119.14
Kerosene oil	Ton	No	5 barrels (1 barrel = 0.2 tons)	0.10
Material (steel)	Ton	No	3,007,837PCS	8075.74
Carton	Ton	Yes	278,159PCS	484.22
Plastic packaging	Ton	No	152,725PCS	12.14

Note

- The types of materials include : natural resources, such as ore, iron, wood, plastic particles; lubricants for machines, semi-finished components; packaging material.
- Non-renewable refers to resources that is unable to replenish in a short period of time, such as : coal, natural gas, metals, minerals, and oil; renewable refers to resources that are always available.
- Renewable refers to resources that it is able to grow or produce again after being consumed.



Major issue: Energy / Emission

Reporting Requirements	Explanation and examples for reporting requirements
Major reason for this topic	Our major environmental consideration is greenhouse gas emissions, which directly causes global warming. As a result, the sea level rises and the climate changes, and species endangers.
Policy/ Strategy	Safety and health policy : comply with regulations, prevent pollution, promote health, prevent danger, implement communication, sustain improvement
Goal	<ul style="list-style-type: none"> ·Short-term : Discuss and implement irregularly energy-saving plans ·Mid-term : According to the ratio of monthly electricity consumption to the production quantity of finished parts, it is expected that more than 2 workpieces can be produced per kWh to optimize energy and reduce device standby time. ·Long-term : It is expected that the factory will be rebuilt in the second half of this year, it is also planned to install solar power to reduce the consumption of non-renewable energy when the construction is completed.
Management Evaluation Mechanism	<ul style="list-style-type: none"> · Implement control through process performance and control table of environmental safety and health standards. · Effectively evaluate improvement proposals of energy saving
Performance and Adjustment	Completion of various indicators on process performance and the management and control table of environmental safety and health standards.
Preventive or Remedial Measures	Follow the corrective prevention and improvement procedures.

We have not yet introduced the ISO 14064-1 system, but it's expected to be introduced in October 2023, statistics about external energy consumption will also be carried out.

The internal energy consumed by us is shown as below :

Quantitative indicators	Unit	2022
Electricity usage	Degree/ year	4,464,780
	GJ	16,073.21
Gasoline usage	L/ year	13,012.38
	GJ	424.66
Diesel usage	L/ year	12,056.36
	GJ	423.73
Total energy consumption	GJ	16,921.60
Organization Specific Measures	Production Capacity (tons)	3,767.73
Energy intensity	GJ/ Production Capacity (tons)	4.4912(tons)



Note :

1. Organization Specific Measures refer to emissions intensity as the denominator. It can be currency units (revenue, sales), production quantity (tons, liters, megawatts, total number of full-time employees, or size (square meter area)
2. Heat energy converted into electricity is 1kWh=0.0036GJ.
3. The source of the conversion factor is the 6.0.4 version of the Gas Emission Factor Management Table of the Environmental Protection Agency to calculate the fuel calorific value. 0.4 Gasoline 7,800 kcal/L; Diesel 8,400 kcal/L; Natural gas 8,000 kcal/m³ ; 1 kcal=4.184 KJ.



Performance of Saving Energy

In response to global net zero emission targets, we adopt the following specific actions to reduce energy consumption: 1. Adopt inverter air conditioner 2. Energy-saving regulations: the air conditioning can only be turned on when the room temperature is above 27°C. 3. The installation of LED lighting in the company (including factory and office) reaches over 90%. 4. Adopt inverter Air compressor 5. Motorway adopts induction lighting at night 6. Replace the host computer with a minicomputer to reduce the demand for energy output.

According to "Net Zero 2050: A Roadmap for the Global Energy Sector" published by the International Energy Agency (IEA) in 2021, it is expected that the sale of fuel vehicles will be banned in 2025, our government also respond to this plane and propose a schedule for actions including the full electrification of urban buses and official vehicles by 2030. At present, in Taiwan, the sales proportion of electric vehicles and electric motorcycles is separately 30% and 35%. It's hoped that the percentage will reach 100% by 2040. Not only do we manufacture gears, but also, we develop electric gearboxes and value the benefits of sustainable development.

According to the index of global electric mobility, electric vehicles will be the future of the automotive industry. We research and develop products on electric gearboxes to meet market needs and satisfy customers. Not only do we follow international trends, but also, we do our best in environmental sustainability and achieve the goal of net zero emissions.

According to the WLTP World Light Vehicle Test Procedure, when passenger cars load with the single-speed or two-speed gearboxes for simulation analysis, the energy-saving benefit of the two-speed gearbox can be increased by 4.16% compared with the single-speed gearbox, and its mature products can reach 7-9%; the simulation analysis on commercial vehicles can achieve more than 10% energy-saving benefits, which is our current goal to achieve.

We research and develop products to reduce energy consumption and integrate concepts such as green energy and energy saving into products. We help our customers to save energy and provide the best solutions.

We differentiate ourselves from high-emission industries, we are committed to the reduction of greenhouse gas emissions. We educate our employees to have the habit of saving energy and reducing carbon emissions.

Item	2022
Scope 1: Direct greenhouse gas emission (kgCO ₂ e)	62,220.03
Scope 2: Indirect greenhouse gas emission (kgCO ₂ e)	2,272,573.02
Total emission = scope 1 + scope 2	2,334,793.05
Intensity of greenhouse gas emission (kgCO ₂ e/ quantity production)	619.68

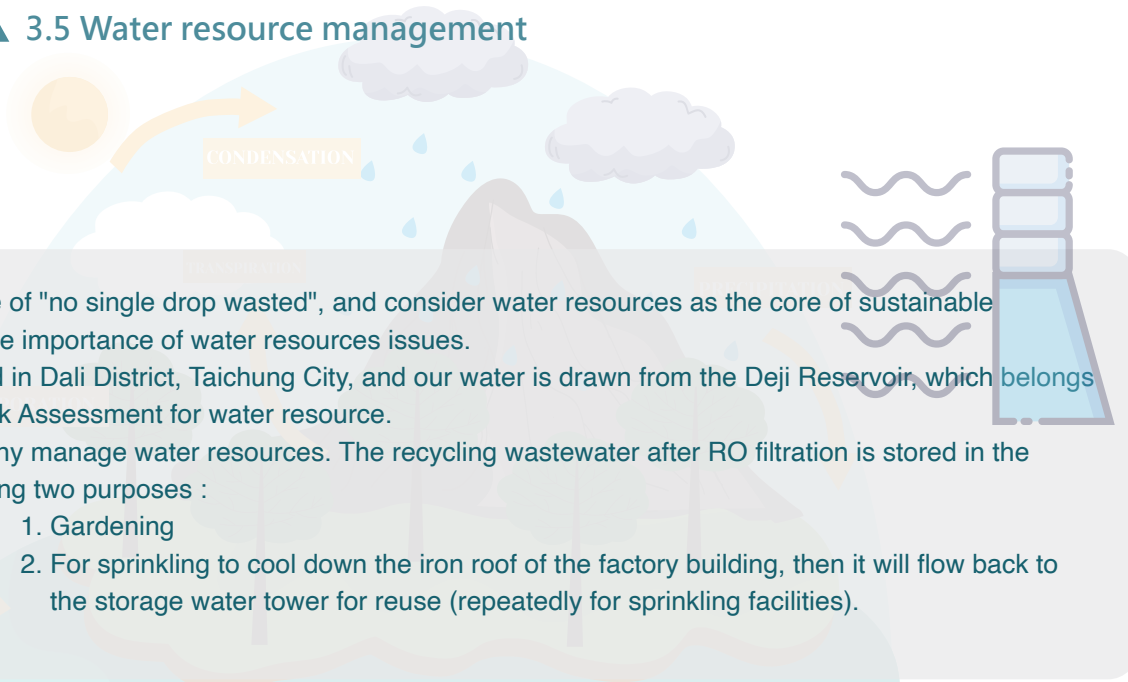
Our air-conditioning refrigerants adopt R32, R410, etc., and there is no Hailong fire extinguishers, other chemicals and oils contained fluorine-related substances are used.

Note:

- 1.Scope 1 refers to emissions directly (controlled) from us including Stationary combustion sources, process emissions, mobile combustion sources and fugitive emission sources in transportation. The emission coefficient is calculated according to the latest announcement data version 6.0.4 (IPCC Sixth Assessment Report) of the Energy Bureau of the Ministry of Economic Affairs.
- 2.Scope 2 refers to emissions indirectly, such as purchased electricity.
- 3.Types of greenhouse gas emissions: carbon dioxide (CO₂), methane(CH₄), and nitrous oxide (N₂O)
- 4.The purchased electricity refers to Emission Factor for Electricity launched by Energy Bureau of the Ministry of Economic Affairs. Electricity emission coefficient in 2019 and 2021 = 0.509 kgCO₂e/kWh ; Electricity emission coefficient in 2020 = 0.502 kgCO₂e/kWh.
- 5.Our 2022 report of greenhouse gas inventory data is self-declared. The verification has not been carried out when this report is issued, and it is expected to obtain verification opinion in November 2023.



3.5 Water resource management



We uphold the principle of "no single drop wasted", and consider water resources as the core of sustainable development and value the importance of water resources issues.

Our company is located in Dali District, Taichung City, and our water is drawn from the Deji Reservoir, which belongs to the medium and low risk Assessment for water resource.

