



**GREAT TAIWAN GEAR**

Batom Co., Ltd.

# 2023

## Batom Co., Ltd Sustainability Report or ESG Report

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# Sustainable expectations

“ 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 next 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 philosophy deeply represents our persistence and courage while facing challenges.

As one of the world's leading suppliers of transmission systems in electric vehicles, we have represented "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.

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.”



**President Morley Lin**



**General Manager Samuel Lin**

# 1 Goal and Strategy in 2023

1. Reduce carbon footprint, increase renewable energy, implement energy-saving technology and equipment renovations, conduct a carbon emissions audit and develop a plan to reduce emissions.
2. Improve employee health and welfare, carry out regular health examinations, provide counseling services for mental health, increase our participation in community services and public welfare activities.
3. Optimize resource management and water reuse, carry out waste classification and recycling, promote initiatives of zero waste. We regard sustainability as a part of corporate operational decision-making. By reviewing the structures of governance, environmental and social management, we are able to have sustainable strategies to promote innovation and become a better company.

We, Batom Co., LTD, in 2023, have achieved cross-departmental collaboration on issues such as zero emissions, circular economy, community management, environmental education, labor human rights, occupational safety, corporate governance, and carry out agile reviews and make continuous improvement.

# 2 Midterm sustainable goals (2030)

We promptly respond to the United Nations Sustainable Development Goals (SDGs) and consider 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. We are 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.

# 3 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.



# About This Report

## Disclosure Scope and Timeline

The period disclosed in this report is from January 1, 2023, to December 31, 2023. 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), Gear GT S.A. de C.V. (Mexico subsidiary), SuZhou 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. The boundary of this report is mainly Taiwan. Any relevant information beyond this scope will be noted in the report. We are currently evaluating the establishment of a sustainable development committee, therefore based on issues such as economic, environmental, social, and risk issues related to sustainable management, Batom Co., LTD and its subsidiary responsibility unit (such as Human Resources Department, Management Department, Finance Department, Production Department (Occupational Safety Office), and other relevant departments) are responsible for collecting and providing information. It will be reviewed for its correctness by the general manager and president. And will be finalized and published after discussion of the proposal by the third quarter board of directors.

The statistics disclosed in the report come from our self-statistics, 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 calculated 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.

The following is a list of our corporate affiliate information

### Corporate Affiliate Information

<b>SuZhou Gear LTD</b>	<b>America Gear LTD</b>	<b>Mexico GEAR LTD</b>	<b>Guan Quan industry</b>
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## Information rearrangement

Compared with the "2022 Batom Co., Ltd Sustainability Report or ESG Report", the chapters 3.4 Energy/Emission, 3.6 Waste Management and 4.3 Health and Safety at workplace have had information reedited. For details on the reorganization of historical data, please refer to the text.

## Compilation principles of the report

The structure of this report refers to the Universal Standards 2021 published by the Global Sustainability Reporting Initiative (GRI) in 2021 as the main disclosure structure. We also compile sustainability reports in response to the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures, TCFD.

## Report Issuance and Plan

This is the second sustainability report edited by Batom Co., LTD, it is expected to be issued annually and published on our website.

**Current version: Release in October 2024**

**Next version: To be issued in October 2025**

## Contact Information

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

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ESG feedback/complaint mailbox : [https : //www.greataiwangear.com/](https://www.greataiwangear.com/)**



# ESG Performance Highlights

## E Environmental Aspect

- The computer motherboards are replaced with minicomputer hosts. Reduce carbon emissions by 19.35 metric tons CO<sub>2</sub>e/year, The carbon reduction efficiency reaches 60%.
- The entire factory has been replaced with LED lighting, 90% of which has been completed.
- 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 airconditioners 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 through using waste oil separator" to 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.



## S Social Aspect

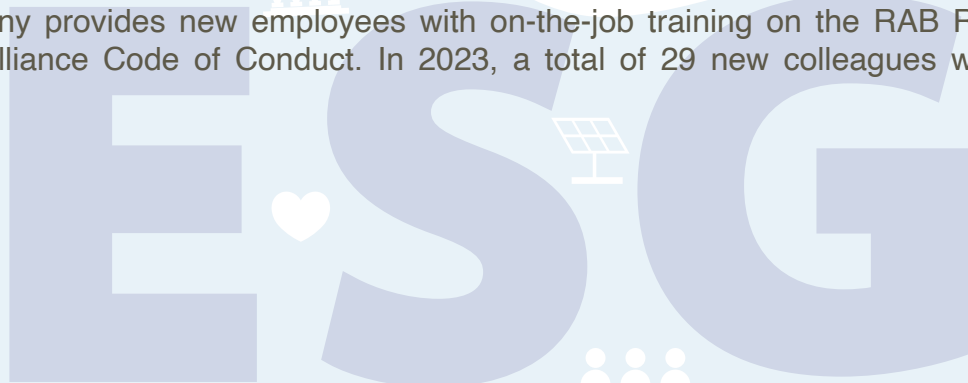
- To boost economic development and prosperity in our community, we participate in cultural activities and charitable events (including having mobile blood collection vehicle to enter our factory on a regular basis, bone marrow donation, etc.) student scholarship, sports events (such as road running, 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

- In order to further enhance the company's credibility in the international market, we have passed the RBA (Responsible Business Alliance Code of Conduct) certification in October 2023 and received the platinum level.

RBA is a global initiative designed to help companies establish and implementing social responsibility and sustainability. By introducing the RBA system, we ensure that our supply chains follow a series of best practices. This reduces potential environmental and social risks and increases transparency and credibility. This certification demonstrates that we meet the highest global standards in corporate social responsibility and sustainability. We will continue to work hard to ensure that our operations adhere to the highest ethical standards and be socially and environmentally responsible. We look forward to working with our partners and stakeholders to achieve a more sustainable and responsible future.

- We regularly carry out internal audit operations every year. We may also conduct irregular audits to address violations of antitrust laws or when there are major changes in relevant laws and regulations. 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.
- Our company provides new employees with on-the-job training on the RAB Responsible Business Alliance Code of Conduct. In 2023, a total of 29 new colleagues was trained.

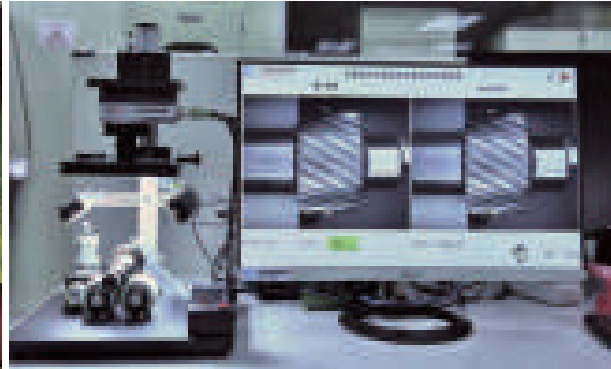


# ESG



# Report performance

## 2023 Report performance (pictures)



▲ MIH electric vehicles are expected to use “Self-made two-speed gearbox” that was launched together by us and Industrial Research Institute. We continue to develop green energy and high-end application products in order to contribute to net-zero carbon emissions

## Column \_ Batom electric vehicle transmission leads the EV industry

Since its founding in 1981, thanks to the effort of the founder Lin, Shen and the strategy of the general manager Lin, Yi-Ming, in April 2021, we successfully developed a two-speed gearbox for electric vehicles and honored with the 29th National Award of Outstanding SMEs. In recent years, Recently, we have passed the rigorous tests of major international electric vehicle manufacturers and became a qualified Tier 1 supplier. Among all competitors in the market, Lin, Yi-Ming said with great enthusiasm that in the future, we will continue to develop green energy industry and high-end application products. It is expected that BATOM will become the leader in the electric vehicle (EV) industry.

We follow the business philosophy of "excellent quality, customer first, and sustainable management". In order to ensure that our gear products such as gears reducer, automobile, ATV and golf cart transmission gears, planetary reduction gear sets, medical device transmission and gearbox, and aerospace gears can reach world-class quality, we have passed many international quality certifications such as ISO 9001, IATF 16949, AS 9100, NADCAP, ISO 14001, ISO 45001 and ISO/IEC 27001.

Besides investing heavily in gear processing equipment, we have introduced the most advanced devices, we have professional core technologies and excellent problem-solving capabilities for the heat treatment field. In addition to planning to invest in the establishment of a CQI-9 heat treatment plant, we have also introduced a number of testing equipment to ensure the best quality standards.

It is worth mentioning that the heat treatment team has been trained on the special process specifications for aerospace heat treatment and can respond to various heat treatment challenges raised by customers and assist in formulating the best heat treatment solutions.

In terms of ESG and SDGs, we have formulated ESG short, medium and long-term development strategies. An international ESG report has been released and is expected to obtain RBA certification in the third quarter of 2025 to strengthen supply chains responsibility. In August 2024, the ISO 14064-1 carbon inventory was launched to strengthen external energy consumption. We are committing to social responsibility and net-zero carbon emissions and contributing to sustainable development and environmental protection. In order to actively respond to the physical risks of climate change, we introduced carbon inventory ISO 14064-1 and carbon footprint ISO 14067, promotes the use of renewable energy, and practices ESG (one vegetarian for a day for every week), and promotes food wise culture and reduce leftover meal etc. On the top of that, we create a healthy, safe and friendly workplace and promote society towards sustainability.

## Column \_ We and ITRI launched the first self-made two-speed gearbox

The Industrial Technology Research Institute assisted Batom Co., Ltd. gear manufacturer to develop the first self-designed and manufactured two-speed transmission module for electric vehicles in China, and it was officially released today (28). Compared with the single-speed system of most electric vehicles today, the two-speed system has the advantages of improving motor efficiency, improving performance and battery life, and reducing the size of the transmission system

In addition to the on-site demonstration, this two-speed transmission module is also equipped with a 95kW three-in-one power system of ZEPT Jieneng Power Technology, which is actually mounted on the Leaf experimental vehicle with power replacement, and a test ride around the park is carried out. In the future, vehicles built on the MIH electric vehicle open platform may also have the opportunity to use this transmission module.

Lin, Shen, chairman of Batom Co., Ltd., pointed out that Batom Co., Ltd. has been deeply involved in the development and manufacture of gears for nearly 40 years. In recent years, under the planning guidance of the Technical Department and the technical cooperation of the Industrial Technology Research Institute, research and development has been carried out on the transmission system of electric vehicles, thereby upgrading from a component factory to a transmission system supplier. At present, Batom Co., Ltd. is already the first in Asia and the third in the world to have a two-speed gearbox for electric vehicles. In the next stage, we hope to combine the power of Taiwan's electric vehicle industry chain and expect Batom companies to contribute to Taiwan's electric vehicle industry. However, the Batom government did not disclose the manufacturers currently in contact with and which products it will be applied to in the future.

Zhang Nengkai, Section Chief of the Technical Division of the Ministry of Economic Affairs, emphasized that in the past, Taiwan's vehicle transmission industry was mainly engaged in the production of gear components and OEMs, with little focus on the design of module systems. The cooperation between Batom Co., Ltd. and the Industrial Technology Research Institute not only complements the domestic technical capabilities in transmission module design, analysis, and verification, but also assists domestic auto parts manufacturers to transform into system module factories, forming an industrial value chain.

In terms of specifications, this two-speed transmission module has a gear ratio setting of 13.98 for the first gear and 9.52 for the second gear, which can withstand a power and torque output of up to 150kW, 250nm, and a maximum speed of 13,000rpm. Weighs 45kg and shifts in less than 0.5 seconds. The shifting timing can be different from the model orientation, and it is set to perform automatic or manual shifting between 50 and 70 kilometers per hour.



Our history of development is just like the history of gear development in Taiwan. Lin, Shen, who graduated from National Taipei Institute of Technology, worked for Philips, Motorola, Ford and other companies. However, at a time when Taiwanese government prohibited importing precision processing machinery, such as gear equipment from Japan, therefore, many searched for European and American markets for opportunities. In 1978, Lin, Shen joined SIBER HEGNER, Switzerland, which is Youli Co., Ltd.

It was very difficult to start a small business with only three or four people. Since we did not have opportunities to be agency of big factories such as Germany, Switzerland, etc., therefore we looked for small factories in Europe, America, and Japan to develop the business. It was not until 1990 that we began to turn into profit by acquiring European and American gear cutting tools for resale.

A major change occurred in 1994. There were six Taiwanese gear factories joined together to establish "Luren" company to market our own product. From our perspective, it was just like the plot of six major groups surrounding "Guangmingding" alone in the book of "the heaven sword and dragon saber". Just think about it, it would be very hard for us to challenge "Luren", which was merged with six gear factories merged.

With extraordinary courage, Lin, Shen rented a car and traveled around the United States with just one suitcase loaded of a thick stack of catalogues. With a total mileage of more than 2.7 million kilometers for 10 years, he sold all the products produced by Taiwan Gear factories and became Taiwan's top leader in gear export industry.

We did not just do selling business. With a unique vision of Lin, Shen "Only by moving towards professional research and development, can we prosper longer." He continuously holds gear technology seminars and invited technicians from Germany and Switzerland to give lectures to Taiwanese gear manufacturers to promote the industry. We are proud of our pre-sales services, such as mediating business between the United States and Taiwan, translating documents, drawings with imperial to metric systems, or preparing inspection reports

Opportunities are for those who are well prepared, and that is the best example of our successful transformation. When our American customers questioned that we did not have our own factory and could no longer trust, in 1998, we decided to set up gear manufacturing plant and rented a factory building of two to three hundred square meters in Taichung. Besides continuing to export Taiwanese gear products, we are searching for new customers to provide our own made gear. There is no conflict of interest, and everyone is satisfied.

Lin, Shen has a clear understanding of the pros and cons of the products by the experiences of selling various gears and organizing professional seminars, our differentiation is based on quality and after-sales service. Our customers always say, "If you buy our products, you can at least sleep well at night.

Our gear production got on the right track in 2005, initially producing industrial gear. In 2008, we invested in the research and development for electric vehicle gears. After two years, during the Taipei Flower Expo Park, the Luxgen electric experimental vehicle was exhibited, with our gear's supplies. Soon after, the brand was sold to Hon Hai Precision Industry, and we joined their team. Although the cooperation with Luxgen has not been long, it has attracted attention from foreign manufacturers.

In addition to the motor, another core component in the power system for electric vehicles is the gearbox that helps the electric vehicle change speed. There are three gears in electric vehicles, and we only make the most precise gear in the middle.

Although we are not the gear company with the highest quantities and turnover in Taiwan, how can we be favored by major American electric vehicle manufacturers? The answer is quality, many professions can't help but sit upright as soon as they receive our orders/requests, because they all know that "our requirements are very high."

When Lin, Shen told his story of the 2.7-million-kilometer marathon run, I felt enthusiasm and expectation in his eyes when he looked at his son Lin Samuel. Because the next chapter of our story, "the crazy trend of the electric vehicle era," will be continued by successor Lin, Yi-Ming.

# I About This Report <sup>1.1</sup>

About Batom Co., LTD

Founded in 1981, Batom Co LTD. specializes in the production of high-precision gears, transmission devices and components and other related products. We have a branch in the United States. We are a member of the American Gear Association and Taiwan's major gear export manufacturer.



## 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 : 211

## 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) : 372 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: 2023-12-31
Shareholder Structure	Number of shares	Proportion of Shares
Individual	8,019,227	21.54
Other Legal People	29,215,423	78.46
<b>Total</b>	<b>37,234,650</b>	<b>100</b>
<b>Note: There is no controlling shareholder in the company</b>		

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. Our product categories include input/output shaft gear of electric vehicles, planetary gear set, differential gear set, transmission input and output shaft, truck output shaft, oil/water pump gear. The supply chain and customer base that our company has cooperated with in the past two years, are implemented in accordance with previous business policies and goals. As business development is stable, there are no major changes.

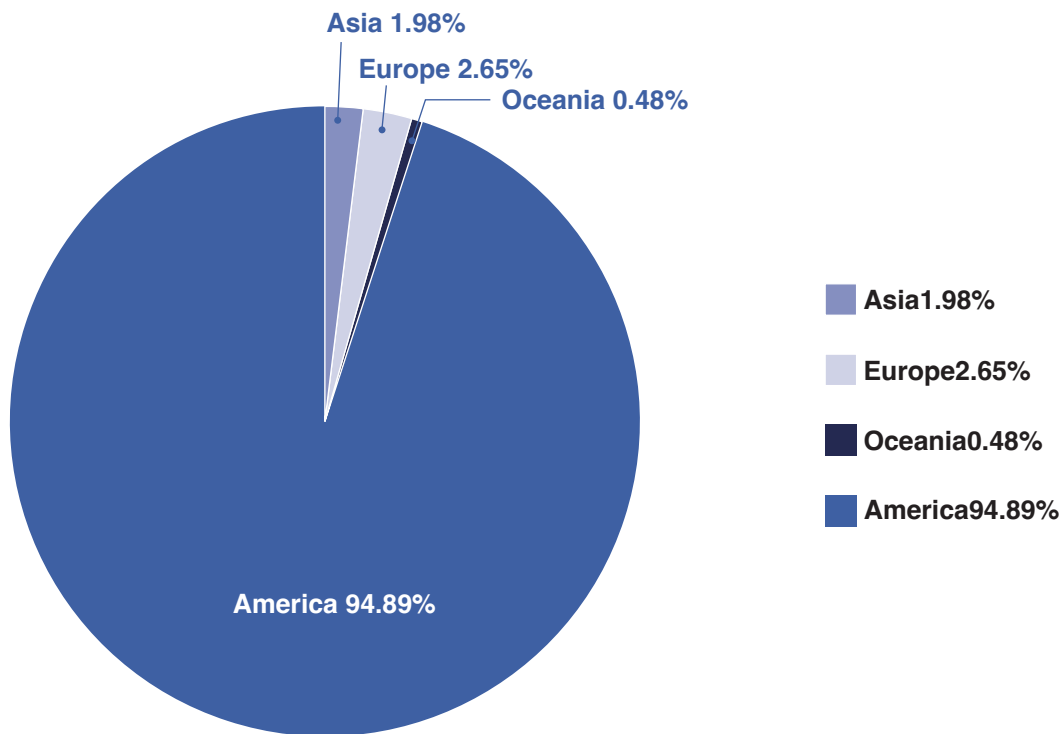
As of December 31, 2023, foreign reinvestment in a Mexican subsidiary with an amount of NT\$210,014,000 The total investment amount was NT\$237,215,000, accounting for 88.53%.

Company Product or Service				
Product or Service	Sales Region	Client Type	Sales Volume	Sales Unit
<b>Gear</b>	<b>America</b>	Automobiles, Electric vehicles, Electric bicycle, Electric scooter Hybrid electric vehicles, General industrial customers	2,383,488	PC
	<b>Asia</b>	Automobiles, Electric vehicles, Electric bicycle, Electric scooter Hybrid electric vehicles, General industrial customers	49,704	PC
	<b>Europe</b>	General industrial customers	66,608	PC
	<b>Oceania</b>	General industrial customers	12,094	PC

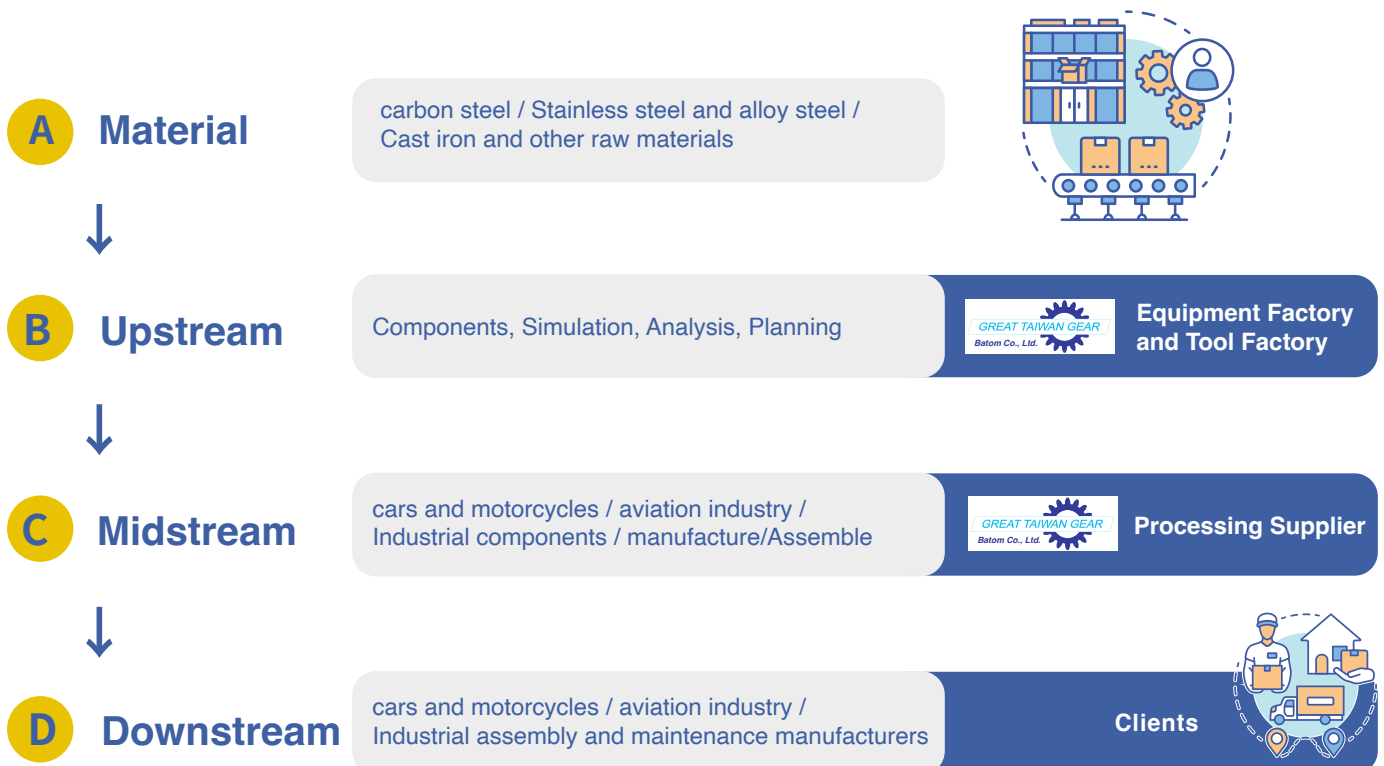
We supply raw materials and all kinds of product processing services such as: cutting, forging, lathe turning, gear hobbling, heat treatment, OD grinding, gear grinding, etc.

The company's proportion of sales region in 2023, sale volume and the diagram of upstream, midstream, and downstream supply chain are as below.

Sales Region in 2023 (by continent)



supply chain





# Sustainable Development <sup>1.2</sup> 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 2023.

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 Issues	Significance of Stakeholders to the Company	Communication Channels	Frequency	Communication Effectiveness
Employee	Occupational Safety and Health(GRI 403), Training and Education (GRI 404) & Training and Education (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"> <li>■ E-mail</li> <li>■ Telephone line</li> <li>■ Staff suggestion box</li> <li>■ Labor meeting</li> <li>■ Department meetings</li> <li>■ Bulletin Board and Electronic Bulletin Board</li> <li>■ Educational training</li> </ul>	<ul style="list-style-type: none"> <li>■ Instant</li> <li>■ Once every three months</li> <li>■ Weekly, monthly, or irregular</li> </ul>	<ol style="list-style-type: none"> <li>1.To plan work instructions according to employee's personal work needs, the result of performance evaluation, and the need for career development.</li> <li>2.A total of 4 labor-management communication reunions were held in 2023.</li> <li>3.We established Occupational Safety and Health Committee and have obtained management system ISO 45001 certification, and fulfill safety and sanitation</li> <li>4. ISO 14001 environmental verification.</li> <li>5. To provide complete employee benefits</li> </ol>
Shareholder / Investor	Energy (GRI 302) & Emissions (GRI 305), Waste (GRI 306), 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"> <li>■ General meeting of shareholders</li> <li>■ Telephone</li> <li>■ E-mail</li> </ul>	<ul style="list-style-type: none"> <li>■ Instant</li> <li>■ Once a year</li> <li>■ Irregular</li> </ul>	<ol style="list-style-type: none"> <li>1.To publish annually the operating status of self-statistics statements</li> <li>2.We hold annually corporate briefing sessions so that investors can understand the overview of our operations.</li> <li>3.To provide the company's handbook of the meeting of shareholder, annual report of the shareholders' meeting, and meetings record for investors' references</li> </ol>

Stakeholder	Corresponding Major Issues	Significance of Stakeholders to the Company	Communication Channels	Frequency	Communication Effectiveness
Client	Energy (GRI 302) & Emissions (GRI 305), Waste (GRI 306), Economic Performance (GRI 201)	<p>Customers are the main source of our revenue and also an important partner in our operation and development. Their support and feedback are the driving force for our growth. Customer satisfaction is our company's top priority. We do our best to provide them with competitive and high-quality products to meet their needs and expectations.</p> <p>Do everything possible to meet the needs of customers, to continuously improve c 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.</p>	<ul style="list-style-type: none"> <li>■ E-mail</li> <li>■ Telephone</li> <li>■ Electronic messages</li> </ul>	<ul style="list-style-type: none"> <li>■ Anytime</li> </ul>	<p>1. The results of the customer satisfaction survey are higher than the indicator. Customer satisfaction in 2023: 92% for general industrial customers, 92% for automotive customers, and 100% for aerospace customers.</p> <p>2. Only by giving customers fine and safe products can we ensure our sustainable operation.</p>
Supplier / Contractor	Waste (GRI 306), 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"> <li>■ Telephone, E-mail, personnel visit</li> <li>■ Annual supplier c Social Responsibility Commitment letter</li> </ul>	<ul style="list-style-type: none"> <li>■ Irregular</li> <li>■ Annual</li> </ul>	<p>1. Delivery schedules meet customer needs.</p> <p>2. In response to the demand for some products, our consulting complies with IATF16949, AS9100 and other operational specifications</p> <p>3. Suppliers comply with corporate social responsibility.</p> <p>4. The signing rate of social responsibility commitment is 100%.</p>
Governmental Authorities	Energy (GRI 302) & Emission (305), Waste (GRI 306), Occupational Safety and Health (GRI 403)	<p><b>Ⓐ Fire department :</b> Supervise the fire plan and fire safety functions and notify irregularly of the latest fire news.</p> <p><b>Ⓑ Environmental Protection :</b> Provide legal disposal firm.</p> <p><b>Ⓒ Office of Labor Inspection :</b> Monitor safety and health compliance and notify irregularly of the latest news of occupational safety and health regulations and inspect on-site health and safety conditions.</p> <p><b>Ⓓ National Taxation Bureau - Head Office of the Ministry of Economic Affairs:</b> The products and services and related marketing activities launched by the company are subject to inspection and supervised by the competent authorities.</p> <p><b>Ⓔ Occupational Safety Administration, Labor Inspection Office:</b> 1. Comply with various labor regulations and communicate with government authorities. 2. Comply with various occupational regulations and enter in contact with the Occupational Safety Administration, and Labor Inspection Office.</p>	<p><b>A-1 :</b> Correspondence of Fire department</p> <p><b>A-2 :</b> social media (LINE) regional groups chat</p> <p><b>B-1 :</b> Government correspondence</p> <p><b>C-1 :</b> Correspondence from the labor inspection office</p> <p><b>C-2 :</b> On-site examination (irregular)</p> <p><b>D-1 :</b> E-mail</p> <p><b>D-2 :</b> Official document</p> <p><b>D-3 :</b> Meeting</p> <p><b>D-4 :</b> Telephone</p> <p><b>E-1 :</b> Government correspondence</p>	<p><b>A.</b> Every six months</p> <p><b>B.</b> Every year</p> <p><b>C.</b> Irregular</p> <p><b>D.</b> Instant/ once every two months/ once a year/ irregularly</p> <p><b>E.</b> Instant / Monthly</p>	<p><b>A.</b> Compliance with regulations</p> <p><b>B.</b> Compliance with regulations</p> <p><b>C.</b> Compliance with regulations</p> <p><b>D-1.</b> Provide the information of tax declaration report every two months (years).</p> <p><b>D-2.</b> Stabilize production and sales / Cross department communication</p> <p><b>D-3.</b> Communicate with supervisors if necessary</p> <p><b>E.</b> Pay closely attention to government policies and regulations, implement, and comply with regulations, assist proactively in promoting policies</p>



Stakeholder	Corresponding Major Issues	Significance of Stakeholders to the Company	Communication Channels	Frequency	Communication Effectiveness
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"> <li>■ E-mail</li> <li>■ Correspondence</li> <li>■ Conference</li> <li>■ Telephone</li> <li>■ Visit</li> </ul>	<ul style="list-style-type: none"> <li>■ Instant</li> <li>■ Once a month</li> <li>■ Irregular</li> </ul>	<ol style="list-style-type: none"> <li>1. Provide monthly self-statistics financial report.</li> <li>2. Hold regularly department meetings.</li> <li>3. Communicate with supervisors if necessary</li> </ol>
Academic Unit	Training and Education (GRI 404) & Employment (GRI 401) & 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"> <li>■ Telephone</li> <li>■ Official correspondence</li> <li>■ Letters</li> <li>■ Presentation</li> <li>■ Regular visits by professors</li> </ul>	<ul style="list-style-type: none"> <li>■ Instant</li> <li>■ Regularly</li> <li>■ Irregular</li> </ul>	We have been cooperating with universities in central Taiwan for 8 years. In 2023, there were 6 industry-academia students maintained.



# Sustainable Development <sup>1.3</sup> 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:

<p><b>1 Understand the context of the organization</b></p>	<p>A total of <b>35</b> sustainable issues were collected based on the reference of GRI guidelines and sustainability accounting standards board (SASB),</p>
<p><b>2 Identify actual and potential impacts</b></p>	<p>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.</p>
<p><b>3 Evaluate the significance of the impact</b></p>	<p>A meeting with external experts will be held after discussing with our representatives, head department, and stakeholders. There are <b>8</b> subjects as major issues are identified based on previous operating experience and the discussion of significance and possibility of the impact on the issue.</p>
<p><b>4 Prioritize reports with the most significant impact</b></p>	<p>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 <b>5</b> major topics. These major topics are successively allocated to each chapter of the report for disclosure purpose.</p>

## Results of identification of major themes

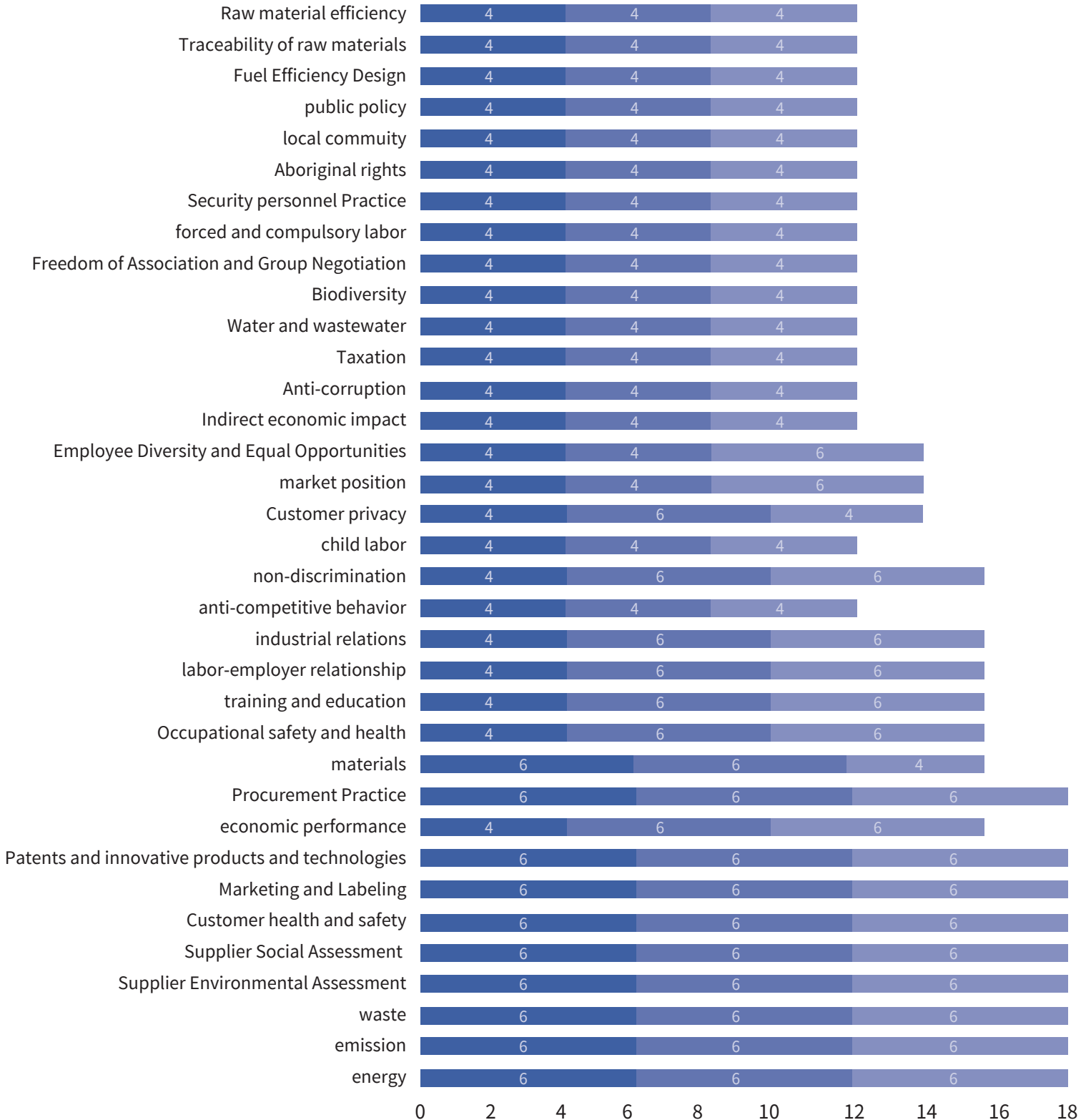
We have deleted the " Occupational Safety and Health " disclosed in the 2022 sustainability report during this selection of major topics.

A total of identified five major topics: "Energy & Emissions", "Waste", "Economic Performance", "Occupational Health and Safety", "Training & Education & Employment & Labor/Management Relations".

2022	2023
Energy & Emissions	Energy & Emissions
Waste	Waste
Economic Performance	Economic Performance
Occupational Health and Safety	Occupational Health and Safety
Training & Education & Employment & Labor/Management Relations	Training & Education & Employment & Labor/Management Relations
Customer Health and Safety	Customer Health and Safety (General disclosure)

## The extent to which our key themes have a positive impact

### Positive Impact



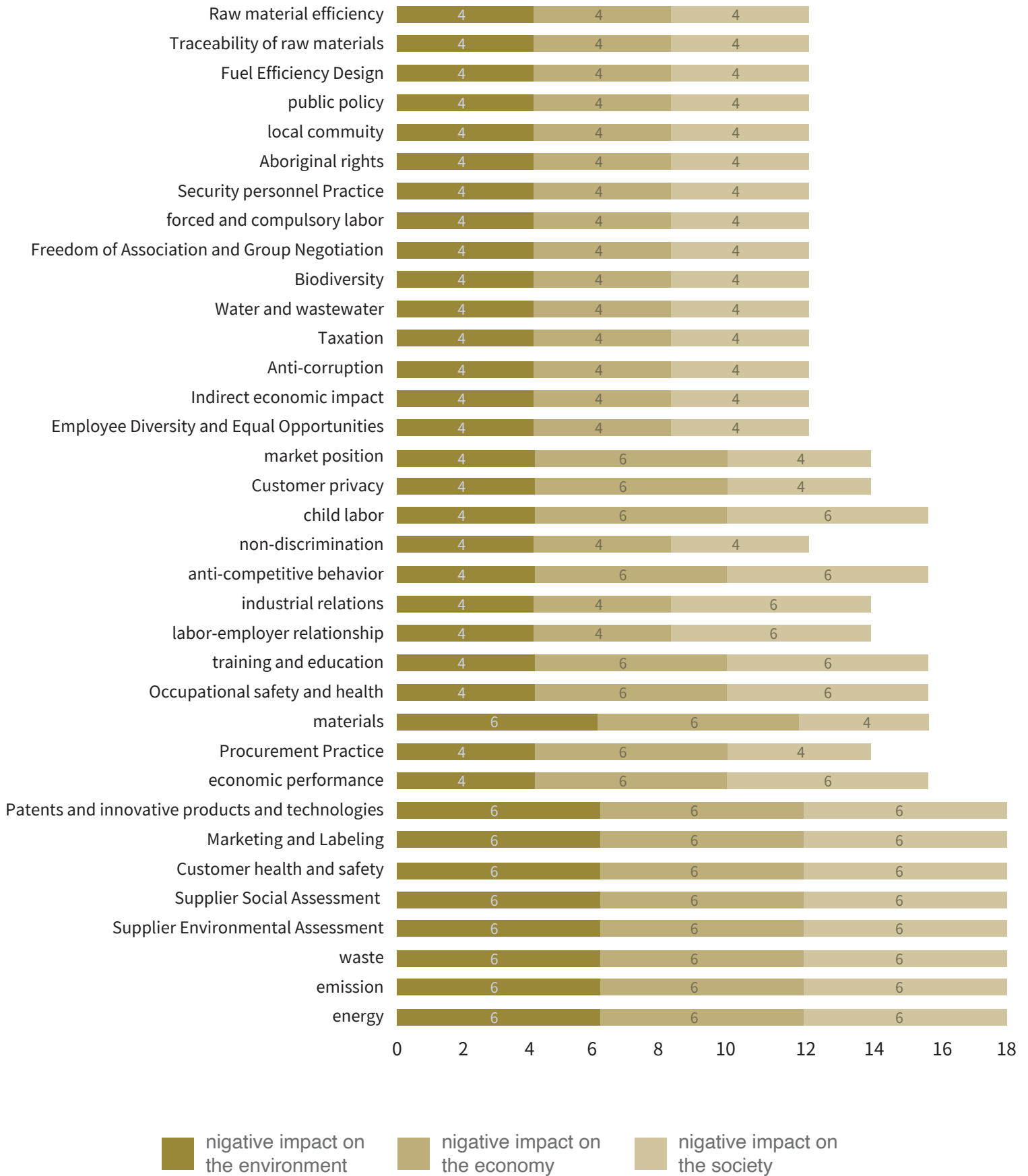
positive impact on the environment

positive impact on the economy

positive impact on the society

## The extent to which our key themes have a negative impact

### Negative Impact



The result of the identification for major topics			
Major topics			
1. Energy & Emissions (Energy Management)	2. Waste (waste management)	3. Economic Performance	4. Occupational Safety and Health
5. Training and Education & Employment & Labor/Management Relations"			
Secondary Topic			
6. Customer Health and Safety (Product safety)	7. Supply chain sustainability management (supplier environmental assessment & supplier social assessment)	8. Marketing and Labeling	9. Patents and Innovative Products and Technologies
10. Purchasing Practices	11. Materials	12. Anti-competitive Practices (competitive behavior)	13. Non-Discrimination
14. Child Labor	15. Consumer Privacy	16. Market Positioning	17. Employee Diversity and Equal Opportunities
18. Indirect Economic impact	19. Anti-corruption	20. Taxation	21. Water and Wastewater Treatment
22. Biodiversity	23. Freedom of Association and Group Consultation	24. Forced and Compulsory Labor	25. Security Practices
26. Aboriginal Rights	27. Local Communities	28. Public Policy	29. Fuel-Efficient Design
30. Origin of Raw material		31. Effectiveness' of Raw material	

## A List of Major Issues

Sustainability 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 Occupational Safety Office	Energy GRI 302 Emissions 305	Greenhouse gas emissions is listed as one of the important factors of global warming. They are the direct cause of global warming, resulting in sea level rise, extreme weather and endangered species and ecology. The majority of the energy consumed in our operations is electricity, that has become the largest factor of greenhouse gas emissions. In order to slow down the emission of greenhouse gases, we continuously implement plans of energy saving and carbon reduction to achieve better utilization of energy resources.	<p><b>Environmental aspect:</b> Promote plans of energy saving and carbon reduction, actively, reduce our operational energy consumption and carbon emissions, and be environmentally friendly.</p> <p><b>Economic aspect:</b> Purchasing power from outside is our economic burden during operation. Developing power-saving plans will help reduce power consumption and economic spending.</p>	<p><b>Positive:</b> Developing relevant energy-saving plans, that can effectively manage and control energy consumption, reduce our operating expenses, and also reduce the damage and impact on the environment.</p> <p><b>Negative:</b> Due to the nature of the industry, large amounts of greenhouse gas emissions are likely to occur. If we do not face up to this problem and make timely improvements, we will be inspected and punished by government authorities, which will also damage our image.</p>	Shareholders / Investors (indirect), Customers(indirect), employees(direct) Government Authorities(bridge)