Actions that our company manage water resources. The recycling wastewater after RO filtration is stored in the water tower for the following two purposes :

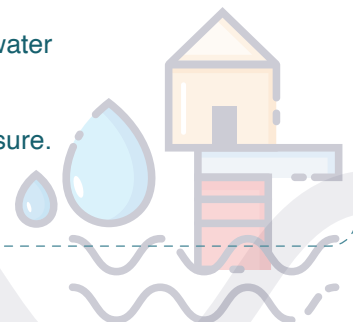
1. Gardening
2. For sprinkling to cool down the iron roof of the factory building, then it will flow back to the storage water tower for reuse (repeatedly for sprinkling facilities).

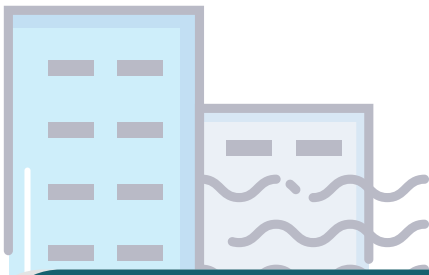
Our water consumption in the past three years is as follows :

Our Water Consumption	
Year	2022
Water Intake (million liters)	3.61
Water Discharge (million liters)	1.00
Water Consumption (million liters)	2.61
Circulating Water in Factory (million liters)	0.05
Water Recycling Percentage (%)	1.90
Organization-Specific Measures (production/ton)	3,767.73
Water use density (water intake (million liters)/production)	0.000958137

Note:

1. Water consumption = water intake - water discharge.
2. Water recycling Percentage = circulating water in the factory / (water intake + circulating water consumption in the factory) *100%.
3. Water use intensity is calculated as: water intake (million liters)/organization-specific measure.





3.5 Water resource management

✓ Status of Wastewater Discharge

We do not have processing wastewater, only domestic sewage, the sewage is released after being treated by equipment. The discharge water quantity in the past three years is 919 (M³) in 2022; 949 (M³) in 2021; 886(M³) in 2020.

Relevant tests for sewage treatment are as below :

Test items	2020		2021		2022	
	Emission standard (ppm)	Annual average monitoring value (ppm)	Emission standard (ppm)	Annual average monitoring value (ppm)	Emission standard (ppm)	Annual average monitoring value (ppm)
Suspended Solids	80	0.05	80	ND	80	1.45
Biochemical Oxygen Demand	80	1.5	80	1.7	80	3.1
Chemical Oxygen Demand	250	4.45	250	7.35	250	10

✓ 3.6 Waste Management

Major topic : Waste

Reporting Requirement	Explanation and examples of reporting requirement
Major reason for this topic	The mixture oil waste produced by the machine after cleaning components has an annual output about 14 tons.
Policy / Strategy	Reduce the quantity of mixture oil waste.
Goal	<p>Priority goal : To separate mixture oil waste and domestic sewage through system in order to reduce the amount of waste oil transported.</p> <ul style="list-style-type: none"> •Short term : Separation efficiency is over 70%; mixture oil waste remains 30% •Mid-term : Separation efficiency reaches over 80%; mixture oil waste remains 20% •Long-term : Separation efficiency is over 90%; mixture oil waste remains 10% <p>Secondary goal : To reduce defective products and scraps.</p> <ul style="list-style-type: none"> •Short-term : Discuss reasons of defective products and propose improvement plans during weekly meeting •Long-term : Reduce scrap by 1% every year.
Management Evaluation Mechanism	Met short term goal on both process performance and monthly separation efficiency of mixture oil waste under EHS's Control Table.
Performance and Adjustment	Met short term goal on both process performance and monthly separation efficiency of mixture oil waste under EHS's Control Table.
Preventive or Remedial Measures	Follow the corrective and prevention actions and improvement procedures.



Most of the waste are defective products produced by manufacturing components processing, such as scrap products-scrap iron, then followed by waste oil mixture, general waste, waste lubricating oil. There is no hazardous waste and no leakage incidents occurred. The non-hazardous waste management table is as below :

Production and Disposal of Waste			
Components of waste	Hazard	Off-site	
Item		waste production (tons)	processing treatment
Scrap	No	137.76	Other recycling operations
Waste oil mixture		31.08	Incineration (excluding energy recycling)
General waste		18.40	Other recycling operations
Lubricating oil waste		16.26	Other recycling operations

Note :

- 1.The data above is the total number in 2022.
- 2.Quantity of transportation for general waste has only been recorded since April 2022.
- 3.Wastes such as paper, iron and aluminum, and plastic bottles are recycled by Tzu Chi foundation, and the total amount has not been calculated.



Water resource management

Our waste is entrusted to a qualified third-party for disposal. The disposal treatment is as below :

- 1.Disposal of general waste, waste lubricating oil and waste oil mixture are outsourced to qualified clearing companies.
- 2.We transport scrap to the recycling plant.
- 3.Paper, iron and aluminum, and plastic bottles are collected and recycled by Tzu Chi foundation.

We also adopt the actions such as "Rechargeable batteries replace dry batteries to reduce the amount of waste dry batteries produced each year", "minicomputer replace the general computer to greatly reduce the weight and volume of waste", " waste oil mixture separation equipment to reduce quantity of transportation of waste oil mixture", continue the development of circular economy.



4.1 Talent training

Major Topic: Training and Education & Labor/Management Relations & Employment Relations

Reporting requirement	Explanation and examples of reporting requirement
Major reason for this topic	<p>In order to have a complete staff training system, we carry out plans to enable employees to acquire the knowledge, skills, and positive working attitude so as to improve performance and operational Efficiency of a company.</p> <p>We are dedicated to maintaining good labor relations and providing several communication channels. We regularly hold meetings every three months to establish effective communication with employees. Employees can perform their potential under a sound internal organization. We treat applicants and workers with different races, genders, ages, religions, nationalities, or political positions equally.</p>
Policy/ Strategy	<p>Only by learning and training to improve working efficiency and product quality, can we achieve goals and meet the needs and expectations of the company, customers, and employees. We hope to be Identified as market leader and industry benchmark.</p> <p>We believe that every employee has the potential to become our human assets through our training program, and to be a key competitor further to promote mutual growth between the company and staff.</p> <p>We promise that all employees receive systematic and professional training, education, and guidance.</p> <p>We provide appropriate support to allow each employee to acquire multiple technologies and skills to effectively perform the tasks needed.</p> <p>TTQS is the indicators on the implementation of our education and training professional guidelines for corporate strategy and quality training development and effectiveness evaluation.</p> <p>We introduced on-the-job training (S-OJT), from training needs, job analysis, course planning, lecturer training, module preparation, training execution and effectiveness evaluation, etc. our employee training can be carried out systematically in order to achieve performance through structured processes and methods</p>
Goal	<p>Short term : 1. Training and strengthening the core competency of internal personnel 2. Internal lecturer training 3. Enhance our customers to feel identified with us (system introduction-ISO27001/ESG/RBA/ISO14064-1)</p> <p>In 2022, the proportion of implementation on training for unqualified personnel reached an average of 96% (annual number of lessons executed/annual number of lessons to be executed).</p> <p>In 2023, it is expected to increase by 98% (annual number of lessons executed/annual number of lessons to be executed).</p> <p>Mid-term : 1. Construct S-OJT training 2. Emphasize the importance of sustainable management.</p> <p>In 2022, the structured on-the-job training (S-OJT) will be completed in the engineering department and quality control department, there are a total of 106 on-the-job training materials copies.</p> <p>In 2023, it is estimated that the structured on-the-job training (S-OJT) will complete 90% in production department. there are a total of 180 on-the-job training materials copies.</p> <p>Long-term : 1. Establish professional talent training in the product field 2. Enhance our company image and value 3. Assist downstream suppliers to introduce ESG and RBA systems.</p> <p>In 2022, our official website will be established to promote our brand and convey the concept of our business ideas.</p> <p>In 2023, ESG and RAB are expected to be introduced to 30% of downstream suppliers.</p>
Management Evaluation Mechanism	<p>According to the statistics of training hours in 2022, the average training hours between male and female is 10.31H and 10.45H.</p> <p>After three months training course, the supervisor evaluates whether the personnel have improved the overall performance, such as: improving production technology/improving performance capabilities /improving innovation and research and development capabilities, etc.</p>
Performance and Adjustment	<p>A total of 48 classes of skill enhancement training were planned in 2022 and 44 classes were carried out, with a success rate of 91.6%. The annual training report is reviewed and refers to the next year training direction to avoid ineffective training, which affects the company's business performance and competitiveness.</p>
Preventive or Remedial Measures	<p>As there is no pre-planning and arrangement of teaching materials before the implementation of new-employee education and training, therefore during the training period, there is no standardized education and training model. As a result, the training results cannot be seen significantly.</p> <p>To reduce human resource and materials costs through training, each internal personnel has successively introduced structured on-the-job training (S-OJT). Evaluation models (examination papers/practice) are developed by systematic education and training procedure, and prior procedure and job analysis to implement it effectively. The quality of training is effectively improved by standardized procedure and the knowledge can be effectively shared</p>



The status of employee number

Reporting period : By the end of 2022, there are total of 221 full time employees, with 166 male and 55 female.