Sustainability 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
Waste Occupational Safety Office	Waste GRI 306	We value the importance of waste treatment and protection. Since waste oil mixtures and oil sludge are easily produced during the manufacturing process, therefore there is need to be cleared and transported waste every year. If we can implement reduction measures, it will reduce the energy consumption in incineration and indirectly reduce greenhouse gas emissions. And the cleaning and transportation of waste oil mixture also increases greenhouse gas emissions. Therefore, the measurement will greatly reduce greenhouse gases produced during the cleaning and transportation process.	<p><b>Environmental aspect:</b> Processed waste may contain harmful substances. Long-term exposure may cause harm to the health of employees and residents. If toxic gases are produced during the waste generation process, it is more likely to pose a threat to human health.</p> <p><b>Economic aspect:</b> Since a large amount of waste oil mixture and oil sludge are produced during the manufacturing process, this will increase in the cost of clearing and transportation and operating.</p> <p><b>Human/human rights aspect:</b> Processed waste may contain harmful substances. Long-term exposure may cause harm to the health of employees and local residents. If toxic gases are produced during the waste generation process, it is more likely to pose a threat to human health.</p>	<p><b>Positive:</b> Implementing waste reduction can greatly reduce removal costs. Greenhouse gases produced during the treatment process can also be recycled and processed into fuels. This can reduce the demand for natural resources and slows down damage to the environment.</p> <p><b>Negative:</b> If process is not properly disposed of it will cause environmental pollution, harm to the ecological environment and increase waste of resources, and also have a negative impact on the health of employees and local residents</p>	Shareholders / Investors (indirect), Customers(indirect), Authorities(bridge), Supplier / Contractor (indirect)





Sustainability 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
Economic Performance Finance department	Economic Performance GRI 201	Strengthen corporate competitiveness to face of global market challenges and changes; maintain long-term and stable profits for corporate operations; promote sustainable business operations; create sustainable development performance	<p><b>Environmental aspect:</b> Implementing circular economy and measures of carbon reduction can reduce negative impact on the environment. If we do not properly manage carbon emissions or carry out corresponding environmental policies, it not only causes environmental harm and faces government sanctions, but also damages our image and reputation.</p> <p><b>Economic aspect:</b> Establishing a good corporate image can increase cooperation opportunities with partners or supply chain manufacturers, appeal investors and financial institutions for investment funds, more opportunities to acquire new customers in the market and generate more operating income to increase profits.</p> <p><b>Human/Human Rights aspects:</b> We value corporate social responsibility and improve protection in human rights, reduce inequality/discrimination. If we don't value human rights, not only will it impact our employees' loyalty, but also face the loss of educated and skilled people. Furthermore, it will influence the trust of investors in our company.</p>	<p><b>Positive:</b> We pay great importance to corporate operations and improvement in industrial competitiveness, which can increase cooperation opportunities with partners or supply chain manufacturers.</p> <p><b>Negative:</b> If we fail to improve our competitiveness and stabilize our operations, we cannot meet customer needs and have poor customer satisfaction. Enterprises that fail to improve their competitiveness will face the loss of customers. Furthermore, they may be replaced by competitors in the market and reduced revenue and profits.</p>	<p>Shareholders / Investors (direct) Employees (direct) Supplier/Contractor (indirect) Customer (bridge) Financial institutions (indirect) Government authorities (indirect) local community (indirect) Business partners (bridge)</p>



Sustainability 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 Health and Safety Occupational Safety Office	Occupational Health and Safety GRI 403	Occupational safety and health are the issues that we pay great importance to. It is our priority to provide a healthy and safe working environment for employees and external workers. If occupational safety issues are not properly conducted, a serious occupational accident may occur and violate the law of occupational safety and health (For example, Article 37 paragraph 2 of the Occupational Safety and Health Act). It could cause the risk of shutdown or labor shortage. The company may face operational disruption or reduced production capacity. Any damage to the corporate reputation will impact customer preference, which may cause direct losses to shareholders. We strictly abide by relevant laws and regulations and fulfill responsibilities and obligations to stakeholders.	<p><b>Environmental aspect:</b> To make sure safe and hygienic conditions in the working environment, prevent major disasters caused by chemical accidents in the factory, avoid situations that cause environmental pollution.</p> <p><b>Economic aspect:</b> If the issue of occupational health and safety is not taken seriously, it will damage our reputation, affect customer preferences, and furthermore directly cause losses to shareholders. The media may report aggressively on negative news and violation records will be kept permanently.</p> <p><b>Human/human rights aspect:</b> Promote and implement safety and hygiene concepts and management; provide employees with an excellent, safe, hygienic and comfortable working environment; protect labor right; promote employees' physical and mental health; and meet international and domestic expectations for basic labor human rights.</p>	<p><b>Positive:</b> Properly manage the working environment and hygiene conditions, prevent major occupational risks, and reduce harm to the environment. Safety and health are one of the important indicators of corporate image. We comply with safety and health-related certifications and provide a safe and healthy workplace environment for all employees.</p> <p><b>Negative:</b> If safety and health are not taken seriously and major occupational accidents may occur. Not only huge compensation that the company have to pay, but also the media may report aggressively on negative news, which will seriously damage the corporate image and lose our international competitiveness.</p>	Employees (direct) Shareholders and investors (indirect) Supplier or contractor (direct) Government authorities (bridge)



Sustainability issues	A list of major issues	Description of the organization and policies or commitments related to major topics	Description of the Impac	Actual/potential Positive /negative	Major impact
<p><b>Training and Education &amp; Employment &amp; Labor / Management Relations</b> Human resource office</p>	<p>Employment GRI 401, Labor / Management Relations GRI 402, Training and Education GRI 404</p>	<p>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. It can improve the performance of employees and our operational efficiency.</p>	<p><b>Economic aspect:</b> Having good labor-employer relations and functional training can improve employees' productivity and efficiency and stabilize the working environment, reduce unemployment rate and generate positive vibes. If labor-management and labor-employer relations are not taken seriously, employees may lose team spirit, and further affect the company's development and capacity. If employee education and training are not adequate, it may directly or indirectly affect our productivity and product quality rate, and further affect our industrial competitiveness.</p> <p><b>Human/human rights aspect:</b> If employee education and training are not adequate, it may directly or indirectly affect our productivity and product quality rate and make it impossible for employees to learn and grow in their careers. Not only is their personal development limited, but it also affects our overall improvement. When the labor-employer relationship is not well practiced, it may cause confrontation and distrust between two parties. There will be an increase in labor complaints and disputes</p>	<p><b>Positive:</b> Introduce employees training and planning tutorials; encourage employees to acquire the knowledge, skills and work attitude required in the workplace; improve the performance and the operational efficiency.</p> <p><b>Negative:</b> When there is a lack of effective communication with employees, it may occur labor/employment disputes further to affect our reputation.</p>	<p>Employees (direct) Academic institutes (Bridge) Shareholders and investors (indirect)</p>



# II Company Governance 2.1 Financial Performance

Major Topic: Economic performance	
Correspondence to GRI indicators	GRI 201 economic performance
Significance to Batom Co., Ltd	Strengthen the competitiveness of enterprises to face the challenges and changes of the global market ; have 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.
Influence and Impact	<p><b>Environmental impact:</b> Implement circular economy and carbon reduction; reduce negative impact on the environment. If there are no proper policies of carbon emissions or corresponding environmental management, it will cause harm to the environment and face government sanctions, which affects our image and reputation.</p> <p><b>Economic impact:</b> Having a good corporate image will increase business opportunities with partners or supply chain manufacturers, appeal investment funds of investors and financial institutions, attract potential customers in the market, create operating income and profits. If the company fails to improve its competitiveness and operations, it cannot meet customer needs and has poor customer satisfaction. Enterprises that fail to improve their competitiveness will face the loss of customers and be replaced by competitors in the market, further, to reduce the company's revenue and profits.</p> <p><b>Human/human rights impact:</b> Attach importance to corporate social responsibility; improve the protection of human rights ; reduce inequality/discrimination. Enterprise that fails to value human rights protection, not only will it impact our employees' loyalty, but also face the loss of educated and skilled people. Furthermore, it will influence the trust of investors in our company.</p>
Policies / Strategies	<ul style="list-style-type: none"> <li>■ <b>Social Responsibility:</b> Dedicate to the development of low-pollution, low carbon emissions, sustainable products with low energy consumption, ESG goals, and to become an example in the health and green industries and continue to develop in agriculture, green energy and circular economy.</li> <li>■ <b>Sustainable Operation:</b> Strengthen the competitiveness to face the changes and challenges of global market ; maintain stable profits as the basis of corporate operations.</li> <li>■ <b>International Development:</b> Establish corporate brand image, create high-quality products, and develop new domestic and foreign market customers.</li> </ul>
Goal	<p><b>Short-term (2-3 years):</b> strengthen enterprises to enhance domestic and foreign competitiveness</p> <p><b>Mid-term (3-5 years):</b> stabilize business growth and profit-making; revenue will grow by 10%~20% starting from 2026.</p> <p><b>Long-term (more than 5 years):</b> create economic value of shareholder rights, strengthen the spirit of sustainable development, pursue its growth and balance</p>
Management Evaluation Mechanism	Conduct business management meetings regularly to check the operation status
Performance and Adjustments	In 2023, our revenue increased by 4.6% compared with 2022. Not only did we meet the set goals but had slightly improved.
Preventive or Remedial Measures	We will regularly review the operation status, if operating efficiencies are not expected, not only will we control the cost as soon as possible but communicate with relevant personnel.

## Economic Performance

Our revenue in 2023 was increased compared with 2022. Due to the impact of international exchange rate variations, the depreciation of the New Taiwan dollar created a favorable on export sales.

Our financial information for the past three years is shown as below :

Item / year	2021	2022	2023
Operating Income (thousand yuan)	970,166	1,116,469	1,167,960
Operating Gross Profit (thousand yuan)	136,455	103,987	183,667
Operating Profit and Loss (thousand yuan)	64,728	25,787	73,647
Non-Operating Income and Expenses (thousand yuan)	(-9,635)	42,339	(-1,566)
Net Profit Before Tax (thousand yuan)	55,093	68,126	72,081
Current Period's Net Profit After Tax (thousand yuan)	45,332	47,666	52,493
Current Period's Comprehensive Profit and Loss (thousand yuan)	42,862	51,132	49,668
Earnings Per Share (thousand yuan)	1.780	1.520	1.52
Amount of Employee Benefits (thousand yuan)	21,573	27,497	33,660
Dividend (thousand yuan)	0	0	0.3
Employee Salary (including employee benefits) (thousand yuan)	139,115	164,414	172,421
Retained Earnings (thousand yuan)	55,715	14,038	152,867
Payment to Contributors (thousand yuan)	0	0	11,170
Payment to Government Authorities (thousand yuan)	0	0	19,588
Community Investment (thousand yuan)	0	141	42

### 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 government authorities by countries, community investments.
  - \* Period of financial report disclosure : 2023/01/01-2023/12/31

## Government financial subsidies

The company applied for government financial support in 2023, which could help our technology research and development and innovation, improve competitiveness, and further to help our presence actively in the market, as well as enhance our reputation and sustainable development.

As of December 31, 2023, during the reporting period, the relevant subsidies we received from government units are as shown as below:

Item	Grant Institute	Subsidy amount (NTD)
Auto Industry Association Subsidy	Auto industry	69,125
Subsidy for enterprises to hire sports instructors	Sports Administration, Ministry of Education	600,000
“Big leads small” Low carbon manufacturing industries and subsidy for smart upgrade transformation	Ministry of Economic Affairs of Taiwan	2,623,000
Occupational safety and Health Administration, Ministry of Labor (On-site health service subsidies)	Occupational safety and Health Administration, Ministry of Labor	76,800
Low-carbon and smart upgrading transformation (Carbon Footprint Verification)	Taiwan Small and Medium Enterprise Counselling Foundation	240,000
<b>Total</b>		<b>3,611,325</b>

**Note:** Tax deduction, subsidy program and epidemic aid are considered government subsidies.

**Note:** The amount of on-site health service subsidies is from the application in 2022. In 2023, since the number of people exceeded the limit, no subsidy was applied.

## Taxation governance

The financial department is responsible for tax plans, management and execution. We implement tax governance policies and strictly follow securities transaction tax, futures contracts, and other relevant tax laws.

The taxation policies are established as below :

Taxation policies	
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.

## Taxation management

In terms of taxation 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 trends. Under the effective operation of the risk management mechanism, we control the issues and amount of tax disputes to a low risk.

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. The tax policies are established as below:

Tax management	
<b>Tax Policies</b>	<ul style="list-style-type: none"> <li>■ <b>Compliance and planning:</b> It's expected that in 2024, the system will be updated, and the information will be integrated to improve accuracy and efficiency on finance and taxation operation.</li> <li>■ <b>Professional standardization:</b> Professional tax knowledge, such as the establishment of operation manuals, systematic working papers, experience sharing, and the establishment of the agent system is able to pass down to next generation.</li> <li>■ <b>Performance evaluation:</b> 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 avoidance to obtain personal performance is prohibited.</li> </ul>
<b>Tax Risk Management Mechanism</b>	<ul style="list-style-type: none"> <li>■ <b>Accountants and lawyers:</b> Consult with professional experts to assist in our improvement of tax administration and evaluate the risk of regional tax laws.</li> <li>■ <b>Board of Directors:</b> 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.</li> <li>■ <b>The mechanism of whistleblowing:</b> Formulating protection procedures for complaints and whistleblowers and setting whistleblowing hotline/mailbox allow employees and interested parties to report illegal tax or immoral issues.</li> <li>■ <b>Correctness of tax disclosure:</b> Based on the financial statements issued by the accounting firm, various tax information will be disclosed on public channels, such as the official website, the meeting of annual report of shareholder.</li> </ul>

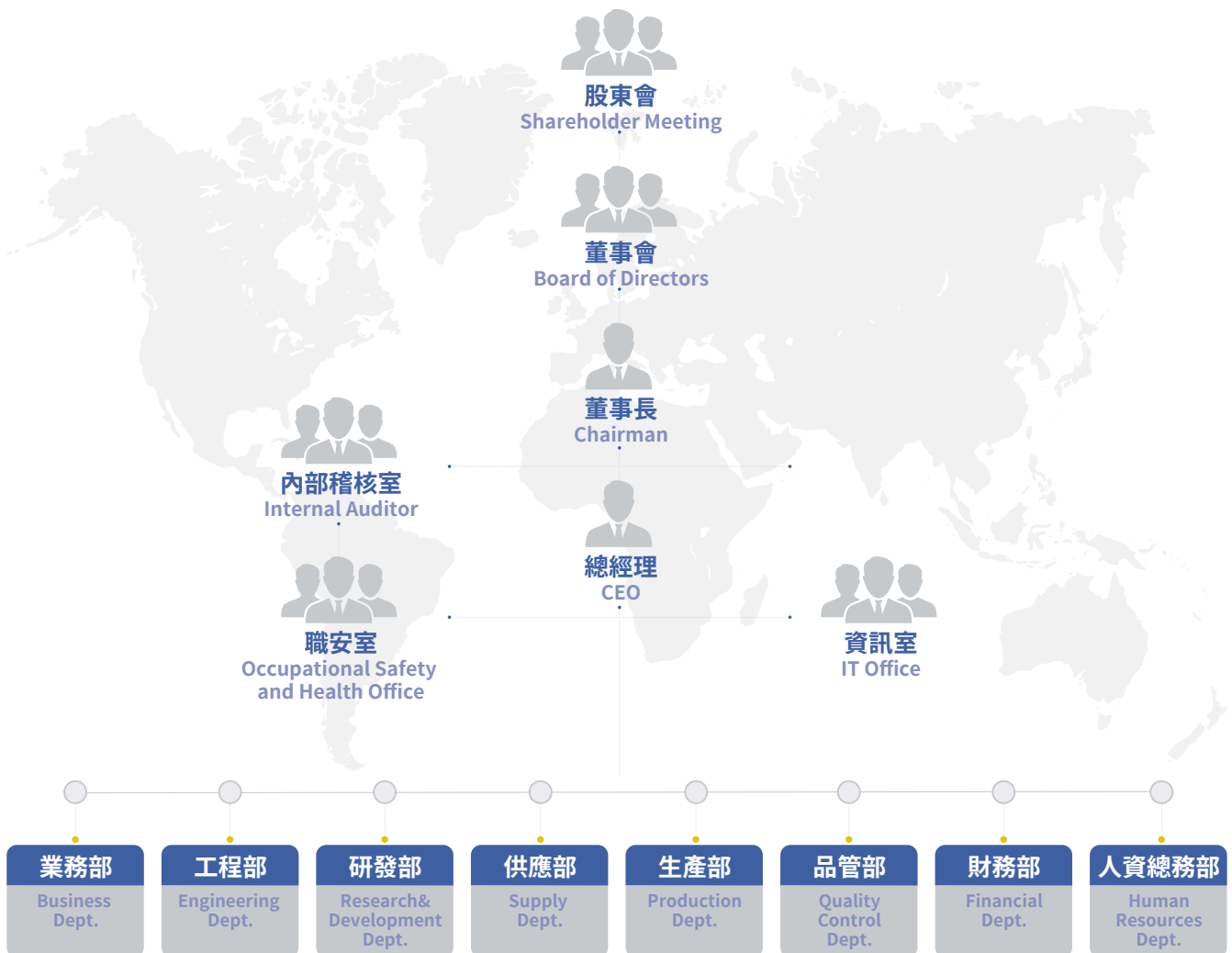
Regarding to the topics related to tax, stakeholder negotiation and management, we actively establish multi-channels to communicate with stakeholders and participates in tax initiatives and other actions to support the implementation of new tax policies to create together a sound tax environment.

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 the ESG system. We look forward to participating in relevant organizational meetings and discussing international tax issues with investors and members and passing on the concept of sustainable taxation to employees, manufacturers and other companies.

Supervisors and investors - By communicating tax issues between the board of directors and supervisors, they can effectively understand the status of risk control situations. In the future, we will establish a special tax page on the official website to explain to investors the reasons for changes in effective tax rate and tax governance performance.

## Organizational Chart





## Diversified composition and operation of the board of directors

The highest governance unit, the board of directors, is responsible for making decisions on the overall operations and supervising senior management. There is also an internal auditor as an independent unit under the board of directors. They must routinely report relevant meeting information to the board of directors. Lin, Shen, the president of Batom Co., LTD, is chairman. Samuel Lin, the general manager, is the management chairman to oversee ESG-related projects and also serves as supervisor of the sustainability committee. The board of directors authorizes the general manager to be the person in charge of conflict management. We established the regulations in accordance with Article 2 of the "Public Issuance Company Board of Directors Procedures" to create an effective board governance system, improve supervision and management functions. We establish a functional committee in accordance with Article 23 of the "Code of Corporate Governance Practice", its responsibilities should be clearly assigned and standardize the responsibilities of board of directors to functional committees. The authorization and responsibilities of the chairman of the board and the general manager should be clearly divided. It is not appropriate for the same person to hold equivalent positions. But we currently do not have any distribution of power and responsibilities among positions. In the future, only after the IPO process is completed and the relevant measures are passed by the functional committee, a more complete distribution of duties, powers and responsibilities can be formulated.

Regarding our details of the nomination and selection of the highest governance body, 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. The nomination and selection of its board of directors' members shall comply with our articles of association. Directors are selected through a candidate nomination system and are elected by the meeting of shareholders. By introducing outstanding industry expertise and the perspectives of external stakeholders, it is hoped that we will improve the quality of our operations.

On June 27, 2023, our shareholders were re-elected according to the "Rules for Election of Directors and Supervisors". There were three female directors being elected, and the proportion of female directors was 43%. The number of directors has increased from three to seven, and the number of supervisors has increased from one to two. The terms of office are all three years. The board of directors will be held at least once a quarter. In 2023, the board of directors was held 7 times in total. The average attendance rate of all directors is 100%. Directors and supervisors have no salary and only transportation fees are paid. The remuneration of management is subject to the same "Salary Management Measures" as those of employees.

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

Title	Name	Gender	Age (Year)	Date of the first (election) appointment	Term of office	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
Chairman	Morley Lin	M.	over 50	2015/4/15	2023/6/27 ~ 2026/6/26	EMBA Business - Leader Team in National Chung Hsing University	President in Batom		●	●	●			●
Board	Samuel Lin	M.	30 ~ 50	2015/4/15	2023/6/27 ~ 2026/6/26	Graduate education in Architecture, National Cheng Kung University	CEO in Batom		●	●	●		●	
Board	Linda Lin	F.	over 50	2015/4/15	2023/6/27 ~ 2026/6/26	Bachelor's degree in accounting, Feng Chia University	-		●	●		●		
Board	SHIH, JUNG-HUI	F.	30 ~ 50	2022/6/2	2023/6/27 ~ 2026/6/26	Master's degree in accounting, Soochow University	Project manager in Pegatron Corporation	●	●			●		●
Board	HO, PING-TZU	M.	over 50	2022/6/2	2023/6/27 ~ 2026/6/26	Guanghua Vocational High School	General Manager in FENG FUH MACHINERY CO., LTD.		●	●	●			●
Board	Tsai Meili	F.	over 50	2023/6/27	2023/6/27 ~ 2026/6/26	Master in National Taichung University of Science and Technology	Secretary to the Chairman in Batom	●				●		●
Board	Huang Jiarong	M.	over 50	2023/6/27	2023/6/27 ~ 2026/6/26	Master in School of Industrial Engineering, Purdue University	MIH EV research consultant		●	●	●	●		●
Supervisor	CHI, PANG-CHIEH	M.	over 50	2022/6/2	2023/6/27 ~ 2026/6/26	National Defense Medical Center School of Medicine	Chair of board in JiWai Urology clinic		●	●				●
Supervisor	TSAI, TSUNG-HSIEN	M.	over 50	2022/6/25	2023/6/27 ~ 2026/6/26	Feng Chia University	-	●	●	●		●		

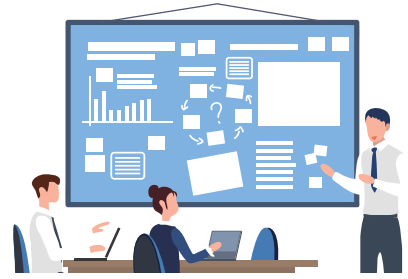
**Note:** two members of the board of directors is 30-50 years old, and 7 are over 50 years old.

## Avoidance of benefits in Boards of directors

Directors who have an interest in themselves or the legal people they represent should explain the important content of their own interests during the meetings. They are not allowed to participate in discussions and votes if there is a risk of harming the interests of the company and shall abstain from discussions and voting and shall not exercise their voting rights on behalf of other directors.

According to the preceding paragraph, the spouses, relatives within the second generation of the directors, or the companies with which the directors have controlling affiliations and have an interest in the matters mentioned in the preceding meeting shall be deemed to have their own interest in the matters.

According to paragraph 3 of Article 206 of the Company Law, Article 180, Paragraph 2 was approved. The resolution of the company's board of directors shall not apply to directors who are prohibited from exercising voting rights in accordance with the provisions of the preceding paragraph.



## Education and Training of the Board of Directors

Our members of the board of directors have not received professional education and training programs in 2023, but it is expected that in 2024 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 April 2025 according to our IPO schedule. In the third quarter of 2024, 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 fourth quarter of 2024.

We have now formulated "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. However, the "remuneration committee" and "audit committee" have not yet been established. Nor has it been proposed to the board of directors to adopt relevant management measures for the salary and remuneration committee and the audit committee. It is expected to complete the formulation of remuneration management measures for directors and senior management personnel in the third quarter of 2024.

## 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.

There are no significant event occurred in 2023.

Aspect	Total Number of Major Incidents	Major Incidents	Item
Environmental Aspect	0	0	Be held by senior management; submit annual report regarding to last year's resolutions and include in the KPI; track monthly improvements & results
Economic Aspect	0	0	Be held by senior management; submit annual report regarding to last year's resolutions and include in the KPI; track monthly improvements & results
Social Aspect	0	0	Be held by senior management; submit annual report regarding to last year's resolutions and include in the KPI; track monthly improvements & results

**Note:** 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.

## Human Rights Policy



We comply with the laws and implements of human rights protection and other compliance-related matters that have been introduced into the RBA system. We integrated human rights policy into the code of practice for "Corporate Sustainable Development". Relevant codes will be applied to supervise impact management.

We hold annually regular meetings and establish our human rights policies by referring to development trends on relevant laws and regulations and human rights, review annually the "Human Rights Commitment Letter" and "Human Rights Due Diligence Procedure". We continuously improve human rights-related issues with all partners and contribute to international human rights. The process of "Human Rights Due Diligence Procedure" is as below: identify impact → assess risk → formulate plan → supervise implementation → review and improve.

Regarding the human rights policy, we annually carry out hierarchical management for our current trading suppliers. Based on the seven aspects of the RBA Code of Conduct, we implement supplier risk self-assessment on factors such as hazardous materials system and process management, brand management, brand reputation, labor protection, continuous improvement, management system, labor intensity, etc. We conduct on-site second party and third-party audits for high-risk self-evaluation for more than 300 suppliers and foundries with purchasing amounts of NT\$2.5 million. Medium and low-risk suppliers will be audited through documents. Besides, third-party on-site audits are conducted annually for key suppliers and OEMs.

At the same time, our suppliers must cooperate with annual surveys on conflict minerals, greenhouse gases, water footprints, and waste. Through audits and investigations, we manage the potential risks of suppliers in terms of labor, health and safety, environment, integrity and ethics, to avoid negative impacts on governance, environment and society that may affect our operation of the supply chain.

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 well as collect, compile and provide sustainability report information. The general manager and chairman will review its correctness, and the final version will be published after discussion of the third quarter board of directors. We plan to establish a sustainable development committee in 2025.

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 and advocates the concept of sustainable consumption to 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; provide effective instant communication channels to strengthen the sustainable development.

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

We have established a secure and confidential complaints and protection mechanism, provide channels for problem-solving and employee safety protection mechanism, promote equality and safety workplace safety /education and training, implement employee assistance program, such as employees' care and visits. We disclosure and identify and follow labor laws, require attendance control, manage systematic attendance, care for employees with irregular attendance and reduce the risk of work-hours violence.

For the RBA system of responsible business conduct, we formulate human rights policies in accordance with various internationally recognized human rights standards, including equal rights in the workplace, safe and healthy places, harmonious labor relations, and assisting employees maintain physical and mental health and work-life balance.

**We set management principles and implement them through various internal management regulations and internal audits:**

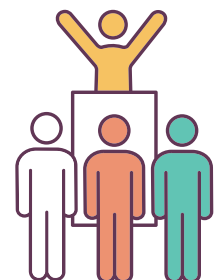


- Comply with all national labor laws
- Prohibit child labor
- No forced labor
- Work and rest time
- No discrimination and harassment
- No human trafficking
- Freedom of association
- Implementation equal respect, equal pay for equal work
- Maternal protection

**Regarding human rights management measures, human rights issues and management measures for employees:**



- Establish a secure and confidential complaint process and protection mechanism
- Provide channels for problem reports and safety protection system
- Employee safety protection mechanisms, such as security guards
- Corporate equality and workplace safety policy promotion/education and training
- Implement employee assistance programs such as- measurement for employee care and visit.
- Disclosure and identification of labor laws
- Abide by labor laws and regulations; require attendance control; manage systematic attendance; proactively care for employees with irregular attendance, reduce violations of working hours



## 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.

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.

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

- Ⓐ Non-compliance with regulations and management systems.
- Ⓑ Failure to meet goals and objectives
- Ⓒ Failure to meet the control standards.

### 1.2 Corrective and preventive procedures

- Ⓐ **Propose abnormalities:**  
The discovery personnel fill out the “correction and prevention sheet” if necessary and submit it to the execution personnel for improvement.
- Ⓑ **Analyze abnormalities:**  
After receiving the notification of the abnormality, each responsible personnel conducts investigation and analysis of the cause according to the situation.
- Ⓒ **Implement countermeasure:**  
The responsible personnel proposes improvement and preventive measures based on the identification of the abnormal cause.
- Ⓓ **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
Each Department	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.





<b>Governance unit</b>	<p>At present, we do not have a sustainable development committee but is expected to be established by the board of directors in 2025.</p> <p>Through regular reports and recommendations by the sustainability committee, directors will be able to effectively develop and establish policies and procedures related to the climate risk management process. The climate change management approach is carried out to explore the opportunities and targets for reducing greenhouse gases through ISO 14064-1 greenhouse gas verification executed by greenhouse gas inventory organization and the process of ISO 14067 carbon footprint verification.</p>
<b>Risk category</b>	<p><b>Climate change risks:</b></p> <ul style="list-style-type: none"> <li>■ Global warming causes extreme weather</li> <li>■ Our operating costs increase</li> <li>■ Costs of raw materials increase</li> <li>■ Infrastructure power supply loads and power shortage</li> <li>■ Meet customer expectations for low-carbon strategies</li> <li>■ International competition for reputation and impact on corporate image</li> <li>■ Total greenhouse gas control and carbon trading system</li> </ul> <p><b>Initial response strategy:</b></p> <ul style="list-style-type: none"> <li>■ Implement environmental, safety and health policies</li> <li>■ Promote the verification of ISO 14064-1 greenhouse gas and ISO 14067 carbon footprint</li> <li>■ Monitor routinely the overall operational power consumption</li> <li>■ Plan to construct green energy facilities</li> <li>■ Refer to domestic and foreign low-carbon technologies and strategies</li> </ul>
<b>Opportunity Category</b>	<p><b>Climate change opportunities:</b></p> <ul style="list-style-type: none"> <li>■ Obtain certificates of ISO 14064-1 Greenhouse Gas and ISO 14067 Carbon Footprint</li> <li>■ Promote low-carbon operations and production</li> <li>■ Manage and distribute properly on operational electricity</li> <li>■ Construct green energy facilities and assist government in energy transition policies</li> <li>■ Focus on the total carbon control and trading market</li> <li>■ Improve corporate image and social responsibility</li> </ul> <p><b>Initial response strategies:</b></p> <ul style="list-style-type: none"> <li>■ Proactively choose policies that are superior to current climate change response</li> <li>■ Purchase green label facilities and products</li> <li>■ Promote continually policies of energy saving, carbon reduction, and waste reduction</li> <li>■ Promote competition of energy saving and carbon reduction proposals</li> <li>■ Participate actively in seminars related to climate change and carbon reduction technologies</li> <li>■ Mid- and long-term goals to develop green energy power generation facilities</li> <li>■ Coordinate with domestic and foreign carbon tax, carbon fee, and carbon trading policies</li> <li>■ Implement the business alliance code of conduct</li> <li>■ Promote and disclose ESG reports</li> </ul>

## Strategy

"Net-zero emissions by 2050" has become a common consensus for global climate action. Nearly 140 countries around the world have pledged to achieve net-zero emissions by 2050. It is clear that the world is bringing forward targeted net zero emissions. Our climate strategy is according to science-based reduction to improve energy efficiency and expand renewable energy use. Through steps, such as decarbonizing technologies and reducing remaining carbon emissions, we can gradually drive the entire value chain towards net zero.

We have annually set targets and budget for energy saving and carbon reduction. It is expected to achieve the ultimate goal of carbon neutrality by 2050 through introducing carbon reduction technologies in the next 30 years. In response to the trend of low-carbon transformation, R&D has invested in the development of green and environmentally friendly processes. We also invest in human resources and funds to upgrade and replace equipment to actively reduce carbon emissions.

### **Our initial strategies to response to climate change are as below:**

#### **Short term goals:**

- ① Promote the concept of energy saving, implement the principle of no waste and reduce daily waste
- ② Verify electricity and water equipment to make sure their damage, durability and scope of application
- ③ Reduce packaging material consumption and use recycled packaging materials.

#### **Mid-term goals:**

carry out electricity meter inventory, cooperate with device, arrange digital meter operations.

#### **Long-term goal:**

In compliance with relevant governmental regulations and corporate commitments, we annually save 1% of electricity and reduce carbon emissions.

## Risk Management

Besides having risk response plans according to financial performance, it also includes risk assessment and emergency response plans, such as natural disasters, environment and information. We also introduce the concept of prevention into our corporate culture and eliminate identifiable and avoidable risks as much as possible to reduce possible losses due to operational interruption. In addition to having the original systematic regulations for major risks we face in various business operations such as sales market, production operations, the planning of human resource planning, the progress of new product development and financial accounting control, we actively develop advanced and more sensitive procedures and standards for supervision, assessment and risk control to balance safety and efficiency. We establish a more effective business operation model, such as strengthening the establishment of information systems and early warning monitoring capability.

From an environmental perspective, we establish and maintain emergency procedures in response to possible accidents or emergencies such as emergency contingency plan, organizational responsibilities and structures, initialization procedure, hazard identification and risk assessment, rescue plan, escape route map, material safety data sheet (SDS), emergency response audit checklists. Through the above-mentioned operating procedures and methods, all units could immediately follow these guidelines to reduce or mitigate the impacts and damages such as personal injuries, property losses and production interruptions, natural disasters and other major emergencies, and be able to quickly resume normal operations.

Risk management objectives: To understand the current global economic condition and risks of climate change and energy supply; to formulate in advance the development strategy and adjust the operating model; to implement actively relevant countermeasures

#### **Commitment:**

Follow the trend of global industrial and climate change; adjust development goals and business strategies to reduce potential risks

#### **Risk management measures:**

In response to various operational risks, management meetings are held regularly to review and adjust operational directions and prevent risks in advance.

<p><b>Indicate and Goal</b></p>	<p>Opportunities from the challenges of climate change under the “climate emergency”. We look forward to guiding our suppliers towards the transition of a low-carbon green economy to mitigate climate impacts.</p> <p>In order to practice and follow the path of sustainability, we actively promote relevant matters, set green management strategic objectives, launch various projects, and implement green management and evaluate its effectiveness. Through external verification and performance results, we fulfill our goal of protecting the global environment.</p> <p>Target:</p> <p><b>The response measures for greenhouse gas management are as follows:</b></p> <ul style="list-style-type: none"> <li>■ Manage raw material input; properly quantify and document greenhouse gas emissions; examine opportunities to reduce carbon emissions</li> <li>■ Electric vehicles replace fuel vehicles to reduce pollution emission</li> <li>■ Properly distribute the operation of processing machines and equipment to reduce energy consumption during long periods of sleep mode</li> <li>■ Promote sustainable procurement and reduce energy consumption and environmental impact.</li> <li>■ Organize competitions of energy saving, carbon reduction, and proposals of waste reduction to ensure all employees participate in green activities</li> <li>■ Actively participate in greenhouse gas-related education training and seminars held by government authorities or private institutions; keep the latest news on climate change and carbon trade exchange</li> <li>■ Follow the issues of global climate change, and refer to low-carbon technologies in different countries</li> <li>■ Look forward to the green electricity project and assist governments with their energy transition.</li> </ul>
<p><b>Financial influences</b></p>	<p>Taiwanese government has announced carbon pricing system since 2024. Enterprises should prioritize establishing the capacities of greenhouse gas (GHG) inventory, identify their own and key emission sources and actively plan and implement substantial reduction measures. The Taiwanese government has launched the " Climate Change Response Act" on February 15, 2023, which included the mechanism of carbon charge. The Ministry of Environment has imposed carbon fee starting from January 1, 2024.</p> <p>Carbon fee collection should include inventory and verification of greenhouse gas emission sources, the entities subject to carbon fee collection are expected to be the manufacturing enterprises and the power generation enterprises with annual emissions exceeding 25,000 metric tons.</p> <p>To calculate the amount of carbon fee, the objects to be levied must multiply the greenhouse gas emissions of the previous year by the charging rate announced by the central competent authority (The Carbon Fee Review Committee is scheduled to announce the announcement in the first quarter of 2024).</p> <p>Regarding the financial impact, the Ministry of Environment released the draft plan for carbon fee charging methods on December 29, 2023. The carbon fee is equal to the emissions deduct a threshold of 25,000 metric tons from their chargeable emissions, multiply by the charging rate (The Carbon Fee Review Committee is scheduled to announce the announcement in the first quarter of 2024). If based on scientific estimation, the price is 500 NTD/ton, and our recent annual carbon dioxide (CO<sub>2</sub>e) emissions from our factory were approximately 9,500 tons. Since it was not yet reaching charging standards, no carbon fee is required.</p>
<p><b>Carbon pricing fundamentals</b></p>	<p>There is currently no carbon pricing set for 2023.</p>

<p><b>Greenhouse Gas Inventory Program</b></p>	<p>Based on the concern for global climate change, we should make optimal use of resources and fulfill our corporate responsibilities. According to the requirements of ISO 14064-1: 2018, in response to greenhouse gas control development trends and future greenhouse gas reductions, we carry out systematic greenhouse gas emission inventory and verification procedures and other promotion plans to provide effective reduction and improvement plans for future reference.</p> <p>Besides promoting greenhouse gas emission controls to reduce costs, we also hope to achieve sustainable energy development that considers resource efficiency, energy saving, and environmental protection for the industry to move towards a low-carbon economic society.</p> <p>Since 2022, we have disclosed our greenhouse gas emissions and completed the verification of ISO 14064-1:2018 greenhouse gas.</p> <p>Indirect emission of raw materials/services are our main greenhouse gas emissions (approximately 71.33% of the total). Our greenhouse gas strategy focuses on reducing our factory energy usage and indirect emissions from raw materials/services and being supplemented by renewable electricity.</p> <p>According to the report of ISO 14064-1, the total greenhouse gas emissions produced during operations in 2022 was approximately 9,502.107 metric tons CO2e/year. The investigation includes direct GHG emission (category 1), energy indirect GHG emissions (category 2), indirect emission from transportation (category 3), indirect emission from product used (category 4), indirect emission from used of products (category 5), indirect emission from other sources (category 6).</p>
<p><b>External assurance</b></p>	<ul style="list-style-type: none"> <li>① In 2022 carried out ISO 14064-1, voluntary greenhouse gas inventory</li> <li>② Obtained the certification of ISO 14001 environmental management system</li> <li>③ It is expected to apply for ISO 14067 carbon footprint system verification in 2024</li> </ul>



## Regulatory compliance

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. There are no major fines occurred in 2023



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.

We value the importance of integrity and honest morality and establish the "Code of Ethical Conduct" and "Code of Integrity Management". In 2023, our staff have signed the "Integrity and Self-Discipline Commitment", with an achievement rate of 100%. Education training and anti-corruption programs will be arranged.

New employees are required to sign "Corporate responsibility and ethical behavior" on the first day of the work. The content contains the anti-bribery policies:

### **1.Avoid conflicts of interest:**

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.

### **2.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.

We have established the "Code of Ethical Conduct" and "Code of Integrity Management". Our staff have signed the "Integrity and Self-Discipline Commitment", with an achievement rate of 100%. Education training and anti-corruption programs will be arranged. If corruption occurs, the relevant personnel will be investigated by "Employee Reward and Punishment Management Measures." In 2023, there is no corruption occurred.

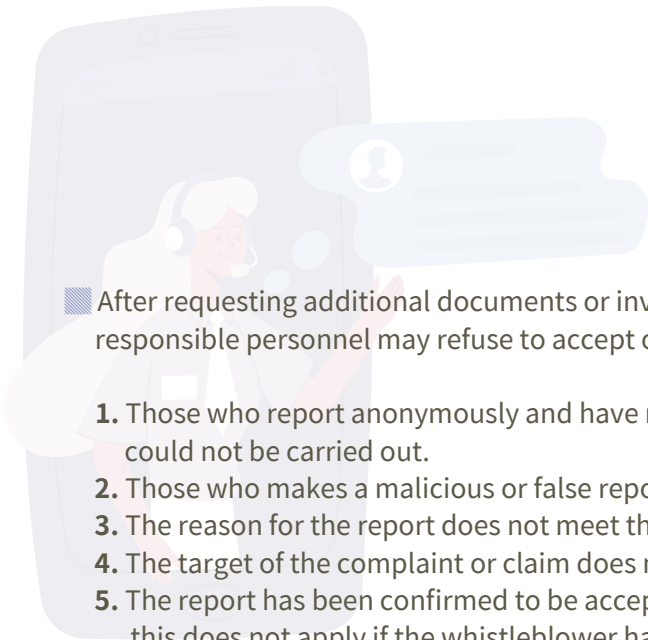
We value the importance of business ethics and integrity, and avoid anti-competitive, anti-trust and monopoly behaviors. To specify prevention and punishment measures for antitrust behaviors, "Code of Integrity Management" is stipulated, employees who may involve in price setting should avoid inappropriate business behaviors when participating in business and should strictly follow the behaviors under these regulations. 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 can 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. No anti-competitive, anti-trust and monopoly behavior occurred in 2023.

## 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. We help to resolve unreasonable treatment that violates social responsibilities and enhance labor-management harmony. The procedures for complaints/reports are as below:

- 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)
- 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.
- The appeal shall be concluded within one month, and if necessary, it can be extended for another one month.
- 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.
- 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.
- 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.
- 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 act, Act or the company's internal rewards and punishments regulations should be applied.





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 malicious 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.