Region	Contract type	Female	Male	Other (note 1)	Non-discourse (note 1)	Total number
Taiwan headquarters	Employee number	55	166	0	0	221
	Number of official employees	55	166	0	0	221
	Number of temporary employees	0	0	0	0	0
	Employees with no guaranteed hours	0	0	0	0	0
	Number of full-time employees	55	166	0	0	221
	Number of part time employee	0	0	0	0	0

- Note :
01. Gender is determined by the employees themselves.
 02. Employees do not reveal their gender.
 03. Domestic refers to Taiwan; foreign refers to regions outside Taiwan (such as: the United States, Vietnam, etc.).
 04. Employees: Individuals who have labor relationships with the organization in accordance with national laws or relevant applicable requirements (employees with labor insurance in Taiwan).
 05. Official employee: An individual who signs an indefinite contract.
 06. Temporary: An individual who signs a definite contract.
 07. No Guaranteed Hours: Employees who are not guaranteed a minimum or fixed number of hours per day, week, or month, but may be available to work upon request.
 08. Full-time: Individuals who are applicable with the definition of working hours under the Labor Standards Act in Taiwan, that is no more than 8 working hours per day and no more than 40 working hours per week.
 09. Part-time job: exclude full-time employees.
 10. The calculation of this table adopts person/full-time equivalent method
 11. A large number of temporary workers were recruited from March to July 2022, and there were no major changes of full-time employees from January to December 2022.

Non-employee workers do belong to our company, including security personnel and dispatch personnel. There will be a total of 20 non-employee workers in 2022. Vacancies are required if there is a demand for workforce (for example, increasing production capacity or employee resignation). There is no major difference in the number of people compared with the previous year.

Type of worker	Contractual relationship	Total number of workers
On-site workers (Dispatch personnel)	1. Sign labor dispatch agreement with the manpower company. 2. Labor dispatch agreement and labor health insurance belong to the manpower company.	19
Security Personnel	Contract	1

Note: The total number of workers is calculated by the average value

When the company recruits personnel, most of them are residents of Taiwan to strengthen the harmonious relationship and maximize work stability, there are 99% of the directors above the manager position are Taiwanese citizens; 1% is Irish citizens. The status of employee positions in the past three years is as below.

Year		2020	2021	2022	Year		2020	2021	2022	
Item / Gender	Age (Year)	Number	Number	Number	Item / Gender	Age (Year)	Number	Number	Number	
Supervisor	Male	Under 30	10	10	Non-supervisor	Under 30	46	56	67	
		30-50	21	24		26	30-50	35	37	56
		Over 50	5	5		6	Over 50	3	3	4
	Female	Under 30	2	1		0	Under 30	9	7	8
		30-50	8	7		8	30-50	28	30	32
		Over 50	1	2		3	Over 50	6	4	4
Total number of supervisors		47	49	50	Total number of non-supervisors		127	137	171	

Total number of full-time employees : / 2020 : 174 people / 2021 : 186 people / 2022 : 221 people



4.1 Talent training

We establish a friendly working environment, and value work-life balance. We provide training and opportunities to encourage employees to improve themselves to achieve their personal career development goal.

The rate of newly recruited and turnover employees in the past three years.

Year	2020				2021				2022			
Gender	Male		Female		Male		Female		Male		Female	
Age/Item	Number	Rate of newly recruited (%)	Number	Rate of newly recruited (%)	Number	Rate of newly recruited (%)	Number	Rate of newly recruited (%)	Number	Rate of newly recruited (%)	Number	Rate of newly recruited (%)
Under 30	17	9.77	3	1.72	53	28.49	2	1.08	39	17.65	5	2.26
30-50	4	2.30	0	0.00	24	12.90	10	5.38	22	9.95	14	6.33
Over 50	0	0	0	0	1	0.54	0	0	1	0.45	0	0
Number of newly recruited	24				90				81			
Total number of employees	174				186				221			
Rate for newly recruited (%)	13.79				48.39				36.65			

- Note
1. The number of newly recruited does not count those who resigned halfway.
 2. % of new male (female) employee at current age group = the number of newly recruited men (female) in this age group in the current year/the total number at operating bases by the end of the year.
 3. % of the total new employee's employment = the number of new employees in the current year / the total number at operating base by the end of the year.

年 度	2020				2021				2022			
Gender	Male		Female		Male		Female		Male		Female	
Age/Item	Number	Rate of resignations (%)	Number	Rate of resignations (%)	Number	Rate of resignations (%)	Number	Rate of resignations (%)	Number	Rate of resignations (%)	Number	Rate of resignations (%)
Under 30	12	6.90	2	1.15	31	16.67	2	1.08	27	12.22	2	0.90
30-50	6	3.45	7	4.02	24	12.90	13	6.99	7	3.17	10	4.52
Over 50	0	0	0	0	1	0.54	1	0.54	0	0	0	0
Number of newly recruited	27				72				46			
Total number of employees	174				186				221			
Rate for newly recruited (%)	15.52				38.71				20.81			

- Note
1. Turnover employee refers to resignation, dismissal, retirement, or death on duty, etc.
 2. % of resignation of male (female) employees in this age group = number of resigned male (female) employees in this age group in the current year/total number at operating bases by the end of the year
 3. % of total employee turnover = the number of resigned employees in the current year/total number at operating bases by the end of the year



Recruitment of multi-ethnic

The distribution and employment status of multi-ethnic in the past three years is as below.

Year		2020	2021	2022
Item/gender	Age	Number	Number	Number
Minority or Vulnerable groups	Male	Under 30	0	0
		30-50	3	4
		Over 50	0	0
	Female	Under 30	0	0
		30-50	0	0
		Over 50	0	0

Note | Minority or vulnerable groups refer to certain specific conditions or characteristics (e.g., economic, physical, political, social), their negative impacts from organizational activities may be greater than that of the general population

We provide a variety of on-the-job training for employees to increase their professional knowledge and skills and to grow with us. During the reporting period, the average number of training hours and plans for each employee per year are as below:

1. Training for new recruits (2022): 3 hours course/78 attendances plus 1 hour RBA course 1 hour/221 attendances :

1. Increase company awareness : To allow new recruits to understand our business philosophy and policies and have a sense of identity with the company.
2. Introduction of employee rights and interests : To allow new recruits to understand their rights and interests through the introduction of management rules and relevant regulations.
3. Environmental and industrial safety training : To improve new recruits' concept of the environmental protection and industrial safety and hygiene knowledge and skills, increase awareness of disaster prevention and adaptability to reduce unsafe behavior and error operation.
4. High quality education and training : To allow our new recruits understand quality system to implement quality control
5. Social responsibility and corporate sustainability : Promote corporate social responsibility standards (such as RBA), educate employee sustainability awareness, and publicize various policies to enable employees to protect themselves, encourage

Train effectively to enable the employees to perform the work assigned with methods, skills, and capabilities. The training items are based on the professional skills evaluation form approved by the head of department. When there are personnel changes, professional training will be provided adequately. Training plan is according to their functions or responsibilities, quality of conformance requirements, internal requirements, regulatory or statutory requirements, and customer requirements. Training requirements include :

2. Professional training (2022): 261 hours/364 attendances :

1. Contribution to the effectiveness of the quality management system, including the benefits of improved performance
2. The possible consequences when fails to meet the requirements of the quality management system.
3. Systematic documentation and changes of aerospace-related quality management
4. The information security policy and their contribution to the effectiveness of the information security management system including the benefits of improved information security performance and possible consequences of failure to comply with requirements



4.1 Talent training

3. Project training (2022): 30 attendances/44 hours

1. On-job training : To enable new recruits to achieve the goal as soon as possible under the guidance of supervisors and senior employee and the on-job training programs.
2. Through seminars, practice, sharing, and interaction and guidance with the general manager and vice president enable our philosophy to be accomplished in the management practice.

It enables employees to work happily through the results based on course satisfaction feedback, tests evaluation and practical training.

Surveys of course satisfaction and feedback enable educational training to meet employees' needs.

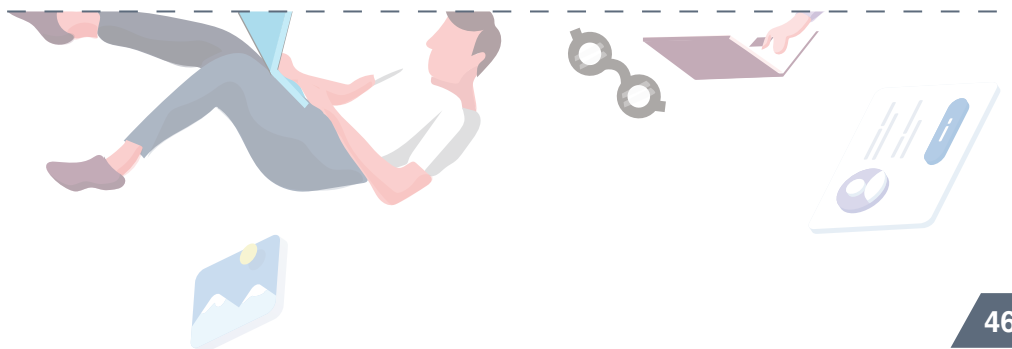
Item/gender		Item/gender		Item/gender		Item/gender		Item/gender	
Item/gender		Male	Female	Male	Female	Male	Female	Male	Female
Total number	number	33	11	133	44	90	8	76	47
Total training hour	Hour	495	173	814	312	477	47	792	478
Average total training hour	Hour / person	14.5	14.8	6.12	6.1	6.1	6.9	13.45	14.8

Note :

01. (Number of Managerial positions + number of non- Managerial positions) = total number of operating base.
02. (Total number of direct personnel + total number of indirect personnel) = total number of operating bases.
03. Average total training hours = total training hours / total number of people.