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

## 2.5 Participation of External Organization

We actively participate in public associations. We promote industry development by participating in regular or irregular meetings and activities organized by public associations and share and exchange experiences with our partners in the hope of growing co-prosperity. In 2023, we participated in five public associations, as shown in the table below:

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





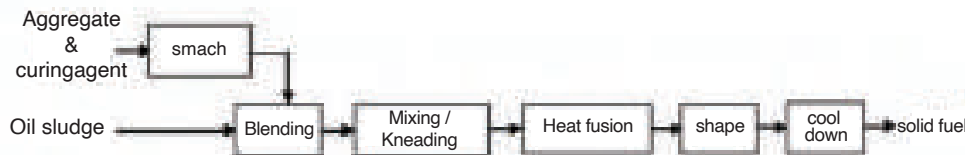
# III Care Earth

## Column - Recycled material foam

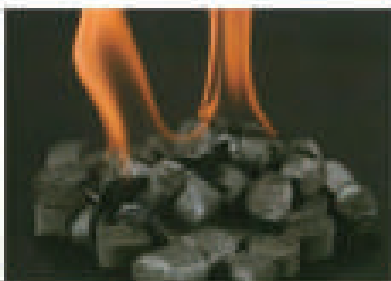
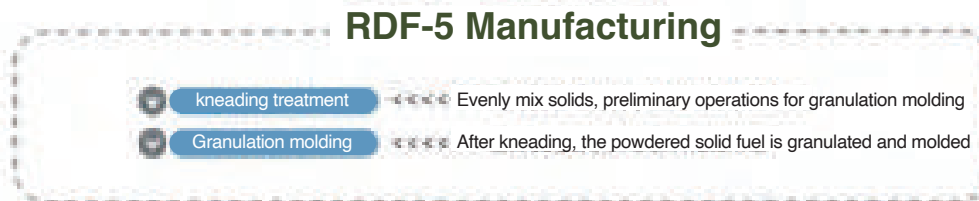
In the last several decades, the earth has been warming rapidly, therefore [circular economy] have become a topic that every modern enterprise attaches great importance to. By following nature's circular model, a system that enables resources to be recovered and regenerated to avoid t waste from being thrown away and destroyed, further, to create a more sustainable value through the regeneration of resources. Due to the importance of the economy, industrial R&D and production has begun, which brings opportunities of sustainability in business.

We hope to develop towards sustainability, so we started looking for treatment manufacturers that focus on recycling. At the end of 2023, we learned that our waste, such as foam, foam shells, oil sludge, can be transformed into odorless and stable fuel rods through the RDF-5 technology and the process of heating, sorting, filtering, adding and rowing. Those fuel rods can be provided for thermal power generation or for combustion purposes such as boilers. Its purpose is to replace the use of coal and transform industrial waste into green energy power generation through recycling and reuse and convert industrial waste into usable energy. Therefore, this technology can turn our waste into green in the future to reduce carbon emissions.

For this reason, this technology will be our focus. We hope that in the future, we can achieve our goal of energy saving and carbon reduction through recycling and also do our part for the earth.



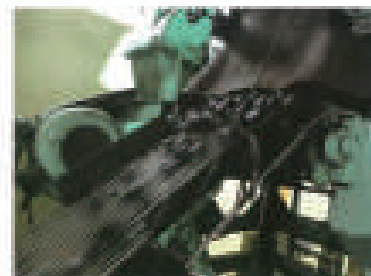
Picture 2 Recycled Waste Derivatives Fuel (RDF-5) Manufacturing process



RDF-5 made from waste oil sludge has a very high calorific value (calorific value approximately has 4,500~6,500 kcal/kg)



Patented solid fuel crystal formation (RDF-5) can adjust the calorific value and shape according to customer needs for transportation and combustion.



After the oil sludge is mixed with sawdust, it goes through solid separation, kneading process, shaping and granulation... and other patented procedures.

## Column - Recycle scrap metal

Our company uses steel materials from China Steel Corporation. 90% of the steel is from hot metal made from iron ore, and 10% is made from recycled scrap steel. The iron materials used in 2023 include 638.5 tons of recycled scrap steel. It has the following advantages for the environment, society and economy aspects by using raw materials that are contained recycled scrap steel:

- 1. Resource reuse:** To reduce the need for ore by using recycled scrap steel; This helps extend the life of natural resources while reducing negative impact on the environment.
- 2. Energy Savings:** Using recycled scrap steel during the manufacturing process usually requires less energy spending than raw materials; This can reduce manufacturing costs, at the same time, reducing the demand for energy helps reduce greenhouse gas emissions.
- 3. Reduce waste:** Using scrap steel to make materials can reduce the load on landfills or incineration. This helps reduce land contamination and lowers negative impact on the environment.
- 4. Comply with environmental protection regulations:**  
The use of recycled scrap steel complies with environmental protection regulations and standards in many countries and regions. This can help businesses comply with relevant laws and regulations while improving our sustainability image.

In the future, we will give priority to suppliers who can recycle materials to and meet customer requirements.



## Column - Buy an electric minivan

We currently use petrol vehicles. But in order to experience self-produced and realize the principle of ESG environmental protection, we have purchased the " CMC Veryca Electric Vehicle E300", which uses our gearbox  
The benefits of buying an electric car are as follows:

**I. Zero pollution:** Electric vehicles are driven by batteries. No harmful exhaust gases such as hydrocarbons, carbon monoxide, and carbon dioxide are produced when driving. It greatly reduces the negative impact on the environment and ecology. If we consider the energy efficiency of power plants, the efficiency of electric vehicles is 30-55%, which is more environmentally friendly than the 15-20% of Traditional internal combustion engine vehicle.

**II. Low noise and vibration:** Unlike traditional gasoline cars, the operating principle of electric vehicles is to convert battery energy into kinetic energy through the motor. And there will be no combustion or explosion during the process. Therefore, it is relatively quiet and stable while driving. Lower noise levels improve the surrounding environment and allow wild animals to inhabit their natural homes.

**III. Better starting acceleration performance:** Unlike traditional gasoline vehicles, the motor only can produce maximum horsepower at high speeds while the motor of an electric vehicle can produce maximum horsepower at low speeds. So, the acceleration performance at the start is better. When driving a traditional gasoline vehicle, one needs to pay attention to gear changes, switching accelerator and brake, etc. While single-pedal design of electric vehicles can recycle the energy, driver only needs to use the accelerator to control the vehicle's movement, which greatly improves the driving experience and makes it more convenient.

**IV. Reduce fuel costs:**An electric car does not require oil, which can greatly save gas expenses. Besides, due to the improvement of charging time, battery capacity and longevity, cost of EV battery packs has dropped 87% since 2008. We believe electric vehicles will be more economical and affordable in the future.

**V. Maintenance:** The overall mechanical structure of electric cars is relatively simple. There are no gasoline engines, gearboxes, cooling systems and other components that require frequent maintenance. There is no need to replace the air separator, spark plug, engine oil, transmission belt, etc. Brake pad replacement is also rarely needed. Electric vehicles require regular replacement or maintenance. The items that can be handled on our own, such as windscreen wipers, air-conditioning filters, coolant, brake oil, tire and battery maintenance. Basically, there is not necessary to return the car to the factory for maintenance if it is not broken. Therefore, car owners can save charge on maintenance and trouble. Since maintenance interval is longer, the cost is lower.

**VI. Higher efficiency:** The combustion process of traditional cars is very inefficient. Much of the energy produced is lost as heat. Electric vehicles can obtain maximum power with the minimum energy and have high energy saving efficiency. It can recover the kinetic energy during normal braking maneuvers and down hilling, improve energy efficiency and reduce energy consumption.



CMC Veryca Electric Vehicle E300

### Car model improvements

Pure electric commercial vehicle, equipped with 42.6kw lithium battery, its endurance can exceed 300KM mileage.

### Energy saving achievements

Electric vehicles can effectively reduce CO2. Compared with petrol vehicles, the CO2 emission per kilometer is reduced from 186g to **110g**. emissions.

## Column - Electronic document approval

As the issue of global warming has emerged as one of the most significant issues of attention, all enterprises regard "energy conservation and carbon reduction" as their common goal. We are actively participating in carbon reduction actions. Transforming "paper signature" into "electronic document signature" is regarded as an important measure. Not only can it respond to the call for environmental protection, but also reduce operating costs, improve work efficiency, reduce the risk of data leakage, and save physical space for file storage.

Since 2023, we have gradually converted paper signatures to electronic signatures. To be specific, since July 31, 2023, the "Application form for employee off-site training" has begun to implement electronic document signing, and this measure accounts for 44% of the annual implementation rate. Besides, since December 6, 2023, "Quotation" has also begun to be signed electronically, accounting for 4% of the annual implementation rate.

It is expected that in 2024, we are able to digitize more documents, including "printing application form", "application form of information service" and "application form of document repair", etc., to further enhance energy saving and reduce carbon emission. Through these measures, we look forward to achieving greener and more efficient in corporate operations, and together contribute to the protection of the earth.



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 are a Taiwanese gear manufacturer specializing in precision gear products. We adhere to quality standards, take full advantage of the latest technology, enhance our high competitiveness. We are deeply committed to our customers and follow the spirit of customer first philosophy, quality assurance, loyalty and commitment.

Due to the sustainability trend, 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). It is relatively challenging to improve recharge mileage, cost control and charging time. From a vehicle aspect, 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; 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. Our continuous efforts are dedicated to applying concept of innovation, making effort to ensure environmental sustainability, achieving the goal of net-zero emissions

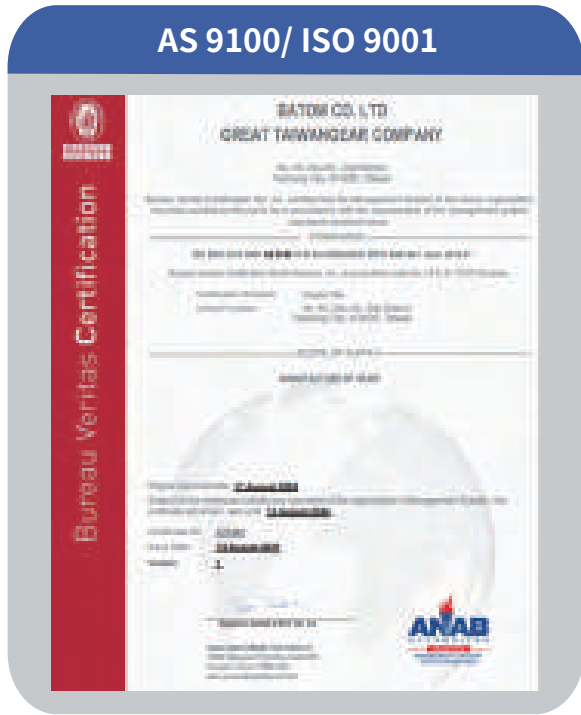
We are currently in compliance with IATF16949 and AS9100 certification. In order to improve product quality and safety in the product life cycle, if any problem arises, we provide the necessary evidence to prove our reliable products and safety control procedure. To avoid damages and liability claims 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 :



External certification :



### ISO 27001 / RBA

**CERTIFICATE**

Management system of per...  
ISO 27001:2017  
Batim Co., Ltd.

**Responsible Business Alliance**  
*Advancing Sustainability Globally*

Recognition that:

**Batim Co., Ltd.**

No. 45, Sinyi St., Jinchang VI, Dal District, Taichung City 41279, Taiwan (R.O.C.),  
Taichung City, Taiwan (R.O.C.), 412  
Chinese Taipei

Completed the RBA Validated Assessment Program, achieving **PLATINUM** Status closing all Priority, Major and minor findings, earning a score of 200.0

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Validated Audit Report: VAR-20230927-TW-01803-1  
Audit date: September 27, 2023  
Certificate issue date: October 17, 2023  
Expiration date: March 2, 2025

Robert F. Leister  
CEO, RBA

### Nadcap

This certificate is granted and awarded by the authority of the Nadcap Management Council to:

**Batim Co., Ltd.**

45 Sinyi Street, Dal District  
Taichung City, 41279  
Taiwan

This certificate demonstrates conformance and recognition of accreditation for specific services, as listed in more detail below on the Qualified Manufacturers List (QML), to the revision in effect at the time of the audit for:

**NonDestructive Testing**

Joe Brumfield  
Executive Vice President & Quality Services Officer

Our products provided to customers comply with the specifications of AISI American Iron and Steel Institute and customer drawing requirements. The description of products and the packaging have listed 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 conform to the specification of the customer's graphic label. All our products and services provided to customers comply with IATF 16949 and AS 9100 certifications.

### Customer satisfaction

Our business philosophy: "Excellent quality, Customer first, Sustainable management". We continue to provide competitive and high-quality products to meet customer needs and expectations. We annually carry out our customer satisfaction surveys, and regularly review to continue the improvement. We ensure that our service quality is guided by customer needs and look forward to providing clients with better services.

Results of Customer Satisfaction Survey	2022	2023
General industrial customers	91	92
Automotive customers	97	92
Aerospace customers	91	100

### 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 2023. We actively respond to customer complaints to improve our service quality.





## Purchasing strategy

In terms of procurement practices and procedures, we focus on assets (raw material procurement) and engineering (construction and equipment). In 2023, there were 150 cooperative suppliers, mainly based in Taiwan. There was a reduction in the purchase of foreign materials (knives and other related items) There was a reduction of foreign material purchases (knives and other related items) in 2023. The increase in the proportion of purchases is due to the increase in the number of manufacturers and assembly materials for development and assembly construction (screws, bearings, etc.). The total domestic procurement amount accounted for 87.4%. Compared with the procurement status in 2022 (147 companies), the proportion was increased in 2023

Contact Types	Purchasing region	2021		2022		2023	
		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	66	64.1	52	75	63	71.5
	Oversee	14	5.9	12	3.7	6	4
Project (Construction and equipment)	Domestic	64	12	79	8.2	76	15.9
	Oversee	4	18	4	13.1	5	8.6
Total		148	100%	147	100%	150	100%

### Note:

1. Domestic refers to Taiwan; oversee refers to regions outside Taiwan (such as: the United States, Vietnam, etc.).
2. The type of contract is according to the company's internal classification, default items (labor, property, project), ignore if not available.
3. Assets (raw materials) also include suppliers of outsourced processing.
4. There is no cross-shareholding in the company

## Supplier evaluation

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 critical 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 determine delivery volume based on whether the total number of monthly orders from each manufacturer has been achieved
Price	25% 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.

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
<b>Top 20 Manufacturers by Transaction</b>	Once every year / new cooperation	Once every year / new cooperation	Once every year (at least 3 manufacturers)
<b>Indirect supplier</b> (Security, cleaning, human resource agency)	Once every year / new cooperation	Once every year / new cooperation	Once every year
<b>High risk</b> (after evaluation of supplier social responsibility risk)	-	Once every year	Once every quarter
<b>Medium risk</b> (after evaluation of supplier social responsibility risk)	-	Once every year	Once every year
<b>Low risk</b> (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.

We have signed agreement documents with 194 suppliers (49%) in 2023 and required compliance with the regulations such as agreement of non-use of conflict minerals, supplier social responsibility commitment. In 2023, approximately 49% of suppliers signed the "Social Responsibility Commitment", it is expected to reach 60% in the future. We 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 2023, a total of 93 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. In 2023, no child labor or forced labor occurred.



## Material Usage

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, 90% molten iron made from iron ore, and 10% recycled steel (The raw materials are copper and steel, but copper accounts for less than 1%). Therefore, the percentage of recycled materials is 10%. According to this proportion, the iron purchased in 2023 contained 638.5 tons of recycled steel. 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 (2022)	2022	Number of parts produced (2023)	2023
Gasoline	Ton	No	66 barrels (1 barrel = 0.2 tons)	13.01	3,863,753PCS 68 barrels (1 barrel = 0.2 tons)	13.57
Super diesel	Ton	No	61 barrels (1 barrel = 0.2 tons)	12.06	3,863,753PCS 58 barrels (1 barrel = 0.2 tons)	11.56
Anti-rust oil/cutting oil/hydraulic oil and other oils for production equipment	Ton	No	596 barrels (1 barrel = 0.2 tons)	119.14	3,863,753PCS 1148 barrels (1 barrel = 0.2 tons)	229.6
Kerosene oil	Ton	No	5 barrels (1 barrel = 0.2 tons)	0.10	3,863,753PCS No purchasing in 2023	0.000*
Material (steel)	Ton	No	3,007,837pcs	8,075.74	3,863,753PCS	6,385
Carton	Ton	Yes	278,159pcs	484.22	3,863,753PCS	330.72
Plastic packaging	Ton	No	152,725pcs	12.14	3,863,753PCS	15

#### 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 are unable to be supplemented in a short period of time, such as: coal, natural gas, metals, minerals, and oil; renewable refers to resources that are always available.
- Since the kerosene oil purchased before 2023 has not been completely consumed, therefore, there was no kerosene purchased in 2023.

Major Topic: Economic performance	
Correspondence to GRI indicators	GRI 302 Energy GRI 305 Emission
Significance to Batom Co., Ltd	Greenhouse gas emissions have been listed as one of the important factors of global warming. It directly causes global warming, sea level rise and abnormal climate change, and puts ecology and species in danger. The majority of energy consumption is electricity. It has become our largest source of greenhouse gas emissions. To slow down the emission of greenhouse gases, we continue to implement plans for energy saving and carbon reduction to achieve sustainability.
Influence and Impact	<p><b>Environmental impact:</b> In order to effectively manage the energy resources, we introduced ISO 14064-1 greenhouse gas inventory and ISO 14067 carbon footprint verification. By third-party verification on greenhouse gas reduction policies and feasibility, we are able to reduce greenhouse gas emissions from our overall operations. Due to our industrial characteristics, it is subject to release large amounts of greenhouse gases. If we don't take this problem seriously and make improvements in time, we will be inspected and fined by government authorities, which will affect our reputation.</p> <p><b>Economic impact:</b> Our main economic burden is purchasing power. By developing relevant energy-saving plans, managing the distribution of electricity and finding solutions for energy saving and carbon reduction are able to reduce power consumption and expenses. Electricity is our main energy consumption. If our energy consumption during the operation is not accurately managed, the cost will be higher since the charge of electricity many increases.</p>
Policies / Strategies	<ul style="list-style-type: none"> <li>■ Introduce ISO 14064-1 greenhouse gas inventory and ISO 14067 carbon footprint verification</li> <li>■ <b>Environmental safety and health policy:</b> comply with laws and regulations; prevent pollution; promote health; prevent hazards; implement communication, and continue improvement</li> </ul>
Goal	<p><b>Short-term (2-3 years):</b> Develop energy-saving plans; since minicomputer hosts have been promoted to replace computer hosts, and that is able to reduce the electricity consumption of computer equipment by more than 60% and carbon emissions by approximately 60%.</p> <p><b>Mid-term (3-5 years):</b> According to the ratio of monthly electricity consumption and production quantity of processed products, it is expected that more than 2 workpieces can be produced per kWh to optimize energy and reduce device standby time. We have currently implemented ISO 14064-1 greenhouse gas inventory and ISO 14067 carbon footprint since 2024, we hope to explore opportunities for energy saving and carbon reduction through these two systems.</p> <p><b>Long-term (more than 5 years):</b> 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> <p>In order to demonstrate our commitment to environmental protection, the data of carbon inventory is updated annually to improve our transparency and competitiveness in the market.</p>
Management Evaluation Mechanism	<ul style="list-style-type: none"> <li>■ Implement control through process performance and control table of environmental safety and health standards.</li> <li>■ Effectively evaluate improvement proposals of energy saving</li> </ul>
Performance and Adjustments	<ul style="list-style-type: none"> <li>■ In 2023, minicomputer hosts were replaced computer hosts. The number of computers being replaced was 150. If we estimate based on the number of working days per month (22 working days per day), the total annual electricity consumption and carbon emissions will be reduced by more than 60%.</li> <li>■ In 2023, ISO 14064-1 and ISO 14067 organizational greenhouse gas inventory and carbon footprint were officially introduced. Afterwards, a data of the complete statistics on external energy consumption will be carried out.</li> <li>■ The ratio of monthly power consumption to the production quantity of processed products (including defective products) in 2023 was an average of more than 2.1 workpieces per kilowatt-hour of electricity. The medium-term goal has been achieved ahead of schedule.</li> </ul>
Preventive or Remedial Measures	The performance targets set for 2023 have been achieved. Therefore, no related preventive and remedial measures are required.

## Energy usage

Our energy used includes purchased electricity, gasoline and diesel. During our operation, grid power is the main energy consumption, that supplies factory and production operations, and no renewable energies are used.

The energy consumed during these two years is shown as below:

Quantitative indicators	Unit	2022	2023
Electricity usage	Degree/ year	4,464,780	4,347,120
	GJ	16,073.21	15,649.63
Gasoline usage	L/ year	13,012.38	14,491.41
	GJ	424.66	472.93
Diesel usage	L/ year	12,056.36	12,378.78
	GJ	423.73	435.06
Total energy consumption	GJ	16,921.60	16,557.62
Organization Specific Measures	Production Capacity (tons)	3,767.73	3,562.85
Energy intensity	GJ/ Production Capacity (tons)	4.4912	4.6472

**Note:**

1. The statistics in this table are as of December 31, 2023.
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/m<sup>3</sup>; 1 kcal=4.184 KJ.

## Performance of Saving Energy

In response to the development of the global net-zero emission, as well as the effective use of energy and reduction of energy consumption, our company has implemented and achieved a number of energy-saving plans, such as replacing computer hosts, adopting energy-saving air-conditioning, LED lamps, frequency air compressors and other related measures. From 2023, we have changed all computer hosts to mini-computer hosts. The general power consumption of a computer host is 200W, therefore the average power consumption for 8 hours of work per day is about 1.6 kilowatt hours. With a quantity of 150 computers and 22 working days per month, it is estimated that the total consumption of electricity should reach 63,360 kilowatt-hours of electricity throughout the year. On the other hand, the power consumption of a minicomputer host is 80W, the average power consumption for 8 hours of work per day is about 0.64 kilowatt hours. With a quantity of 150 computers and 22 working days per month, it is estimated that the total consumption of electricity should reach 25,344 kilowatt-hours of electricity throughout the year. Comparing these two annual power consumptions, the energy saving efficiency of the minicomputer can reach more than 60%. As for the annual carbon emission estimate, the carbon emissions of computer host are approximately 32.25 metric tons CO<sub>2</sub>e/year; the one of a minicomputer host are approximately 12.90 metric tons CO<sub>2</sub>e/year. Comparing these two estimated carbon emissions, the adoption of a minicomputer host can reduce carbon emissions by 19.35 metric tons of CO<sub>2</sub>e/year, and the carbon reduction efficiency reaches over 60%. (Note: The source of the calculation of the above greenhouse gas emissions is from the " Industrial Development administration, Ministry of Economic Affairs, website: <https://pj.ftis.org.tw/CFCv2>").

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 plan and propose a schedule for actions, such as 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 presented separately 30% and 35%. According to the index of global electric mobility, electric vehicles will be the future of the automotive industry, 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 to achieve net zero emission. 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.

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 have implemented various energy-saving programs in 2023. For example, by replacing the computer host, 19.35 metric tons of CO2e carbon emissions have been saved. Our energy-saving measures are shown as below:

Energy saving measures and specific actions in 2023	
Energy saving measures	Specific actions
<b>Replacement of computer host</b>	To continue the spirit of the energy-saving for the 2022 report, we changed from computer hosts to minicomputer hosts in 2023, with a carbon reduction efficiency of more than 60%.
<b>Air conditioner energy saving management</b>	In order to effectively manage and reduce energy consumption, we set rules for using air conditioners. For example, the air conditioner can be turned on only when the indoor temperature reaches 27° or above.
<b>Adoption of LED lighting system</b>	In order to effectively save energy, we adopted LED lamps in the entire factory (including the office), with a completion rate of over 90%.
<b>Adoption of frequency air compressor</b>	The frequency conversion can adjust the energy consumption of compressor during operation in response to production capacity requirements, which can effectively reduce energy consumption losses during periods of low production.
<b>Motorway night sensor lighting system</b>	Since night lanes are not used frequently and turning the lighting system on for a long time will cause extra power consumption, therefore, we add a sensor lighting system, that can effectively save electricity.
<b>Adoption of energy-saving label frequency air conditioner</b>	According to the description of the national standard, air conditioners with energy-saving labels are expected to reduce power consumption by 10-50%.

## Greenhouse gas emissions

We differentiate ourselves from high-emission industries, we are committed to the reduction of greenhouse gas emissions. Although there is no large amount of greenhouse gas emissions during manufacturing process, we educate our employees to have the habit of saving energy and reducing carbon emissions and start it with every aspect of our operation

Our detailed data information in the past two years is shown as below:

Item	2022	2023
Cat. 1: Direct greenhouse gas emission(kgCO <sub>2</sub> e)	163.9709	741.46
Cat. 2: Indirect greenhouse gas emission(kgCO <sub>2</sub> e)	2,363.6313	2,151.82
Cat. 3: Transport greenhouse gas emissions(kgCO <sub>2</sub> e)	196.6513	N/A
Cat. 4 Greenhouse gas emissions of products used in organization(kgCO <sub>2</sub> e)	6,777.8537	N/A
<b>Total emission</b>	<b>9,502.107</b>	<b>2,893.28</b>
<b>Organization specific metric (shipment of finished products /metric tons)</b>	<b>3,767.73</b>	<b>3,562.85</b>
<b>Intensity of greenhouse gas emission (kgCO<sub>2</sub>e/ quantity production) (Greenhouse gas emissions are only calculated cat. 1 and cat. 2.)</b>	<b>0.6711</b>	<b>0.8121</b>

### Note:

- Category 1 refers to emissions directly (controlled) from us including stationary combustion, process emissions, transportation and mobile combustion and fugitive emissions. 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.
- Category 2 refers to emissions indirectly, such as purchased electricity.
- Types of greenhouse gas emissions: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>
- The purchased electricity refers to an emission factor for electricity launched by the Energy Bureau of the Ministry of Economic Affairs. Electricity emission coefficient in 2022=0.495 kgCO<sub>2</sub>e/kWh, Electricity emission coefficient in 2023 =0.494 kgCO<sub>2</sub>e/kWh
- Our 2023 report of greenhouse gas inventory data is self-declared. The verification was not carried out when this report was issued, and it is expected to obtain verification suggestion in November 2024. (Note: The calculation of greenhouse gas emissions in 2023 is from "Industrial Development Administration, Ministry of Economic Affairs, website: <https://pj.ftis.org.tw/CFCv2>")
- Our data of greenhouse gas inventory in 2022 was recalculated after verification by a third-party unit. The data is updated in this report.

## Emissions of harmful substances

We do not emit the following substances during the operation: VOCs, TSP, Sox and NOx. Our air-conditioning refrigerants and dry powder fire extinguisher adopt R32, R410, etc., we have not purchased or used refrigerant items prohibited by the Montreal Protocol. Therefore, there are no substances produced that damages the ozone layer.



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 of water resources. 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 two years is as follows:

Our Water Consumption		
Year	2022	2023
Water Intake (million liters)	3.61	3.04
Water Discharge (million liters)	1	1.08
Water Consumption (million liters)	2.61	1.96
Circulating Water in Factory (million liters)	0.05	0.04
Water Recycling Percentage (%)	1.9	1.30
Organization-Specific Measures (Shipment of processed finished production/ton)	3,767.73	3,562.85
Water use density	0.000958137	0.00085325

**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.

## Status of Wastewater Discharge

During operational processing, there is no processing wastewater, only domestic sewage, the sewage is released after being treated by equipment. The discharge water quantity in the past three years is 1,076.2(m<sup>3</sup>) in 2023; 919 (m<sup>3</sup>) in 2022; 949 (m<sup>3</sup>) in 2021.

## Relevant tests for sewage treatment in the last three years are as below.

Test items	2021		2022		2023	
	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	ND	80	1.45	80	1
Biochemical Oxygen Demand	80	1.7	80	3.1	80	43.5
Chemical Oxygen Demand	250	7.35	250	10	250	105.8

Major topic: Waste	
Correspondence to GRI indicators	GRI 306 waste
Significance to Batom Co., Ltd	<p>The mixture oil waste produced by the machine after cleaning components has an annual output of about 196 tons. The annual quantity of the oil waste produced after filtering by the processing machine is about 23 tons. The amount of waste that must be removed annually is large, and the removal transportation is high, therefore there is an increase in operational cost.</p> <p>The final disposal of the mixture oil waste is burnt, therefore if there are measures for reductions, not only will it reduce the energy consumption of incineration, but also indirectly reduce greenhouse gas emissions.</p>
Influence and Impact	<p><b>Environmental impact:</b> The waste oil mixture is eventually burnt and generates greenhouse gas emissions. By reducing its quantity, greenhouse gas emissions can be reduced from the disposal process. As for industrial waste produced, it can be recycled and processed into other fuels to reduce the demand for natural resources and the impact on the environment, further, to achieve the recycling society. If the manufactured waste is not properly taken of, it will cause soil contamination and air pollution and harm the ecological environment. If waste cannot be effectively recycled, it will increase the demand for raw materials, and further accelerate the problem of resource depletion.</p> <p><b>Economic impact:</b> The mixture oil waste produced by the machine after cleaning components has an annual output of about 196 tons, and the charge on clean transportation is high. Any measurements for volume reduction are implemented, the costs can be significantly reduced. If waste is not properly taken off, it can harm the environment, and we may face government sanctions and operating costs are increased.</p> <p><b>Human rights impact:</b> The disposal of industrial waste requires skilled and professionals, this can create jobs opportunities and grow business economy. Processed waste may contain harmful substances, and long-term exposure may cause harm to the health of employees and residents. If toxic gases are produced during waste generation, they are more likely to pose a threat to the human health.</p>
Policies / Strategies	<ul style="list-style-type: none"> <li>■ <b>A.</b> Adopt a waste oil mixture reduction policy and set short, medium and long-term reduction targets for the mixtures of waste oil; monthly target achievement is calculated from the performance and environmental, safety and health standard control tables.</li> <li>■ <b>B.</b> Optimize raw material usage efficiency; reduce waste produced during processing; through the recycling technology from green enterprises, we can achieve the long-term goal of transforming waste into renewable fuels.</li> </ul>
Goal	<p><b>A. Reduce the amount of waste oil transportation</b> Separating mixture oil waste and domestic sewage through system in order to reduce the amount of waste oil transported.</p> <p><b>Short-term (2-3 years):</b> Wastewater separation efficiency reaches over 70%; mixture oil waste remains 30% NOTE: Approximately 3.3 barrels (200 liters) of waste oil mixture are separated into 1 barrel (200 liters) of pure waste oil.</p> <p><b>Mid-term (3-5 years):</b> Wastewater separation efficiency reaches over 80%; mixture oil waste remains 20% NOTE: Approximately 5 barrels (200 liters) of waste oil mixture are separated into 1 barrel (200 liters) of pure waste oil.</p> <p><b>Long-term (more than 5 years):</b> Wastewater separation efficiency reaches over 90%; mixture oil waste remains 10% Note: Approximately 9.7 barrels (200 liters) of waste oil mixture are separated into 1 barrel (200 liters) of pure waste oil.</p>

<p><b>Goal</b></p>	<p><b>B. Improve waste recycling</b></p> <p><b>Short-term (2-3 years):</b> Reduce the amount of waste produced; We hope to reduce the amount of waste produced by improving processing procedures and equipment, as well as managing raw material consumption efficiently, and establish an effective waste management system ensures that waste is handled in a safe and efficient manner.</p> <p><b>Mid-term (3-5 years):</b> Promote circular economy; Promote the concept of circular economy; transfer CNC processed waste into new products or raw materials to reduce demand for natural resources. The rate of waste recycling reaches 20%</p> <p><b>Long-term (more than 5 years):</b> Improve the recycling rate of waste and achieve effective use of resources. The rate of waste recycling reaches 30%</p>
<p><b>Management Evaluation Mechanism</b></p>	<p><b>A. Reduce the amount of waste oil transportation</b></p> <ul style="list-style-type: none"> <li>■ The control table of performance and environmental safety and health standards manage monthly waste oil mixture separation efficiency. All are consistent with short-term goal setting.</li> </ul> <p><b>B. Improve waste recycling</b></p> <ul style="list-style-type: none"> <li>■ <b>Recycling rate of waste:</b> evaluate the proportion of reused waste to ensure its efficiency</li> <li>■ <b>Processing efficiency:</b> evaluate the efficiency of waste treatment, such as cataloging, recycling and safe disposal, to ensure waste is handled appropriately.</li> <li>■ <b>Compliance with regulations:</b> evaluate whether waste management complies with relevant laws and environmental standards to ensure our legal operations and social responsibility.</li> <li>■ <b>Cost-effectiveness:</b> evaluate the costs and benefits of waste management measures, such as saving expenses and efficiency improvement, to make sure the economic feasibility</li> </ul> <p>These evaluation mechanisms can be implemented through each clearance record and recycling report.</p>
<p><b>Performance and Adjustments</b></p>	<p><b>A. Reduce the amount of waste oil transportation</b> The control table of performance and environmental safety and health standards manage monthly waste oil mixture separation efficiency. All are consistent with the short-term goal of sewage separation efficiency of over 70%.</p> <p><b>B. Improve waste recycling</b> This sustainable goal is inspired by the discovery in 2023 that some wastes such as oil sludge can be transformed into new fuel rods through recycling technology. This plan will pave the way for our goals in 2024.</p>
<p><b>Preventive or Remedial Measures</b></p>	<p><b>A. Reduce the amount of waste oil transportation</b> Follow corrective/ prevention actions and improve continuously procedures.</p> <p><b>B. Improve waste recycling</b> This sustainable goal is inspired by the discovery in 2023 that some wastes such as oil sludge can be transformed into new fuel rods through recycling technology.</p>

## Waste management

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 in 2023. Grinding waste generated by processing equipment is entrusted to recycling industries. Final disposal is transformed into building materials and sand casting to properly establish waste recycling system.

The waste produced in 2022 was scrap iron, waste oil mixture, general waste, and oil sludge. The total amount of waste is 512.05 metric tons. Compared with the amount of waste in 2022, there was an increase in waste such as oil sludge and grinding waste, with a total waste volume of 585.79 metric tons.

The non-hazardous waste management table is as below:

Production and Disposal of Waste				
Components of waste	Hazard	Off-site		
		2022	2023	processing treatment
Item		waste production (tons)	waste production (tons)	
Scrap	No	413.68	494.56	Other recycling operations
Waste oil mixture	No	31.08	27.40	Incineration (excluding energy recycling)
General waste	No	23.95	22.24	Incineration (excluding energy recycling)
Oil sludge	No	43.34	39.06	Incineration (excluding energy recycling)
Paper, iron and aluminum, plastic bottles	No	-	0	Other recycling operations
Grinding waste	No	-	2.37	Recycling
<b>Total waste</b>	No	<b>512.05</b>	<b>585.79</b>	-

**Note:**

1. The statistics in this table are the total amount of waste in 2022 and 2023.
2. The total amount of grinding waste in 2022 is not calculated.
3. Wastes such as paper, iron and aluminum, and plastic bottles are recycled by Tzu Chi foundation, so the total amount has not been calculated.
4. The overall proportion of waste recycled is 0.4%.
5. In 2023, waste lubricating oil and waste oil mixtures were recycled together, therefore, there is no item of waste lubricating oil.
6. Waste statistics in 2022 came from the Greenhouse Gas Inventory Table. Since the greenhouse gases was re-calculated after verification by a third-party unit, therefore, the waste statistics for 2022 will be recalculated and data will be updated in this report.

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

- Disposal of general waste, waste lubricating oil and waste oil mixture are outsourced to qualified clearing companies.
- We transport scrap to the recycling plant.
- Paper, iron and aluminum, and plastic bottles are collected and recycled by Tzu Chi foundation.
- The grinding waste is entrusted to qualified removal companies and transformed into recycled building materials.

We are negotiating with removal companies to see whether foam, oil sludge and other waste can be recycled and made into fuel rods, that can generate electricity and achieve carbon reduction and other benefits. 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.

# IV Friendly Concern

## Column - maternity education subsidy

For 2023, a total of 94 person-times/251,000 childbirth education subsidies were issued  
**Benefits of the childbirth education subsidy policy to us**

### 1. Improve employee satisfaction and loyalty:

that we care about the needs of our employees' families. This helps increase employee satisfaction and loyalty.

### 2. Recruitment advantages:

Providing maternity subsidies may make us more attractive. This benefit may be a deciding factor for potential employees in choosing us.

### 3. Improved employee health and well-being:

By supporting family planning and maternity subsidies, this helps create a healthier, balanced work environment and improves the overall happiness and mental health of employees.

### 4. Reduce the cost of employee turnover:

Supporting their education needs can reduce the possibility of employees choosing to leave due to family pressure. This reduces the recruitment and training costs incurred due to employee turnover.

### The impact of childbirth education subsidies on society:

#### 1. To promote the grow of population and social development:

By supporting subsidies and family planning, we can contribute stable population growth to society and help employees to have a better work and family life balance.

#### 2. Gender equality:

Providing maternity education subsidies can help gender equality. Since this policy generally applies to both male and female employees. This helps to break gender role stereotypes and make parents more equal in their parenting responsibilities.

#### 3.Reduce social welfare burdens:

By encouraging family planning and providing childbirth education subsidies, we can help reduce the burden on social benefits. Families with healthy and more balanced life are likely to be less dependent on social benefits.



Major Topic: Training and Education & Labor/Management Relations & Employment Relations	
<b>Correspondence to GRI indicators</b>	GRI 401 Labor/Management \ GRI 402 Relations & Employment Relations \ GRI 404 Training and Education
<b>Significance to Batom Co., Ltd</b>	<ul style="list-style-type: none"> <li>■ We actively establish labor-employer relationships. Since it is related to our daily operation, and also affects the overall performance, employee satisfaction, and organizational culture.</li> <li>■ In order to improve employee skills, we actively build training systems and tutorials to encourage employees to acquire the knowledge, skills and high-quality and enterprising work attitude required in the workplace. This in turn could improve the performance and our operational efficiency.</li> <li>■ We are committed to maintaining good labor relations and providing various communication channels. We hold regularly hold labor-management meetings every three months to establish good communication with employees. Employees can perform to their best of ability under our reasonable and fair personnel system and sound internal organization. Candidates and workers of different races, genders, ages, religions, nationalities or political affiliations are treated equally.</li> </ul>
<b>Influence and Impact</b>	<p><b>Economic impact:</b> Having good labor-employer relationships and an effective training system can improve employees' productivity and efficiency. It will improve the working conditions, reduce unemployment, and create a positive vibe. If labor-management relations are not properly taken of, employees may lose their loyalty to the organization, which may in turn affect our overall development. If employee educational programs are not properly trained, it will directly or indirectly affect our production capacity, and as well as our competitiveness.</p> <p><b>Human/Human Rights impact:</b> A proper labor-management relationship can effectively protect the rights and interests of workers and promote gender equality and inclusion. Diverse functional training can improve employees' capabilities and enhance our overall competitiveness. When the labor-employer relationship is not well practiced, it may lead to confrontation and distrust between two parties. Labor complaints and disputes may occur. Not only is personal development limited, but it also affects the overall improvement of the company.</p>
<b>Policies / Strategies</b>	<ul style="list-style-type: none"> <li>■ Introduction of structured on-the-job training (S-OJT) Through structured processes and methods, our training activities such as training needs, analysis, course planning, instructor training, module preparation, training execution and evaluation can be carried out systematically in order to achieve results.</li> </ul>
<b>Goal</b>	<p><b>Short-term (2-3 years):</b></p> <ul style="list-style-type: none"> <li>■ Training and strengthening the core competency of internal personnel</li> <li>■ Internal lecturer training</li> <li>■ The annual training rate reaches 100% (number of classes performed in the year/number of classes should be performed in the year).</li> </ul> <p><b>Mid-term (3-5 years):</b></p> <ul style="list-style-type: none"> <li>■ Establish and improve professional training and management courses and emphasize the importance of sustainable management.</li> <li>■ Update relevant SOJT teaching materials and translate it to the personnel of the Mexican</li> </ul> <p><b>Long-term (more than 5 years):</b></p> <ul style="list-style-type: none"> <li>■ Establish professional training in production fields</li> <li>■ Strengthen our reputation and value</li> <li>■ Guide downstream manufacturers to introduce ESG and RBA systems.</li> </ul>
<b>Management Evaluation Mechanism</b>	<p><b>Training and Education:</b> Conduct acceptance evaluation (test paper) based on course training. After the three months courses, supervisors will evaluate each professional knowledge, skills, attitude, and quality to see whether the overall training performance has been improved such as: improvement of production technology/ performance capabilities/innovation and R&amp;D capabilities, etc.</p> <p><b>Labor-employer relations:</b> employee suggestion box; employee turnover analysis; performance evaluation</p>

<b>Performance and Adjustments</b>	<p><b>Training and education:</b> A total of 136 training courses were arranged to strengthen personnel capacities in 2023. The annual training report is reviewed and refers to next year's training direction to avoid ineffective training, which may affect our business performance and competitiveness.</p> <ul style="list-style-type: none"> <li>■ The annual training rate in 2023 reached 131.51% (number of classes performed in the year/number of classes should be performed in the year)</li> <li>■ In 2023, structured on-the-job training (S-OJT) completed 54% of on-the-job training materials for the production department.</li> </ul> <p><b>Labor-employer relations:</b> two-way communication channel; healthy and safety workplace; work and life balance; reward system; improvement plan</p>
<b>Preventive or Remedial Measures</b>	<p><b>Training and Education:</b> As there is no pre-planning of teaching materials for 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 outcome cannot be seen significantly. To reduce costs of human resources and materials through training, each internal personnel has successively introduced structured on-the-job training (S-OJT). Evaluation models (examination papers/practice) are based on 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 knowledge can be effectively shared.</p> <p><b>Employment relations:</b> communication management procedures/complaints channels</p>

## Talent recruitment

Due to the increase in production capacity and the significant increase in the number of orders, we must ensure production efficiency and delivery capabilities. To handle this increased demand, we have added the number of non-employee workers. These non-employee workers provide labor support during peak production periods to ensure that the orders can be fulfilled on time. So, we are able to maintain product quality and customer satisfaction.