Educational Training Course





Fair performance management system

We regularly implement employee performance evaluation to understand their working conditions. Employees are placed in the correct position in accordance with the evaluation. It also allows employees to understand their strengths and weaknesses to improve skills and knowledge needed and enhance their work efficiency.

Item	High level managerial position	Mid-level managerial position	Technical staff	Administrative staff	Production staff	Total
Number of male employees assessed	18	15	20	12	101	166
Number of female employees assessed	3	8	2	27	15	55
Number of male employees assessed	100%	100%	100%	100%	100%	100%
Number of female employees assessed	100%	100%	100%	100%	100%	100%

Note : If the rate of performance evaluation does not reach 100%, please explain the excluded personnel and reasons (such as the chairman of the board of directors, and new recruits with less than 3 months service).

Professional training is based on the requirements of the company to enable employees to effectively achieve their goals the heads of each department shall evaluate the professional skills required for each position in their department. The implementation of education and training shall be arranged according to the "Professional Skills Appraisal Form" launched by the corresponding department.

Effective training enables the employees to perform the work assigned with methods, skills, and capabilities. The training items are based on the "professional skills evaluation form" approved by the head of department. When there are personnel changes, professional training will be provided adequately. Personnel should be evaluated according to the "Professional Skill evaluation Form" and registered in the "Professional Skill Matrix". Training is scheduled when employees need it. All training courses must be listed in the "Personal Education and Training Record Form" as a reference for motivation, assessment, reassignment promotion and job distribution.

Career Development :

Production personnel

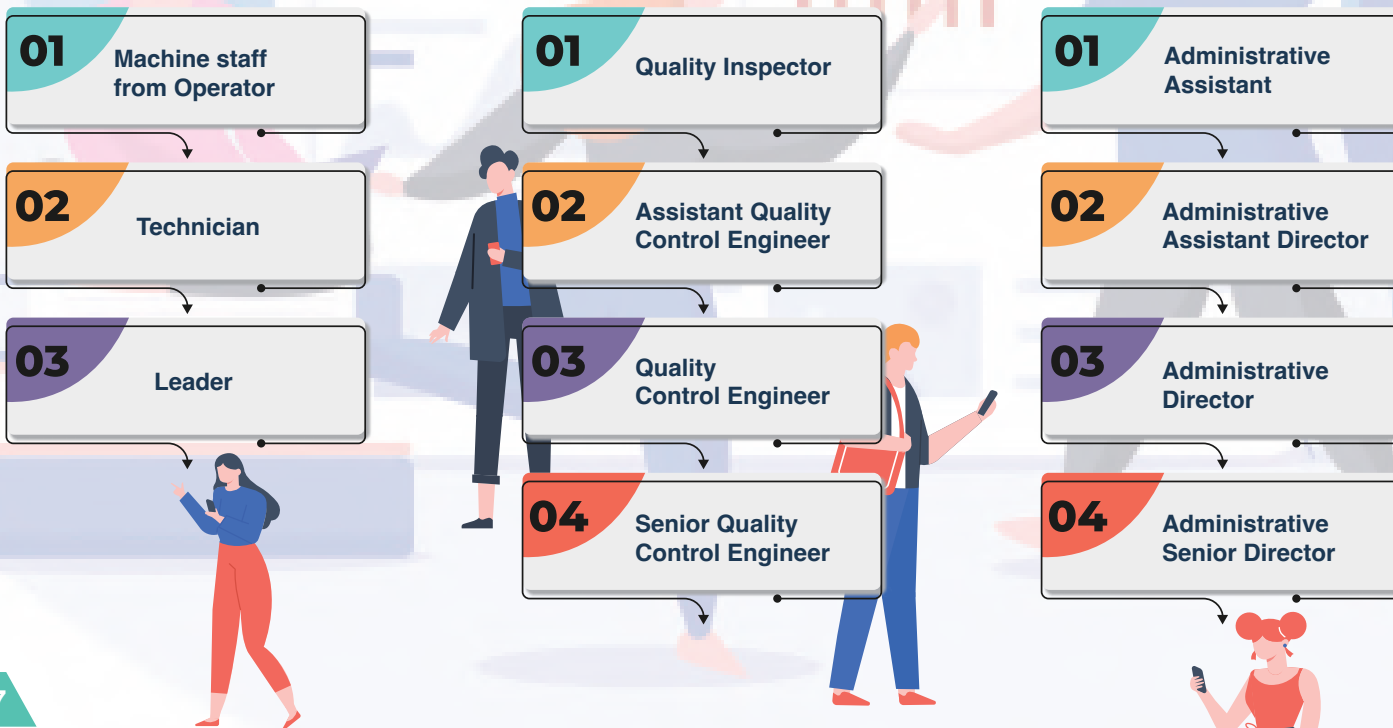
Machine staff

Technical personnel

Quality control technicians

Administrative personnel

Administrative staff





Friendly Concern

4.1 Talent training

We abide by the "Universal Declaration of Human Rights", "International Labor Conventions" and any principle revealed in international human rights conventions to fulfill our responsibilities as a social citizen. We are committed to improving labor conditions to enhance the quality of life of workers. In accordance with national laws such as labor-related regulations and the Gender Work Equality Act, we follow the principles of "respect for human rights" and "hire talents according to their abilities" and commit to building a healthy and safe operating environment.

To implement "labor human rights" and comply with the "Labor Standards Act" and "Gender Work Equality Act" of the Republic of China, we establish the "Human Rights Management Procedures" and "Youth Labor Management and Prohibition of Child Labor Procedures", which indicate the prohibition child labor and forced labor, eliminate illegal discrimination, and ensure equal job opportunities. We manage human right risk in the supply chain through supplier questionnaire of sustainability risk assessment, RBA audit of essential suppliers and complaint channel from employees of supply chain. We collect relevant human rights issues through human rights due diligence procedures, carry out and evaluate of the major issues, implement preventive and mitigation measures, revise the feedback and continuous improvement process, improve constantly the human rights management of the supply chain.

There is no discrimination that occurred during the reporting period.

To implement work safety requirement, prevent accidents, improve the working environment, and maintain the wellbeing of employees, we established the "Occupational Safety and Health Committee", and respect employees' freedom of association and right endowed by law. We are dedicated to providing smooth labor-management communication channels, including annual employee interviews, employee suggestion boxes, and regular labor-management meetings. During 2022, there were four labor-management meetings with 50% each of labor and management representatives, which meets the requirements of relevant regulations. We achieve the goal by integrating knowledge and resources.

Our security personnel receive regular professional training every year in accordance with the Occupational Safety and Health Law before their first day of employment. The course content includes practical training on disaster prevention and rescue, security related duties, and implementation of human rights education and training.



4.2 Employee Benefits and Remuneration

Country / region	The percentage of annual salary of the highest paid individual to median annual salary of employees (excluding the highest paid individual)	The increased ratio of annual salary of the highest paid individual to median annual salary of employees (excluding the highest paid individual)
Taiwan / Dali	8.04	51.40

Note

1. The formula for calculating the ratio of the median annual salary = the annual salary of the individual with the highest annual salary / median annual salary of individual for the year.
2. The formula for calculating salary increase ratio = annual percentage increase in salary of the individual with the highest annual salary in the year / annual percentage increase in salary of the individual with the median annual salary in the year.



4.2 Employee Benefits and Remuneration

By the end of the reporting period, the remuneration ratios between female and male are as below.

Salary ratio for each position	Number		Total annual salary (NTD)		Salary ratio	
	Female	Male	Female	Male	Female	Male
Managerial position	11	36	7,340,894	36,764,784	0.65	1
Non-Managerial position	44	130	18,841,812	52,967,720	1.05	1
Direct staff	3	81	1,257,762	29,424,789	1.15	1
Indirect staff	52	85	24,924,952	59,992,320	0.68	1

Note:

- 01. The total annual female salary in certain category / the number of female in females in category = the average annual salary of female in certain category; the total annual male salary in certain category / the number of males in certain category = the average annual salary of male in certain category.
- 02. Remuneration ratio (annual salary ratio) between female and male: "average annual salary of female in certain category/average annual salary of male in certain category".

By the end of the reporting, the ratio between our standard salary male and female entry-level employees (male and female) and minimum wage in our region is as below.

Country / region	The ratio between our standard salary for male entry-level employees and minimum wage in our region	The ratio between our standard salary for female entry-level employees and minimum wage in our region
Taiwan / Dali	1.03	1.09



Minimum announcement period for operational changes and termination of labor contracts

To protect the rights and interests of employees, we abide by the relevant laws and regulations of Article 16, Paragraph 1 of Labor Standards Act. If there is a major operational change or needs to terminate the employment relationship, a notice must be given 10 days in advance to those who work for more than 3 months, but less than 1 year : 20 days in advance to those who work for more than 1 year, but less than 3 years : 30 days in advance to those who work for more than 3 year.



4.2 Employee Benefits and Remuneration

Execution status of parental leave

We follow “workplace gender equality act” to enable pregnant employees to give birth with peace. We implement the “system of childcare leave without pay” to enable our employees to keep balance between work and family and provide maternity gifts to congratulate our employee on having a new member in a family.

We assist our employees in applying for parental leave without pay for raising under 3 years old. We arrange our employees to return to the original department or position when maternity leave ends and provide them a break time to breastfeed or express breast milk. The company has facilities such as nursing rooms and refrigerators and assists employees to reintegrate into the workplace.

Year	2020			2021			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
The number of eligible applicants for parental leave in the current year <i>A</i>	4	3	7	5	2	7	3	1	4
The actual number of eligible applicants for parental leave in the current year <i>B</i>	0	3	3	0	0	0	0	0	0
The number of people reinstating after parental leave in current year <i>C</i>	0	3	3	0	0	0	0	0	0
The actual number of people reinstating after parental leave in current year <i>D</i>	0	3	3	0	0	0	0	0	0
The actual number of people reinstating after parental leave in previous year <i>E</i>	0	1	1	0	3	3	0	0	0
The number of reinstated people who have continued to work for one year after parental leave in the previous year <i>F</i>	0	1	1	0	1	1	0	0	0
Reinstatement rate (<i>D/C</i>)	-	100%	100%	-	-	-	-	-	-
Retention rate (<i>F/E</i>)	-	100%	100%	-	33.33%	33.33%	-	-	-

Calculation method:

1. The number of people who should be reinstated = Number of parental leave without pay are expected to return to work this year.
2. The number of people retained in N year = the number of people who are reinstated in N-1 year and are still in office in N year/12/31.
3. Since the denominator of the ratio is 0 both in reinstatement rate and retention rate, therefore is represented as -

Implementation of Employee Benefits and Retirement System

We value the importance of employee welfare. Not only do we offer the basic labor and health insurance, but also provide group insurance (life insurance, medical insurance, and disability insurance), parental leave, employees national/international travel / year-end party. club activities (badminton/road Running/Yoga/Handcraft), employee dinners, bonuses for three festivals, employee health examination, subsidies for safety shoes and other benefits for employee well-being and concern their physical and mental health and development. There is no employee stock ownership.

Since epidemic causes people to feel that life is fragile and concern about work-life balance, they are focusing on seizing the day and living at present. We prepare relevant retirement planning (age/project of retirement care services) for employees.

1. Strengthen welfare measures: increase pension insurance (group insurance).
2. Stock Ownership Trust (retirement financial planning): Sharing business results by allowing retired employees to own company stocks

Friendly Concern

4.2 Employee Benefits and Remuneration



Department dinner



Health examination



Christmas party





Friendly Concern

4.2 Employee Benefits and Remuneration

Employee travel



Sport Club





4.2 Employee Benefits and Remuneration

We provide employee functional management and lifelong learning programs to help them enhance their abilities or building capacity to be hired and their retirement plans.

In 2022, the goal was to increase the number of personnel education and training hours. There are total 1794 hours/221 attendance, a total of 460 classes, and the average training hours per person is 10.3 hours. The overall training hours increased compared with last year.

"Talent" is one of the essential strategies for us to be competitive. We develop wisdom by sharing knowledge and experience, and further to create value within an organization. In order to have long-term operational stability, we established the "Internal Lecturer Measures" to highlight the contribution of our internal lecturers through incentive measures, such as: lecturer fee rewards. Its measurement allows our knowledge to be inherited to the next generations.

The certification of internal lecturers is one of the considerations for supervisor promotion and an important reference for performance appraisal. Internal "lecturers" is not only an effective way to transfer knowledge within an organization, but also improves their working ability and satisfy self-development through teaching and learning.

Functional analysis is conducted every December, the heads of each department carry out the professional skills appraisal according to the functional development manual. The evaluation result will be updated in "Professional Skills Appraisal Form" and "Professional Skills Matrix". The analysis of gap between core and management functions compiled by the human resources will be submitted to the vice president for approval.

We support staff who are approaching their retirement and assist if needed, provide career development consulting services, and volunteer service opportunities to enrich retirement life. We handle employee retirement requests in accordance with "IC-410 Retirement Operations", "Labor Standards Law", "Labor Pension Regulations" and other regulations. We hire senior retirees as consultants to assist recent- retirees adapt and have a meaningful retirement life.

Our preparation plan for pension-related is as below.

- 1. Old system :** We monthly allocate a certain amount of pension and reserve to the Pension Fund Account of Bank of Taiwan to ensure that the retirement insurance of employees is applicable to the old pension system. An actuary is appointed every year to calculate the person and issue the report to evaluate the company reserve adequacy.
- 2. New system:** According to the "Labor Standards Law", we monthly contribute an amount equal to 6% of the employees' monthly wages to a pension fund.

4.3 Health and Safety at Workplace

Major topic: Health and Safety at Workplace

Reporting Requirements	Explanation and example of reporting requirement
Major reason for this topic	<ul style="list-style-type: none"> • Violation of Occupational Safety and Health Act, Serious occupational accident (such as Article 37, paragraph 2 of the Occupational Safety and Health Law) • When a serious occupational accident occurs, a company may face operational shut down, labor shortages, operational disruption, or capacity reduced. • When a business reputation damages, it may influence customer preference, and directly cause shareholder loss. • The media exaggerates negative news; records of violations are permanently kept.
Policy / Strategy	Compliance with regulations, health promotion, damage prevention, communication implementation, continuous improvement.
Goal	<p>Short - term : 1. periodic legal checkup, collection of new information about regulations. 2. Occasional hazard identification in risk assessment to prevent risk factor. 3. Investigation of accidents to prevent recurrence.</p> <p>Mid - term : Set goals for improvement (5 improvement proposals per year) to continuously enhance safe operating environment</p> <p>Long - term : Zero incidents in the workplace.</p>
Management Evaluation Mechanism	Effectiveness evaluation of the improvement plan.
Performance and Adjustment	Proposals of occupational health and safety improvement process controlled by KPI have been achieved the standard.
Preventive or Remedial Measures	Incident investigation, corrective and preventive measures, continuous improvement.

4.3 Health and Safety at Workplace

To reduce workplace risk, the company provides a good working environment for all workers (the total number of employees is 221, accounting for 91.7%; the total number of non-employees is 20, accounting for 8.3%). We passed the ISO45001 occupational safety and health management system. To meet the expectations of the business environment, we established environmental safety and health policies and objectives. We ensure workers participate/communicate and response adequately to risk and opportunities, evaluate required resources, control and measure safety and health related issues, response to emergency events and improve continuously.

The Occupational Safety and Health Committee is set up, a meeting is held once a quarter. The number of labor and management representatives is separately 12 and 5. The main responsibilities of the employer are to announce and explain safety and health policies and objectiveness, supervise the implementation of occupational safety and health related operations, continue to reduce workplace risk, review workers' proposals and suggestions, and implement information transparency; while labor representatives are to collect all workers' safety and health opinions, publicize safety and health policies and objectives, ensure worker participation and establish effective communication between labor and management to achieve coherent and constructive agreements.

List of Occupational Safety and Health Committee

Classification Number of Business Units		0	5	0	5	4	5	3	7	K	Classification Number of Industry Standards		2	9	3	4
Employer	Business Owner	Corporation Business [Name]														
		Unincorporated Business [Name]									Batom Co., LTD					
	Person in Charge of Business Operation	Corporation Business	Representative			Title :			Name :							
			Or another agent			Title :			Name :							
	Unincorporated Business	Business Owner			Name : Morly Lin											
		Or another agent			Title :			Name :								
Employed Persons		Male: 117 persons, Female: 62 persons, Child:0 persons (Total: 179 persons)														
Committee List of Occupational Safety and Health																
Title		Name		Current Position									committee members who are representatives and elected by trade or labor unions (please click v) should account for more than one - third at all			
Chairman		Samuel Lin		CEO												
Committee Members (And executive secretary)		Tim Chang		Occupational Safety and Health Office Team Leader												
Committee Members		Ben Lin		Management Representative												
Committee Members		Eric Chou		Information Office Chief												
Committee Members		Jenny Lin		Human Resources Dept. Assistant Manager												
Committee Members		Mark Chen		Supply Dept. Manager												
Committee Members		Bill Su		Supply Dept.- Procurement Assistant Manager												
Committee Members		Neil Liu		Production Dept. Manager												
Committee Members		Sean Lee		Quality Control Dept. Assistant Manager												
Committee Members		Yoshiki Dai		Business Dept. Manager												
Committee Members		Randy Lai		Engineering Dept. Assistant Manager												
Labor Representative		Gray Liao		Production Dept. Team Leader									✓			
Labor Representative		Lester Lee		IT Office Engineer									✓			
Labor Representative		Peter Pan		Research & Development Dept. Team Leader									✓			
Labor Representative		Chuck Zhu		Quality Control Dept. Vice Team Leader									✓			
Labor Representative		White Hsieh		Production Dept. Vice Team Leader									✓			
Occupational Safety and Health Administrator		Day Zheng		Occupational Safety and Health Committee Members												



Workplace Health Promotion Activities

In order to protect the physical and mental health of all our employees, we provide employees with multiple services and guarantees such as "physical and mental health consultation, health promotion activities (road running and outdoor yoga activities), and health checkups for senior executives, protection of women and maternal labor, and abnormal working hours". Because prevention is better than cure, we take the initiative to give appropriate concern, and create a safe and secure working environment.