The total number of employees in 2023 was 211. There are 157 males (74.4%) and 54 females (25.6%), all of whom are full-time employees. Due to the human resource needs (increase in production capacity or resignation of employees), we outsourced non-employee workers to fill the needs. In 2023, there were a total of 27 workers, mainly security personnel and dispatched personnel. There was no major difference in the number of people compared with the previous year. Our employee and non-employee worker in 2023 are as follows:

The states of employee number						
Reporting period						
Region	Contract type	Female	Male	Other (note 1)	Non-discourse (note 2)	Total number
Taiwan headquarters	Number of employees	54	157	0	0	211
	Number of permanent employees (full-time)	54	157	0	0	211

**Note:**

1. Statistical area: Batom headquarter
2. Statistics in this table are until December 31, 2023.
3. Gender is determined by employees themselves.
4. Employees do not reveal their gender.
5. Domestic refers to Taiwan; foreign refers to regions outside Taiwan (such as: the United States, Vietnam, etc.).
6. Employees: Individuals who have labor relationships with the organization in accordance with national laws or relevant
7. This table is calculated based on number of people/ full time equivalent.

Type and number of non-employee workers			
Type of worker	Contractual relationship	2022	2023
On-site workers (Dispatch personnel)	Contracts for Work	19	26
Security Personnel	Contracts for Work	1	1

**Note:**  
1. Statistical area: Batom headquarters  
2. Statistics in this table is until December 31, 2023.

## Proportion for management positions

We focus on regional operations, value harmonious relationships with residents, and ensure employment stability. Therefore, most of the employees are Taiwanese residents. The distribution of senior executives and non-executive personnel in 2023 is as below. There are a total of 49 senior executives at manager level or above, 37 of whom are male and 12 are female. Female executives account for approximately 24.48%. 98% of employees are Taiwanese residents, of which 2% are residents of Ireland.

The status of employee positions in the past three years is as below.					
Year			2021	2022	2023
Item / Gender	Age (Year)		Number	Number	Number
Supervisor	Male	Under 30	10	7	5
		30-50	24	26	26
		Over 50	5	6	6
	Female	Under 30	1	0	0
		30-50	7	8	7
		Over 50	2	3	5
<b>Total number of supervisors</b>			<b>47</b>	<b>49</b>	<b>49</b>
Non-supervisor	Male	Under 30	56	67	49
		30-50	37	56	66
		Over 50	3	4	5
	Female	Under 30	7	8	8
		30-50	30	32	32
		Over 50	4	4	2
<b>Total number of non-supervisors</b>			<b>127</b>	<b>137</b>	<b>162</b>
<b>Total number of full-time employees</b>			<b>174</b>	<b>186</b>	<b>211</b>

**Note:**  
1. This statistics in this table is until December 31, 2023  
2. We define the person in charge as considered as the management level.  
3. The table is the number of supervisors in Taiwan.

## New employee rate

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	2021				2022				2023			
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	53	28.49	2	1.08	39	17.65	5	2.26	8	3.79	1	0.47
30-50	24	12.90	10	5.38	22	9.95	14	6.33	7	3.32	2	0.95
Over 50	1	0.54	0	0.00	1	0.45	0	0	0	0.00	0	0.00
Number of newly recruited	90				81				18			
Total number of employees	186				221				211			
Rate for newly recruited(%)	48.39				36.65				8.53			

### Note:

1. The statistic in this table is until December 31, 2023.
2. The number of newly recruited does not count those who resigned halfway.
3. % 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.
4. % 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.

## Employee turnover rate

Year	2021				2022				2023			
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	31	16.67	2	1.08	27	12.22	2	0.90	2	0.948	1	0.474
30-50	24	12.90	13	6.99	7	3.17	10	4.52	3	1.422	3	1.422
Over 50	1	0.54	1	0.54	0	0.00	0	0.00	0	0.000	0	0.000
Number of recruited	72				46				9			
Total number of employees	186				221				211			
Rate for newly recruited(%)	38.71				20.81				4.27			

### Note:

1. This statistics in this table is until December 31, 2023.
2. Turnover employee refers to resignation, dismissal, retirement, or death on duty, etc.
3. 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
4. % 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

We create a diverse workplace environment, practice the spirit of diversity, equality and inclusive culture, and ensure equal employment for disadvantaged groups. We comply with the regulations of the "Employment Services Act" and the "Act on the Protection of Rights and Interests of Persons with Disabilities", recruit employees from disadvantaged groups.

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

Year		2021	2022	2023	
Item / Gender	Age	Number	Number	Number	
Minority or Vulnerable groups	Male	Under 30	0	0	0
		30-50	4	4	4
		Over 50	0	0	0
	Female	Under 30	0	0	0
		30-50	0	0	0
		Over 50	0	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

## Talent training

We provide a variety of on-the-job training courses for employees to increase their professional knowledge and skills and to grow with us. We provide feedback based on their course satisfaction and continue to track their performance, post-course tests, and execute practical training to help colleagues apply in their work. Surveys and feedback of course satisfaction make educational trainings be more consistent with their needs.

During the reporting period, the average number of training hours and plans for each employee per year are as below:

Functional education and training for employees		Number of classes / total hours / attendances
Training for new recruits	<ul style="list-style-type: none"> <li>■ <b>Increase company awareness:</b>To allow new recruits to understand our business philosophy and policies and have a sense of identity with the company.</li> <li>■ <b>Introduction of employee rights and interests:</b>To allow new recruits to understand their rights and interests through the introduction of management rules and relevant regulations.</li> <li>■ <b>Environmental and industrial safety training:</b> 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 incorrect operation</li> <li>■ <b>High quality education and training:</b>To allow our new recruits understand quality system to implement quality control</li> <li>■ <b>Social responsibility and corporate sustainability:</b>To promote corporate social responsibility standards (such as RBA), educate employee sustainability awareness, and implement various policies to enable employees to protect themselves, encourage reporting of illegal activities, and inform complaint channels</li> <li>■ <b>Propaganda in information security management:</b>When personnel address information assets, they should classify them according to relevant requirements and comply with relevant control regulations.</li> </ul>	51 lessons / 178.5 hours / 132 attendances

Functional education and training for employees		Number of classes / total hours / attendances
<b>Professional training</b>	<p>Train effectively to enable the employees to perform the work assigned with methods, skills, and capabilities; The training programs 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 personnel shall be implemented according to their functions or changed responsibilities. As it may affect the compliance with quality requirements, internal requirements, regulatory or legal requirements, and customer requirements. Training requirements include:</p> <ul style="list-style-type: none"> <li>■ Contribute to the effectiveness of the quality management system, including the benefits of improved performance</li> <li>■ Possible consequences if the quality management system requirements are not met.</li> <li>■ Systematic documentation and changes of aerospace-related quality management</li> <li>■ Information security policies and their contribution to the effectiveness of information security management systems, such as the benefits of improved information security performance and possible consequences when failing to comply with information security management system requirements.</li> </ul>	<b>136 classes / 890 hours / 363 attendances</b>
<b>Project training</b>	<ul style="list-style-type: none"> <li>■ 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.</li> <li>■ Through the measurements, such as seminars, practice, sharing, and interaction and guidance with the general manager and vice president enable our philosophy to be accomplished in the management practice.</li> </ul>	<b>109 classes / 2,045 hours / 862 attendances</b>

Overview of staff education and training in the past two years										
Year	Item/ Category		Managerial position		Non-Managerial position		Direct personnel		Indirect personnel	
	Unit/	Gender	Male	Female	Male	Female	Male	Female	Male	Female
2022	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
2023	Total number	Number	37	12	120	42	80	4	77	50
	Total training hour	Hour	907.5	149.8	2,091.1	1,000.7	890.9	93.0	2,107.7	1,057.5
	Average total training hour	Hour / person	24.53	12.48	17.43	23.83	11.14	23.25	27.37	21.15

**Note:**

1. The statistics in this table are from January 1, 2022, to December 31, 2023.
2. (Number of Managerial positions + number of non- Managerial positions) = total number of operating sites
3. (Total number of direct personnel + total number of indirect personnel) = total number of operating sites
4. 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.

Professional training is based on our requirements 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:

#### I Production personnel:

1. Machine staff from operator → Technician → Leader.
2. Quality control technicians from quality inspector → Quality control engineer assistant → Quality control engineer → Senior quality control engineer

#### II Technical personnel:

1. Developers from development assistant → Development engineer assistant → Development engineer → Senior development engineer.
2. Technical staff from technicians → Technical assistant engineer → Technical engineer → Senior technical engineer

#### III Administrative personnel:

1. Administrative Assistant → Administrative Director Assistant → Administrative director → Senior administrative director.

Item	High level managerial position	Mid-level managerial position	Technical staff	Administrative staff	Production staff	Total
Proportion of male employees assessed	100%	100%	100%	100%	100%	100%
Proportion 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 (for example the chairman of the board of directors, and new recruits with less than 3 months service).

## Human rights management

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 promote them on our bulletin board. We adopt supplier sustainability risk assessment questionnaire, audit RBA key suppliers, manage human rights risks in the supply chain (supply chain employee complaint channel in supply chain management platform), carry out human rights due diligence procedures to identify relevant human rights issues further to evaluate and select the importance of issues, implement preventive and mitigation measures, collect the feedback, improve the processes and continuously improve human rights management of supply chains. There is no discrimination that occurred during the reporting period.

### Employee Freedom of Association and Group Agreements

To promote safety work, prevent accidents, improve the working environment and maintain employee health, we have established an "Occupational Safety and Health Committee" to respect their freedom and right of association in the workplace, which is granted by laws. We dedicate to providing channels on labor-management communication, such as annual employee interviews and employee suggestion boxes, and regular labor-management meetings.

There is currently no association and agreement signed. Since labor-management meetings are held regularly, therefore there has been no request for negotiation of a group agreement so far. There was a total number of 4 labor-management meetings in 2023, representatives from labor and management account for 50%. We comply with relevant requirements, integrate all resources to achieve the common goal.

### Securities Practice

Our security guards receive annually relevant professional program and trainings on a regular basis in accordance with the Occupational Safety and Health Act. They include practical training on security related duties and courses on disaster prevention and rescue. We also implement human rights education and training in accordance with the "Work Management Measures" "





## Salary proportion

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	6.9911	0(maximum individual 0%)

### Note:

1. The chairman is not considered the highest paid individual unless he/she holds a concurrent position as the general manager/chief executive officer.
2. 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
3. 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

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

Salary ratio for each position	Number		Total annual salary (NTD)		Average annual salary per person		Salary ratio	
	Female	Male	Female	Male	Female	Male	Female	Male
Managerial position	10	36	7,255,617	28,905,114	725,562	802,920	1	1.11
Non-Managerial position	44	121	19,231,902	47,122,089	437,089	389,439	1	0.89
Direct staff	4	79	1,624,448	25,972,910	406,112	328,771	1	0.81
Indirect staff	50	78	24,863,071	50,054,293	497,261	641,722	1	1.29

### Note:

1. 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
2. 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 for male and female personnel (basic positions) and minimum wage in our region is as below.

Country / region	the ratio between our standard salary for male personnel (basic positions) and minimum wage in our regio	the ratio between our standard salary for female personnel (basic positions) and minimum wage in our regio
Taiwan / Dali	1.03	1.13

**Note:**

- The minimum salary in Taiwan in 2023 is NT\$26,400.
- Regional minimum wage ratio = minimum salary standards in each gender/regional minimum wage in each factory.

### Minimum announcement period for operational changes

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, the labor contracts should be ended in accordance with government regulations, and the notice period shall be subject to the following provisions:

- I.notice must be given 10 days in advance to those who work for more than 3 months, but less than 1 year.
- II.20 days in advance to those who work for more than 1 year, but less than 3 years.
- III.30 days in advance to those who work for more than 3 years

### Execution status of parental leave

In order to implement equal rights in the workplace, based on “workplace gender equality act”, we implement parental leave allowances to allow colleagues to keep a balance between work and family care. We also offer maternity gifts to congratulate employees on having a new member to their families. Besides, we assist our employees in applying for parental leave allowances for raising children 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	2021			2022			2023		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
The number of eligible applicants for parental leave A	5	2	7	3	1	4	7	0	7
The actual number who applied for parental leave in the current year B	0	0	0	0	0	0	0	0	0
The number of people who should reinstate after parental leave in current year C	0	0	0	0	0	0	0	0	0
The actual number of people reinstated after parental leave in current year D	0	0	0	0	0	0	0	0	0
The actual number of people reinstated after parental leave in previous year E	0	3	3	0	0	0	0	0	0
The number of reinstated people who have continued to work for one year after parental leave in the previous year F	0	1	1	0	0	0	0	0	0
Reinstatement rate (D/C)	-	-	-	-	-	-	-	-	-
Retention rate (F/E)	-	33	33	-	-	-	-	-	-

#### Calculation method:

- The number of people who should reinstate = Number of parental leave are expected to return to work this year
- The number of people retained in 2023 = the actual number of people reinstated in 2022 and are still in office in 2023/12/31.
- Reinstatement rate (D/C) = The actual number of people reinstated after parental leave in current year/ The number of people who should reinstate after parental leave in current year (D/C)
- Retention rate (F/E) = The number of reinstated people who have continued to work for one year after parental leave in the previous year / The actual number of people reinstated after parental leave in previous year (F/E)



## 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/ aerobics/road running/yoga/handcraft/one day trip), employee dinners, festival activities (eat sweet rice balls during the Winter Solstice and eat rice dumplings during the Dragon Boat Festival), bonuses for three festivals, employee health examination, subsidies for children's education, wedding and funeral gifts, meal allowance, subsidies for safety shoes and other benefits for employee well-being and concern their physical and mental health and development. There are no employee shareholdings.

Employee Benefits		
Insurance benefits	Labor Insurance	Group Life Insurance
	Health Insurance	Group Medical Insurance
	Group disability insurance	
Subsidy benefits	Subsidy (Weddings and funerals, children's education)	Employee subsidies (Meal expenses, safety shoes)
Bonus	Bonuses for three national festivals	
Leisure benefits	Employee dinners	Holiday activities (Eating rice balls during the Winter Solstice and rice dumplings during the Dragon Boat Festival)
	Employee club activities (badminton / aerobics /road running / yoga /handcraft /one day trip)	

Since epidemic caused 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

### Employee benefit and club activities

#### Reunions



## Employee benefit and club activities

### Health examination



### Sport Club



### One day trip



## Talent training

“Talent” is one of the essential strategies for us to be competitive. Through the sharing of personal knowledge and experience, can we pass down wisdom and create value. In order to have long-term operational stability and the colleagues are willing to contribute to this project, we established the “Internal Lecturer Measures” to highlight the contribution of our internal lecturers through incentive measures, such as: lecturer fee rewards. In addition, internal lecturer certification is regarded as one of the conditions for being promoted to supervisor and as an important reference indicator for performance evaluation. "Internal lecturers" not only help effectively passing down knowledge, but also enhance individuals' abilities and develop a sense of self-worth in the workplace.

We provide employee functional management and lifelong learning programs to help them enhance their abilities or build capacity to be hired and their retirement plans. In 2023, the goal was to increase the number of personnel education and training hours. The total training hours were 4149.1 hours, the total number of participants was 2,407, and there was a total of 384 classes. The average training hours per person is 19.663 hours (4149.1H/211attendance). The overall training hours increased compared with last year.

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.

Consultation and assistance for retired colleagues: 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.

## Employee retirement system and implementation status

We handle employee retirement requests in accordance with “Labor Standards Law”, “Labor Pension Regulations” “IC-410 Retirement Operations” 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.



Major topic: Health and Safety at Workplace	
Correspondence to GRI indicators	GRI 403 Health and Safety at Workplace
Significance to Batom Co., Ltd	Occupational safety and health are a subject that our company attaches great importance to. Providing a healthy and safe working environment is our emphasis and respect for our employees and external workers. If occupational safety issues are not properly executed, major occupational disasters and violations of occupational safety and health laws (such as Article 37, Paragraph 2 of the Occupational Safety and Health Law) may occur, then we may face the risk of shutdown or labor shortage, operational interruption or production capacity reduction. On top of that, it also seriously damages our reputation, affects customer preferences, and directly causes losses to shareholders. Therefore, we strictly follow relevant laws and regulations and fulfills its responsibilities and obligations to stakeholders.
Influence and Impact	<p><b>Environmental impact:</b> Ensure safe and hygienic conditions in the working environment, prevent major disasters such as chemical leakage accidents, and avoid environmental pollution. If the safety and health conditions of the working environment are not properly executed during operations, it will cause major disasters, affects the environmental safety, and indirectly produce environmental pollution.</p> <p><b>Economic impact:</b> Safety and health are one of the important indicators for corporate image, and it also shows international corporate responsibility. Complying with safety and health-related certifications is the basic threshold for recognition of the international supply chain. From an economic perspective, it enhances our competitiveness. If safety and health systems are not taken seriously and a major occupational disaster occurs, not only does compensation have to be paid, but also damage the corporate reputation and lose our international competitiveness.</p> <p><b>Human rights impact:</b> Promote and implement safety and health concepts and management; provide employees with an excellent, safe, hygienic and comfortable working environment; protect workers' labor rights and interests; improve labors' physical and mental health; meet international and domestic expectations for basic human rights at work. If the occupational safety management is not properly executed, it will increase the risk when employees and other workers performing official duties. The consequences of occupational disasters may affect their lives and safety.</p>
Policies / Strategies	Compliance with regulations, health promotion, hazard prevention, implementation communication, and continuous improvement.
Goal	<p><b>Short-term (2-3 years):</b></p> <ul style="list-style-type: none"> <li>■ The compliance rate of occupational safety and health-related regulations is 100%.</li> <li>■ The number of disability injuries caused by accidents has been reduced by more than 20%.</li> <li>■ The working environment is monitored regularly, and the compliance rate with the allowable exposure standards in labor workplaces is 100%.</li> <li>■ The completion rate of hazard identification and risk assessment is 100%.</li> <li>■ The completion rate of purchasing or leasing safety and health and changing in operation safety management is 100%.</li> <li>■ The compliance rate of overall contractor safety and hygiene related is 100%</li> </ul> <p><b>Mid-term (3-5 years):</b></p> <ul style="list-style-type: none"> <li>■ Set annually improvement goals (5 proposals) and continuously improve the safe working environment</li> <li>■ The achievement rate of annual improvement proposals is 100%</li> <li>■ The reduction rate in the number of recordable occupational injuries is over 20%.</li> </ul> <p><b>Long-term (more than 5 years):</b></p> <ul style="list-style-type: none"> <li>■ The participation rate of all colleagues in community activities, such as health promotion reaches over 30%.</li> <li>■ The participation rate of all colleagues in safety and health proposals reaches over 70%.</li> <li>■ The reduction rate of disability injury severity rate (SR) of occupational disasters reaches more than 25%.</li> </ul>
Management Evaluation Mechanism	Investigation and analysis of occupational incidents are reviewed and reported by the Occupational Safety and Health Committee every quarter. After the investigation, measures must be re-evaluated to ensure its effectiveness.

<p><b>Performance and Adjustments</b></p>	<ul style="list-style-type: none"> <li>■ In 2023, hazard identification and risk assessment were carried out 7 times. Risk management was implemented and there were no high-risk projects found.</li> <li>■ Regarding the incident investigation in 2023, the improvements were proposed as below, and the risks were all controlled within medium to low risk, and no high-risk projects:             <ol style="list-style-type: none"> <li>(1) Purchasing oil drum trolleys for colleagues to prevent accidents caused by carrying oil barrels with bare hands.</li> <li>(2) A new interlock function has been added to the knife sharpener systematic program to prevent the knife sharpening mode from still being activated when its door is open.</li> <li>(3) Adjust moving assembly lines in the factory to prevent being tripped over fork stacker.</li> <li>(4) Promote traffic safety to prevent traffic accidents during commuting.</li> </ol> </li> <li>■ There were five proposals in safety and health-related improvement in 2023.             <ol style="list-style-type: none"> <li>(1) An emergency device for detecting abnormal temperature and humidity has been installed in high-risk areas. Through real-time monitoring of temperature, we can implement effective measures in the early stages to reduce the severity of disasters and improve disaster prevention.</li> <li>(2) We hold subsidy program for all-age sports through the YMCA, establish a weekly aerobic exercise and a total of two health speeches for all colleagues, promote participation in health activities. Moreover, the positive feedback from the questionnaire survey of those speeches reached more than 85% of all colleagues.</li> <li>(3) One-way traffic signal is added to the motorcycle lane to effectively prevent traffic accidents.</li> <li>(4) Purchase sticks for measuring alcohol for project contractors before entering the site to prohibit drinking workers in order to improve project safety.</li> <li>(5) Purchasing oil drum trolleys for transportation. It is explained in the investigation section of the preceding paragraph.</li> </ol> </li> <li>■ Safety and health performance in 2023 mainly includes:             <ol style="list-style-type: none"> <li>(1) Occupational safety and health-related regulations are identified once every quarter (January, April, July, October), the achievement rate is 100%.</li> <li>(2) Operating environment monitoring is executed every six months (January and July). The compliance rate of noise measurements is 100%.</li> <li>(3) There were 5 safety and health improvement proposals, with an achievement rate of 100%.</li> <li>(4) There are 8 safety and health-related emergency response plans, and the drill completion rate is 100%.</li> </ol> </li> <li>■ Compared to 2022, the number of recordable occupational injuries in 2023 was reduced by more than 50%.</li> </ul>
<p><b>Preventive or Remedial Measures</b></p>	<ul style="list-style-type: none"> <li>■ We discuss and establish relevant corrective and preventive measures in accordance with the investigation process. Through hazard identification and risk assessment, we continuously pay close attention to its effectiveness of corrective and preventive measures.</li> </ul>

## Occupational safety and health management

We actively create a safe and healthy working environment and promise to provide all employees with a safe workplace and reduce the risk of occupational disasters while performing duties. We have passed the certification of ISO 45001 occupational safety and health management system and follow the Ministry of Labor's Occupational Safety and Health Act and ISO 45001 provisions. It covers all workplaces under our control and all workers (including dispatched workers, temporary workers, contractors, etc.). The total number of employees is 215, accounting for 88.1%; the number of non-employees is 29, accounting for 11.9%. The above number and proportions are the total average number of reported in monthly occupational accident statistics.