Statistical Table of Number of Employees and Expenses for Health Examination

General health check	
Examination item	Urinalysis, routine blood, liver function, gallbladder function, kidney function, blood sugar, blood fat, Cardiac circulation, hepatitis B, liver cancer, colorectal cancer, ultrasound, chest X-ray
Examination number (person)	192
Examination fee (thousand)	172.8
Health check for senior executives	
Examination number (person)	8
Examination fee (thousand)	64
Special health check	
Examination items	Electrocardiogram
Examination number (person)	57
Examination fee (thousand)	90

Statistics on the number of hours of on-site clinics in 2022

Item	Hours (HR)	Sessions (times)
Nurse	96	48
Doctor	8	4
Physiatrists	8	4

Activities	Description
2022.11.13 "Shupao" road running	9K-2 (people) \ 5K-2 (people) \ 3K-4 (people)
2022.11.19 "Zixun" road running	21K-3 (people) \ 9.8K-3 (people) \ 3K-5 (people)
2022.11.12 "Fengle" park, Happy with yoga	Outdoor yoga activity organized by yoga club in Fengle Park, to encourage our employee family to go outdoor and participate in yoga exercise.



4.3 Health and Safety at Workplace

Shupao road running



Zixun road running



Fengle park, Happy with yoga





Health check



Onsite clinic





4.3 Health and Safety at Workplace

✓ Hazard analysis, risk assessment and accident investigation

To enhance our employees' awareness of safety and health issues, we continue to identify and record any potential "Safety and Health Hazard Factors" in various operating activities and facilities. We evaluate safety and health risks and pursue safety and zero disasters. We implement safety and health policies and meet the requirements of continuous improvement by continuously identifying hazards factors and evaluating risks and carrying out necessary risk control methods. When there is a change in operating activities, content or new equipment investment, risks will be evaluated synchronously. The compliance of hazard analysis and risk assessment will be re-examined and reviewed when conducting incident investigations. Personnel of hazard identification and risk assessment are trained by ISO45001 (training education of hazard identifications and risk assessment) and can only provide service when obtaining approval certificates.

When an accident occurs, the on-site personnel should immediately notify the supervisor of the event and the Occupational Safety and Health Services, and the occupational safety and health personnel should notify the emergency workers. The content of the incident report should include the time, place, unit, brief summary, number of casualties and emergency measures taken, etc. When a serious occupational accident occurs, the supervisor of the occupational safety and health service shall immediately notify the management representative and report to the Taichung City Labor Inspection Office within 8 hours. Each head of Department shall ensure that the accident site and not disturb or damage except for necessary first aid or emergency rescue.

In order to identify possible hidden risks in all operating activities and facilities, we adopt the following plans (1) All employees should participate in the process of hazard identification and risk assessment, we encourage employees to report near miss events, and implement properly risk identification and control. (2) When an accident or near miss event occurs, hazard identification and risk assessment should be re-examined. (3) To provide anonymous complaint protocols to protect employees from being targeted or punished when reporting safety and health-related issues.

When the following situations occur, employees have rights to immediately stop operations or leave the workplace without any punishment: (1) When an accident occurs, the person involved can immediately stop the operation and initiates the accident notification procedures. If the person involved cannot report by himself, the nearby college should attend. (2) If there is an immediate danger at a workplace, the employees at the workplace may stop operations immediately and evacuate to a safe place.

When the corrective and preventive actions of the incident are completed, human resources should confirm whether the corrective and preventive measures are effectively implemented and risks are reduced to tolerable levels, and follow-up care for injured. In addition, the reasonable number of (injury/ sick) leave days shall be supported by a medical certificate. Finally, any injury, ill health, disease, or event that has been treated, the supervisor of occupational safety and health unit should communicate with each supervisor of department and their employees to reach the objective of incident prevention through internal communication mechanism.

There are no high-risk events that occurred under our excellent management risk assessment and control measures. To prevent unexpected situations, we rehearse Safety and Health Related Emergency Response. We establish high level risk control procedures to strengthen safety and health management systems and guidelines.

We have established the contractor environment and safety and health to ensure the safety of employees and contractor personnel. We implement the environmental safety and health policy to prevent the risk of internal and external environmental pollution.

- 1.Safety control when entering the factory.
- 2.Commitment to safety and health regulations.
- 3.Control operators and work area.
- 4.Hazard notification and consultation meeting.

Flowchart of Hazard identification and risk assessment

Evaluation Period and Guidelines

Operational Check

Hazard Identification

Risk Evaluation

High - Risk

Examination

No

Yes

Daily Management

Improvement on Objectives and Management Plans

Flowchart of incident investigation

Formulate Occupational Accident Report ,Investigation and Resolution plan

Report to Environmental Safety and Health Committee

Occupational Accident Investigation Report,Implementation of Investigation and Treatment Plan

Environmental Safety Group reports Occupational Accident

Implement Accident Investigation

Report Accident investigation

Implement Corrective and Preventive Action

Supervision and Management

Accident investigation closed

The End



4.3 Health and Safety at Workplace

Occupational Safety and Health of Educational Training

Our employees should accept educational training related to occupational safety and health. The statistics of the number of trainees and expenses during the reporting are as follows :

Item Statistics of Occupational Safety and Health of educational training

Name of training program	Number of Trainees	Training fee (NTD)
Occupational Safety and Health of educational training for new recruits	78	0
Safety and health educational training for full time employees (once every three years)	146	0
Fire-drill	36	0
Type C business supervisor of Labor safety and health	1	1,200
Refresher training of emergency personnel	1	800
Safety and health on-the-job educational training for operators of forklifts with a load of more than one metric ton	5	2,800
Supervisor of dust-business	2	8,000
Type B occupational Safety and Health Management	1	2,400
Type C business supervisor of labor safety and health	1	1,200

Note :

- Workers including employees and non-employees whose work and/or workplace is controlled by the organization.
- Workers who are not employees but whose work and/or workplace is controlled by the organization, such as: security guards, cleaning personnel, construction personnel and other contractors and outsourcers.
- Educational training related to occupational safety and health includes general training or training for specific occupational hazards and dangerous situations.
- Safety and health education and training for full time employees will be carried out every three years, and the last training was in 2020.

Occupational hazard

Because our non-employees (dispatch workers) regularly works inside the company, therefore the total working hours of our statistics are calculated based on the consolidated accounting. There is no distinction of occupational injury data between employees and non-employee workers.

Statistics of Occupational Injuries of Employees and non-employees

Category	Item	2020	2021	2022
Total working hour	Women's total working hours	113,315	104,496	111,852
	Man's total working hours	232,519	256,429	325,868
	Total working hour	345,834	360,925	437,720
Number of deaths due to occupational injuries	Number of female deaths (times)	0	0	0
	Number of male deaths (times)	0	0	0
	Total number of deaths (times)	0	0	0
Number of serious occupational injuries (excluding fatalities)	The total female number of serious occupational injuries (times)	0	0	0
	The total male number of serious occupational injuries (times)	0	0	0
	Total number of serious occupational injuries (times)	0	0	0
The number of recordable occupational injuries (including the number of deaths and the number of serious occupational injuries)	The total female number of occupational injuries (times)	0	0	0
	The total male number of occupational injuries	0	0	0
	Total number of occupational injuries (times)	0	0	0
	% of fatalities due to occupational injuries	0%	0%	0%
	% of serious occupational injury	0%	0%	0%
	% of recordable occupational injuries	0%	0%	0%

Note :

1. % of Death rate due to occupational injuries = (Number of deaths due to occupational injuries / working hours) * 1,000,000.
2. % of Serious occupational injury = [Number of serious occupational injuries (excluding fatalities)/working hours] * 1,000,000.
3. % of recordable occupational injuries = [Number of recordable occupational injuries (including deaths and serious occupational injuries) /working hours] * 1,000,000.
4. Serious occupational injury refers to health that cannot be recovered from occupational injuries within 6 months.
5. Recordable occupational injuries do not include occupational injuries due to commute.



Statistical Table of Employee Occupational Disease

Category	Item	2020	2021	2022
Deaths due to occupational diseases	Number of female deaths (times)	0	0	0
	Number of male deaths (times)	0	0	0
	Total number of deaths (times)	0	0	0
Number of recordable occupational diseases	Total female number of occupational diseases	0	0	0
	The total male number of occupational diseases	0	0	0
	Total number of occupational diseases	0	0	0
% of fatalities due to occupational diseases		0%	0%	0%
% of Recordable Occupational Disease		0%	0%	0%

Note :

- 01. % of Occupational disease = (total number of occupational diseases / total working hours) * 1,000,000.
- 02. % of fatalities due to occupational diseases = (number of deaths due to occupational diseases/total working hours) * 1,000,000.
- 03. % of recordable occupational diseases = [Number of recordable occupational diseases / working hours] * 1,000,000.

Statistical Table of non- Employee Occupational Disease

Category	Item	2020	2021	2022
Deaths due to occupational diseases	Number of female deaths (times)	0	0	0
	Number of male deaths (times)	0	0	0
	Total number of deaths (times)	0	0	0
Number of recordable occupational diseases	Total female number of occupational diseases	0	0	0
	The total male number of occupational diseases	0	0	0
	Total number of occupational diseases	0	0	0
% of fatalities due to occupational diseases		0%	0%	0%
% of Recordable Occupational Disease		0%	0%	0%

Note :

- 01. % of Occupational disease = (total number of occupational diseases / total working hours) * 1,000,000.
- 02. % of fatalities due to occupational diseases = (number of deaths due to occupational diseases/total working hours) * 1,000,000.
- 03. % of recordable occupational diseases = [Number of recordable occupational diseases / working hours] * 1,000,000.



4.4 Social Participation

Besides emphasizing the improvement of business performance, we are also aware of the importance of concern for our communities. By actively participating in various cultural activities, public welfare activities, sports, and environmental protection activities, we are able to bring economic development around our community. We spread hope and love to every corner of the world that needs, and do our best for society, fulfill our corporate social responsibilities.

We have environmental monitoring and management personnel for investigating the process of components. And every year, the impartial third-party is required to come to factory and community to check whether the impact value meets the standards. If not, improvement is required. 7

Name of public welfare activity	Amount (NTD)	Description
2020.6.23 Blood donation activity	26,925	Collect 250C.C. total 29 blood bags plus gifts and coupons
2021.4.23 blood donation activity	25,460	Collect 250C.C. total 34 blood bags plus gifts and coupons
2022.1.6 Blood donation activity	18,525	Collect 250C.C. total 62 blood bags plus gifts and coupons
Aid to Ukraine	65,700	Fundraising donation
2022.9.23 blood donation activity	38,450	Collect 250C.C. total 82 blood bags plus gifts and coupons
Taiwan EMBA Badminton Association Donation	10,000	Fundraising donation
Public Welfare Lecture - Black Young Dragons have happy and successful children	4,522	The company responds to public welfare activities (free book)
Taichung Symphony Orchestra	60,000	Fundraising donation
Scholarship to Taichung Municipal Taichung First Senior High School	100,000	Donation
Charity Foundation Hsinchu Catholic Social Welfare Foundation of Charity Gift box	3,200	Order 10 boxes (single order)
Love Home (Maria Social Welfare Foundation) Gift box to	41,650	Order 100 boxes (full year)

2020.05.06 Dali bridge stream cleaning





2020.05.06 Dali bridge stream cleaning



2020.06.23 Blood donation activity



2021.04.23 Blood donation activity



2022.01.06 Blood donation activity



2022.09.23 Blood donation activity



4.4 Social Participation

2022.10.14 Brown Boulevard street sweeping



2022.10.18 Brown Boulevard street sweeping



2022.11.27 Public Welfare Lecture - Black Young Dragon have happy and successful children



最珍貴的禮物
帶出快樂成功的孩子

志玄免費公益講座

主講人-台灣卡內基訓練董事長

黑幼龍 2022 **11/27** 日
14:00-16:10
(請提前入場等候)

好溝通 * 人際互動 → 快樂幸福

2022.12.30 Love Home (Maria Social Welfare Foundation) Gift box



感謝

本土股份有限公司
感謝有您!以愛擁抱我們,
因您慷慨熱心的胸懷,
讓瑪利亞不一樣的天使,
每一天都有美好與希望。

瑪利亞社會福利基金會
Maria Social Welfare Foundation
董事長 **鄭若瑟**

中華民國 111 年 12 月 30 日
瑪社字第 111069 號

Usage statement	We referred to the GRI guidelines to report during the period of 2022/01/01-2022/12/31, information cited in the GRI Content Index.				
GRI 1 usage	GRI 1: basis 2021				
Application GRI Standard	N/A				
GRI Standard Category / Topic	Serial number	GRI Standard Disclosure	Corresponding Chapter	Page	Omit / Note
1. Organization and Reporting Practices					
GRI 2 General Disclosure 2021	2-1	Organization Details	1.1 About us	11	
	2-2	Entities Included in Organizational Sustainability Reports	About this report	05	
	2-3	Reporting Period, Frequency and Contact Person	About this report	05	
	2-4	Information Reorganization	About this report	05	
	2-5	External Assurance/Confidence	About this report	05	
2. Activities and Workers					
GRI 2 General Disclosure 2021	2-6	Activities, value chains and other business relationships	1.1 About us	11	
	2-7	staff	4.1 Talent training	42	
	2-8	non-employee	4.1 Talent training	42	
3. Governance					
GRI 2 General Disclosure 2021	2-9	Governance Structure and Composition	2.2 Operation Overview	22	
	2-10	Nomination and selection of the highest governance body	2.2 Operation Overview	22	
	2-11	chairman of the highest governing body	2.2 Operation Overview	22	
	2-12	Role of the highest governance body in overseeing impact management.	2.2 Operation Overview	22	
	2-13	Impact Management Leader	2.2 Operation Overview	22	
	2-14	Role of the highest governance body in sustainability reporting conflict of interest.	2.2 Operation Overview	22	
	2-15	conflict of interest	2.2 Operation Overview	22	
	2-16	Communicate key milestones	2.2 Operation Overview	22	
	2-17	Group knowledge of the highest governance body.	2.2 Operation Overview	22	
	2-18	The competencies and performance evaluation of the highest governance body	2.2 Operation Overview	22	
	2-19	salary policy	2.2 Operation Overview	22	
	2-20	Compensation Determination Process	2.2 Operation Overview	22	
	2-21	the ratio of annual total compensation	4.2 Employee Benefits and remuneration	48	
4. Strategy, policy and practice					
GRI 2 General Disclosure 2021	2-22	Statement of Sustainability Strategy	Sustainable Expectation	03	
	2-23	policy commitment	2.2 Operation Overview	22	
	2-24	Incorporate policy commitments	2.2 Operation Overview	22	
	2-25	remediation of negative impacts	2.2 Operation Overview	22	
	2-26	Mechanisms for seeking advice and raising concerns	2.4 Regulatory compliance	28	
	2-27	Compliance	2.4 Regulatory compliance	28	
	2-28	Membership of public associations	2.5 External organization participation	30	
5. Stakeholders' agreement					
GRI 2 General Disclosure 2021	2-29	Stakeholder agreement policy	1.2 Stakeholder communication	14	
	2-30	Membership of public associations	—		The company has no collective agreement and no labor union

GRI Standard Category / Topic	Serial number	GRI Standard Disclosure	Corresponding Chapter	Page	Omit / Note
Specific Subject Guidelines: 200 Series (Economic Subjects)					
Market position					
Market position topic disclosure	202-1	Ratio of the standard salary of different genders employees to region minimum salary	4.2 Employee benefits and remuneration	48	
	202-2	Ratio of employing residents as senior management	4.1 Talent training	42	
Indirect economic impact					
GRI 203 Indirect Economic Impact Topic Disclosure 2016	203-1	Development and Impact of Infrastructure Investment and Support Services	4.4 Social Participation	61	
	203-2	Significant indirect economic impacts	4.4 Social Participation	61	
Purchasing Practice					
GRI 204 Purchasing Practice Topic Disclosure 2016	204-1	Percentage of purchase from local suppliers	3.2 Supply Chain Management	34	
Anti-corruption					
GRI 205 Anti-corruption topic disclosure 2016	205-1	Operations assessed for risks related to corruption	2.4 Regulatory compliance	28	
	205-2	Communication and training on anti-corruption policies and procedures	2.4 Regulatory compliance	28	
	205-3	Confirmed incidents of corruption and actions taken	2.4 Regulatory compliance	28	
Anti-competitive behavior					
GRI 206 Anticompetitive behavior topic Disclosure 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices.	2.4 Regulatory compliance	28	
Tax					
GRI 207 Tax topic management disclosure 2019	207-1	Tax policy	2.1 Financial Performance	20	
	207-2	Tax governance, control, and risk management	2.1 Financial Performance	20	
	207-3	Stakeholder communication and management of tax related issues	2.1 Financial Performance	20	
GRI 207 Tax topic disclosure 2019	207-4	country report	—	—	No
Specific Subject Guidelines: 300 Series (Environmental Subjects)					
Materials					
GRI 301 Material topic disclosure 2016	301-1	Weight or volume of material used	3.3 material management	36	
	301-2	recycled materials	3.3 material management	36	
	301-3	Recycled products and their packaging materials	—	—	No
Water and sewage treatment					
GRI 303 Water and sewage treatment management disclosure 2018	303-1	Impact of shared water resources	3.5 Water resource management	39	
	303-2	Management of discharge-related impacts	3.5 Water resource management	39	
GRI 303 Water and sewage treatment disclosure 2018	303-3	Water intake	3.5 Water resource management	39	
	303-4	Discharge	3.5 Water resource management	39	
	303-5	Water Consumption	3.5 Water resource management	39	
Biodiversity					
GRI 304 Biodiversity topic disclosure 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	—	—	No
	304-2	Significant impacts of activities, products, and services on biodiversity	—	—	
	304-3	Habitats protected or restored	—	—	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	—	—	

Appendix

Specific Subject Guidelines: 300 Series (Environmental Subjects)

Supplier Environmental Assessment

GRI 308 Supplier Environmental Assessment disclosure 2016	308-1	New suppliers that were screened using environmental criteria	3.2 Supply Chain management	34	
	308-2	Negative environmental impacts in the supply chain and actions taken	Negative environmental impacts in the supply chain and actions taken	34	

Specific Subject Guidelines: 400 Series (Social Topic)

Employee Diversity and Equal Opportunity

GRI 405 Employee Diversity and Equal Opportunity topic disclosure 2016	405-1	Diversity of governance units and employees	4.1 talent training	42	
	405-2	Ratio of base-salary between men and women	4.2 Employee benefits and remuneration	48	

Non-discrimination

GRI 406 non-discrimination topic disclosure	406-1	Incidents of discrimination and corrective actions taken	4.1 talent training	42	
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Freedom of Association and Collective Bargaining

GRI 407 Freedom of Association and Collective Bargaining topic disclosure	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be risk	4.1 talent training	42	
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Child labor

GRI 408 Child labor topic disclosure 2016	408-1	Operations and suppliers are significant risk for incident of child labor	3.2 supply chain management	34	
			4.1 talent training	42	

For compulsory labor

GRI 409 Forced or compulsory labor topic disclosure 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	3.2 supply chain management 4.1 talent training	34 42	
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Security practice

GRI 410 Security practice topic disclosure 2016	410-1	Security personnel trained in human rights policies or procedure	4.1 talent training	42	
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Rights of Indigenous Peoples

GRI 411 Rights of Indigenous Peoples 2016	411-1	Incident of violations involving rights of indigenous peoples	—	—	There was no such incident during the reporting period
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Local community

GRI 413 Local community topic disclosure 2016	413-1	Operations with local community engagement, impact assessments, and development programs	4.4 social participation	61	
	413-2	Operations with significant actual and potential negative impacts on local communities	4.4 social participation	61	

Supplier Social Assessment

GRI 414 Supplier Social Assessment topic disclosure 2016	414-1	New suppliers that were screened using social criteria	3.2 supply chain management	34	
	414-2	Negative social impacts in the supply chain and actions taken	3.2 supply chain management	34	

Public Policy

GRI 415 Public Policy topic disclosure	415-1	Political contribution	—	—	No
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Customer Privacy

GRI 418 Customer Privacy topic disclosure	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.1 Product and service	31	
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 Major topic disclosure

GRI Code	Topic	Industry Code	Code	GRI Guidelines Disclosure Content	Corresponding Chapter	Page	Omit / Note
GRI 3: major topic 2021	Management policy	—	3-1	Process of determining major topic	1.3 Major topic identification	16	
GRI 3: major topic 2021	Management policy	—	3-2	Major topic list	1.3 Major topic identification	16	
Major topic: Economic Performance (Economic Performance GRI 201)							
GRI 3: major topic 2021	Economic Performance Management Policy	—	3-3	Major Topic Management	2.1 Financial performance	20	
GRI 201	Economic Performance Topic disclosure 2016	—	201-1	Direct economic value generated and distributed	2.1 Financial performance	20	
		—	201-2	Financial implications and other risks and opportunities due to climate change	2.3 Risk Management	28	
		—	201-3	Defined benefit plan obligations and other retirement plans	4.2 Employee Benefits and remuneration	48	
		—	201-4	Financial assistance received from government	2.1 Financial performance	20	
Major theme: customer health and safety (customer health and safety GRI 416, marketing and labeling GRI 417)							
GRI 3: major topic 2021	Customer Health and Safety Management Policy	—	3-3	Major topic management	3.1 Product and service	31	
GRI 416	Customer Health and Safety topic disclosure	—	416-1	Assessment of the health and safety impacts of product and service categories	3.1 Product and service	31	
		—	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3.1 Product and service	31	
GRI 417	Marketing and labelling topic disclosure	—	417-1	Requirements for product and service information and labelling	3.1 Product and service	31	
		—	417-2	Incidents of non-compliance concerning product and service information and labelling	3.1 Product and service	31	
		—	417-3	Incidents of non-compliance concerning marketing communications	3.1 Product and service	31	
Major theme: Energy & Emissions (Energy GRI 302, Emissions GRI 305)							
GRI 3: major topic 2021	Energy & Emissions management policy	—	3-3	Major topic management	3.4 Energy & Emissions	37	
GRI 302	Energy topic disclosure 2016	—	302-1	Energy consumption within the organization	3.4 Energy & Emissions	37	
		—	302-2	Energy consumption outside the organization	3.4 Energy & Emissions	37	
		—	302-3	Energy	3.4 Energy & Emissions	37	
		—	302-4	Reduction of energy consumption	3.4 Energy & Emissions	37	
		—	302-5	Reduction in energy requirements of products and services	3.4 Energy & Emissions	37	
GRI 305	Emission topic disclosure 2016	—	305-1	Direct (Scope1) GHG emissions	3.4 Energy & Emissions	37	
		—	305-2	Energy indirect (Scope2) GHG emissions	3.4 Energy & Emissions	37	
		—	305-3	Energy indirect (Scope3) GHG emissions	3.4 Energy & Emissions	37	
		—	305-4	Other emissions intensity	3.4 Energy & Emissions	37	
		—	305-5	Reduction of GHG emissions	3.4 Energy & Emissions	37	
		—	305-6	Emissions of ozone-depleting substance (ODS)	3.4 Energy & Emissions	37	
		—	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emission	3.4 Energy & Emissions	37	

Appendix

GRI Code	Topic	Industry Code	Code	GRI Guidelines Disclosure Content	Corresponding Chapter	Page	Omit / Note
Material topic: Waste (Waste GRI 306)							
GRI 3: major topic 2021	Waste management policy	—	3-3	Major topic management	3.6 waste management	41	
GRI 306	Waste topic management disclosure 2020	—	306-1	Waste generation and significant waste-related impacts	3.6 waste management	41	
		—	306-2	Management of significant waste-related impacts	3.6 waste management	41	
	Waste topic disclosure 2020	—	306-3	Waste generated	3.6 waste management	41	
		—	306-4	Waste diverted from disposal	3.6 waste management	41	
		—	306-5	Waste directed to disposal	3.6 waste management	41	
	Sewage and waste Topic Disclosure 2016	—	306-3 (2016)	Serious leakage	3.6 waste management	41	
Major Theme: Training and Education & Employment & Employment Relations (Employment GRI401, Labor/Management Relations GRI402, Training and Education GRI 404)							
GRI 3: major topic 2021	occupational safety and health management policy	—	3-3	Major topic management	4.1 talent training	42	
GRI 401	Employment topic disclosure	—	401-1	New employee hires and employee turnover	4.1 talent training	42	
		—	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2 Employee benefits and remuneration	48	
		—	401-3	Parental leave	4.2 Employee benefits and remuneration	48	
GRI 402	Labor / Management Relations topic disclosure 2016	—	402-1	Minimum notice periods regarding operational changes	4.2 Employee benefits and remuneration	48	
GRI 404	Training and Education topic disclosure 2016	—	404-1	Average hours of training per year per employee	4.1 talent training	42	
		—	404-2	Programs for upgrading employee skills and transition assistance programs	4.2 Employee benefits and remuneration	48	
		—	404-3	Percentage of employee receiving regular performance and career development reviews	4.1 talent training	42	
Major theme: occupational safety and health (occupational safety and health GRI 403)							
GRI 3: major topic 2021	occupational safety and health management policy	—	3-3	Major topic management	4.3 Workplace health and safety	53	
GRI 403	occupational safety and health topic management disclosure 2018	—	403-1	Occupational health and safety management system	4.3 Workplace health and safety	53	
		—	403-2	Hazard identification, risk assessment and incident investigation	4.3 Workplace health and safety	53	
		—	403-3	Occupational health services	4.3 Workplace health and safety	53	
		—	403-4	Worker participation, consultation, and communication on occupational health and safety	4.3 Workplace health and safety	53	
		—	403-5	Worker training on occupational health and safety	4.3 Workplace health and safety	53	
		—	403-6	Promotion of worker health	4.3 Workplace health and safety	53	
		—	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.3 Workplace health and safety	53	
	occupational safety and health topic disclosure 2018	—	403-8	Workers covered by an occupational health and safety management system	4.3 Workplace health and safety	53	
		—	403-9	Work-related injuries	4.3 Workplace health and safety	53	
		—	403-10	Work-related ill health	4.3 Workplace health and safety	53	

Sustainability Accounting Standards SASB Comparison Table

Category: automotive industry

Topic	SASB code	Metric	Nature	Comparison of report content and chapters	Note	Page	
Energy Management	TR-AP-130A.1	(1) Total energy consumption (2) ratio of electricity consumption from power grid (3) ratio of renewable energy consumption to total energy consumption	Quantify	3.4 Energy and Emission	–	37	
Waste Management	TR-AP-150A.1	(1) The total amount of waste generated during the manufacturing process, (2) ratio of hazardous waste, (3) ratio of waste recycling	Quantify	3.6 Waste Management	–	41	
Product safety	TR-AP-250A.1	Number of rejected announced and total quantity of product rejected	Quantify	3.1 Product and Service	–	31	
Design for Fuel Efficiency	TR-AP-410A.1	Revenue from products designed to improve fuel efficiency and / or reduce emissions	Quantify	3.1 Product and Service		31	
Raw material traceability	TR-AP-440A.1	Describe risk management procedures for the usage of key controversial raw materials	Description and analysis	3.2 Supply Chain Management	After evaluated by our senior, internal executives, stakeholders, and external experts, it is determined that this topic is not considered as our major topic in 2022.	34	
Raw material efficiency	TR-AP-440B.1	The percentage of sold products that can be recycled in all sales revenue	Quantify	3.3 Material Management		The percentage of sold products that can be recycled and reused in all sales revenue is 100%	
	TR-AP-440B.2	Percentage of recycled raw materials compared to total input raw material weight	Quantify	3.3 Material Management			36
Competitive behavior	TR-AP-520A.1	Total amount of losses as a result of legal proceedings associated with Anti-Competitive Conduct Regulations	Quantify	2.4 Compliance with regulations	–	28	
Parts production quantity	TR-AP-000.A	–	Quantify	3.3 Material Management	–	36	
Part production weight	TR-AP-000.B	–	Quantify	3.3 Material Management	–	36	
Production plant area	TR-AP-000.C	–	Quantify	1.1 About Us	–	11	



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