"The Occupational Safety and Health Committee" is established in accordance with the provisions of the Occupational Safety and Health Law. A meeting is held once a quarter. The general manager serves as the chairman of the committee, and 17 committee members are selected from the head of department and labor representatives. There are 11 management representatives and 6 labor representatives. Labor representatives account for 35% of all committee members. The main responsibilities of management representatives 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.

In response to the needs and expectations of the operational environment, we formulate environmental, safety and health policies and goals, encourage employee's participation and communication, response to risks and opportunities, evaluate the resources needed, control and measure the measurements related to safety and health, have emergency response plans and continuous improvement.

## Occupational Safety and Health Committee

Occupational Safety and Health Committee																		
Classification number of public institution:			0	5	0	5	4	5	3	7	K	Industry Standard Classification Number:			2	9	3	4
employer	business owner	Corporate business (name)																
		Unincorporated business name (or) name					Batom Co., Ltd											
	person in charge of Business operation	Corporate business	Representative			Title:		Name:										
			Or another agent			Title:		Name:										
	Unincorporated business	Business owner			Name: Lin - Shen													
Or another agent			Title:		Name:													
Number of employed workers		Male: 157, Female: 53, children: 0 (Total: 211)																
List of Occupational Safety and Health Committee																		
Title	Name	Current position	Please ✓ if the committee member is an agent elected by a trade union or labor, and it should account for more than one-third of the committee members.															
Chairman	Lin Yimin	President																
Member (and Administrative Secretary)	Zhang Yongzheng	Occupational safety and health office Leader																
member	Lin Yibin	Management representative																
member	Zhou Zhengchuan	Chief information officer																
member	Lin Jiarong	Human resource dept. Manager																
member	Chen Wenqian	Supply dept. Associate																
member	Su mingrun	Supply Depat. Purchasing Section Associate																
member	Liu Naihao	Production Dept. Associate																
member	Li Xinyi	Quality Control Dept. Associate																
member	Dai lin lihong	Business Dept. Associate																
member	Lai Runyi	Engineering Dept. Associate																
Labor representative	Xiao Chengyou	Production Dept. Associate			✓													
Labor representative	Li Zongyou	IT engineer			✓													
Labor representative	Pan Taiyun	Development Dept. Chief			✓													
Labor representative	Zhu Jianyou	Quality Control Dept. Vice-chief			✓													
Labor representative	Xie Bingru	Production Dept. Vice-chief			✓													
Occupational Safety and Health Administrator	Zheng Chunyu	Occupational Safety and Health Administrator																

In order to enhance the conscience and attention of personnel to occupational safety and health, we identify and evaluate potential risks on safety and hazards in operating activities and facilities and pursue safety and zero disasters. By identifying hazards and assessing risks, we implement necessary methods to meet continuous improvement requirements and achieve safety and health policies. 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 based on incident investigations. Personnel of hazard identification and risk assessment are trained by ISO45001 and can only provide service when obtaining approval certificates. No high-risk matters were identified during our occupational safety and health hazard identification and risk assessment process in 2023, this demonstrates our improvement and effective implementation of safety management to ensure a safe working environment. We will continue to optimize safety and health measures to ensure that all employees work in a low-risk environment and enforces its occupational safety standards.

When an accident occurs, the on-site personnel should immediately notify the supervisor of the event and the occupational safety and health office, and the occupational safety and health personnel should notify the emergency workers to care injured persons. 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, which is carried out every June, 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. No high-risk work projects, workplaces or work activities have occurred or been discovered during implementing risk management and control in 2023.

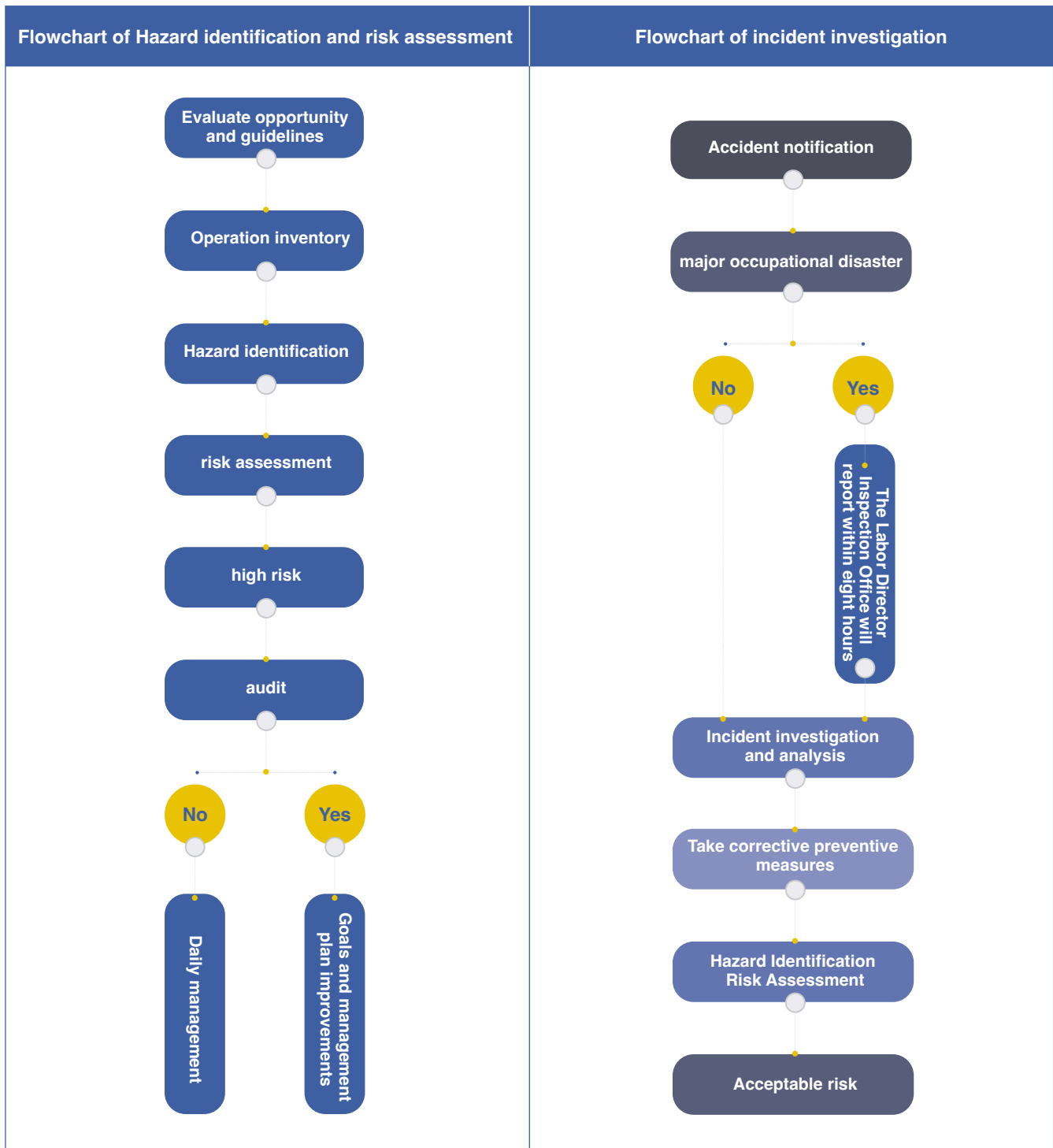
When the following situations occur, employees have rights to immediately stop operations or leave the workplace without any punishment:

- (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 regularly rehearse Safety and Health Related Emergency Response. We establish high level risk control procedures to strengthen safety and health management systems and guidelines.



### Contractor safety and health regulations

In order to protect the health and safety of contractors and other workers (including dispatched workers and temporary workers), we have established the contractor environment and safety and health to ensure the safety of employees and contractors' personnel. We implement the environmental safety and health policy to prevent the risk of internal and external environmental pollution.

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



## Workplace Health Promotion Activities

We care about the physical and mental health of all employees and plan regular health checks that comply with regulations, execute on-site medical services and track employee health. 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". We take the initiative to provide appropriate care and attention. Because prevention is better than cure, and we can create a safe and secure working environment. Besides, to protect the health and well-being of employees, we have increased the frequency of health examinations to once a year, which is better than the standards by laws. This not only allows early detection of potential health problems, but also enables timely preventive measures to be taken and help employees' work efficiency and quality of life. Through this initiative, we demonstrate the importance of employee health and create a healthier, safer work environment.

### Four major plans for health services in 2023

Item	Health service plan	Target	Description	Performance
Prevention of Illegal Infringements in the Workplace	According to Article 9 of the Labor Health Protection Regulations: I. Assessment and case management for addressing workers under 18 years of age, workers at risk of maternal health hazards, occupational injury and illness workers, high-risk workers related to occupational health II. In accordance with the "Maternal Health Protection Plan", we execute management of maternal health protection and work suitability assessment.	I. The completion rate of pregnancy management health education reaches 0% ((No tracking management required))  II. The completion of postpartum management and health education reaches 100%	I. 0 Pregnant workers II. 0 people completed health education (0 %) III. 0 people need to be referred for further evaluation IV. 0 people needed to adjust or shorten working hours V. 0 people needed to change work VI. 0 people suspended with pay	Achievement rate 0% (No colleagues who are pregnant)
			I. 1 person less than 1 year after giving birth II. 1 person completed health education (100 %) III. 0 people need to be referred for further evaluation IV. 0 people needed to adjust or shorten working hours V. 0 people needed to change work VI. 0 people suspended with pay	Achievement rate 100%
	According to Article 9 of the Labor Health Protection Regulations: I. Assessment and case management for addressing workers under 18 years of age, workers at risk of maternal health hazards, occupational injury and illness workers, high-risk workers related to occupational health II. According to the "Workplace Violation Prevention Program", we carry out risk assessment and management to prevent illegal violations in the workplace.	Process and improve for illegal infringement incidents	1 report of illegal infringement incident report (2023.1.17)  There was a report of illegal workplace infringement in 2023, which was addressed in accordance with the methods of the workplace illegal infringement. The hazard identification and risk assessment were completed in January 2023 to avoid the related incidents from happening again.	Achievement rate 100%

**Four major plans for health services in 2023**

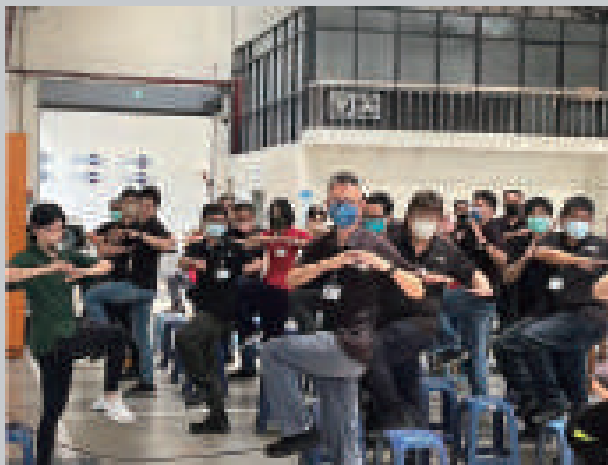
Item	Health service plan	Target	Description	Performance
<b>Prevention of Illegal Infringements in the Workplace</b>	According to Article 9 of the Labor Health Protection Regulations: <b>I.</b> Assessment and case management for addressing workers under 18 years of age, workers at risk of maternal health hazards, occupational injury and illness workers, high-risk workers related to occupational health <b>II.</b> Based on “Adaptable work plan for middle-aged and elderly people”, we carry out work fitness evaluation, health guidance and management for middle-aged and elderly persons.	The completion rate of work fitness assessment reaches 100%	<b>I.</b> 28 people age>45 years old and above (%) <b>II.</b> 28 people have completed health education (100%) <b>III.</b> 28 people competent operations <b>IV.</b> 0 people change work	Achievement rate 100%
<b>Human hazard prevention plan</b>	According to Article 9 of the Labor Health Protection Regulations: <b>I.</b> Assessment and case management for addressing workers under 18 years of age, workers at risk of maternal health hazards, occupational injury and illness workers, high-risk workers related to occupational health <b>II.</b> Execute in accordance with “the program of prevention of human-induced musculoskeletal hazards” <b>A.</b> NMQ assessment and result analysis <b>B.</b> Operational observations and suggestions for improvement <b>C.</b> health guidance and tracking management of physical therapist <b>D.</b> Result evaluation	<b>I.</b> NMQ>3 points, the completion rate of health education reaches 71% <b>II.</b> The completion rate of therapist health education reaches 63% <b>III.</b> NMQ>3 points improvement rate in number of people reaches 50%	<b>I.</b> Completed 93 NMQ questionnaire collections <b>II.</b> 24 people NMQ>3 points control <b>III.</b> 17 people NMQ>3 points of health education <b>IV.</b> 15 people need to be educated by therapists <b>V.</b> 0 people need to change work <b>VI.</b> 15 people released from being controlled	Achievement rate 70%
<b>The prevention program of work-related disease</b>	According to Article 9 of the Labor Health Protection Regulations: <b>I.</b> Assessment and case management for addressing workers under 18 years of age, workers at risk of maternal health hazards, occupational injury and illness workers, high-risk workers related to occupational health <b>II.</b> Based on “the prevention program of work-related disease”, we implement measurements to prevent abnormal workload that may cause cerebral and cardiovascular diseases and evaluate work suitability.	<b>I.</b> Medium risk 3 the completion rate of recommended to interview health education reaches 100% <b>II.</b> High risk 2 the completion rate of recommended to interview health education reaches 100%	<b>I.</b> Completed 191 NMQ questionnaire collections <b>II.</b> 3 people medium risk <b>III.</b> 3 people at medium risk completed health education (100%) <b>IV.</b> 2 people high risk <b>V.</b> 2 people at high risk completed health education (100%) <b>VI.</b> 0 people limitation on adjusting working hours <b>VII.</b> 0 people need to change work	Achievement rate 100%

**Statistical Table of Number of Employees and Expenses for Health Examination**

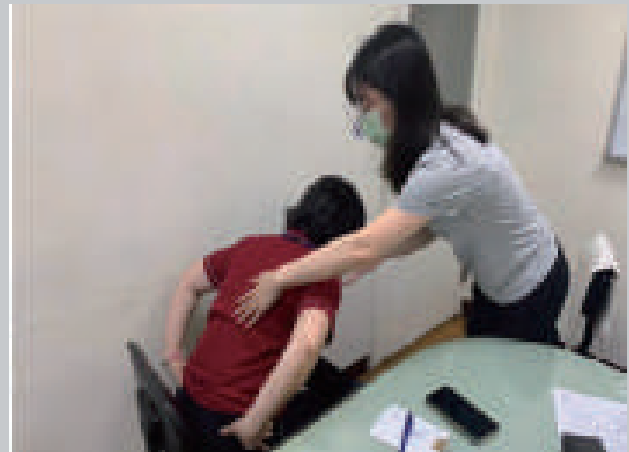
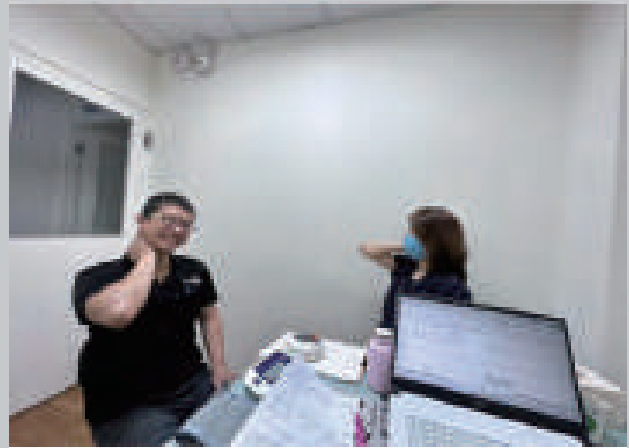
General health check	
<b>Examination item</b>	Urinalysis, routine blood, liver function, gallbladder function, kidney function, uric acid, diabetes, blood sugar, blood fat, Cardiac circulation, hepatitis, liver cancer, colorectal cancer, ultrasound, chest X-ray
<b>Examination number (person)</b>	223
<b>Examination fee (thousand)</b>	287.67

Health promotion activities	Content
<p><b>Physical and mental health consulting services</b></p>	<ul style="list-style-type: none"> <li>■ Provide employees physical and mental health consultation. Doctors provide on-site services 6 times a year, 2 hours each time; nurses provide on-site services 6 times a month, 2 hours each time, about 30 minutes per person.</li> <li>■ Nurses evaluate employees' health records. Based on risk attribute, they provide care, provide on-site services when necessary, and arrange interviews with doctors and employees to give health guidance.</li> <li>■ To prevent and avoid repetitive musculoskeletal injuries (human hazards), in addition to improving the working environment, we formulate feasible improvement plans. We ask nurses and physiotherapist to improve their symptoms based on their musculoskeletal symptom questionnaire.</li> <li>■ Number of doctor consultation services : 26 person-times/year : Number of nurses consultation services : 260 person-times/year</li> </ul>
<p><b>Health promotion activities</b></p>	<ul style="list-style-type: none"> <li>■ Lectures on sports topics</li> <li>■ Blood donation activities</li> <li>■ Yoga, road running, sports club</li> </ul>
<p><b>Protecting women and maternal workers</b></p>	<ul style="list-style-type: none"> <li>■ Based on "Maternal Health Protection Plan", we provide the "Maternal Health Protection Workplace and Environmental and Occupational Hazard Assessment Form" and the " Self-assessment form for the health status of pregnant women and workers less than one year after childbirth" for the individuals to fill out, and submit it to doctors and nurses for evaluation, then make appropriate work arrangements.</li> <li>■ We provide health check-up care that is better than law requires. Employees can choose the appropriate inspection package depending on their age, high health risk and other factors. Family members of employees can also participate in health check-up activities.</li> </ul>
<p><b>Protections against abnormal working hours, ergonomics and workplace violence</b></p>	<ul style="list-style-type: none"> <li>■ With "human hazard prevention plan" and "Musculoskeletal Symptom Investigation and Management Tracking List", we build relevant databases for comparison by implementing risk assessment and survey. Workers at risk will be addressed appropriately. Lectures on illegal infringement are also arranged. We prohibit any illegal behavior in the workplace.</li> </ul>
<p><b>Health checkup and care</b></p>	<ul style="list-style-type: none"> <li>■ Provide regular health check-up care. Employees can choose the appropriate inspection package depending on their age, high health risk and other factors.</li> <li>■ We contract doctors and nurses track health status of employees based on their health examination</li> </ul>

### Health lectures / doctors and nurses' on-site services



## Health lectures / doctors and nurses' on-site services



## Occupational Safety and Health of Educational Training

In order to strengthen the occupational safety-related knowledge to all employees, we conduct regularly training. Besides helping to promote occupational safety policies, it can also prevent and reduce occupational accidents.

Our employees should accept educational training related to occupational safety and health. The statistics of occupational safety training in 2023 are shown in the table:

Occupational safety and health training project statistics		
Name of training program	Number of Trainees	Training fee (NTD)
Occupational Safety and Health of educational training for new recruits (29)	61	0
Fire-drill (Once every six months)	211	0
Safety and health education and training (Crane) for Stationary crane operators (lifting load is between 0.5 metric tons and less than 3 metric tons.)	1	1,200
Refresher training of emergency personnel	8	6,400
Safety and health on-the-job educational training for operators of forklifts with a load of more than one metric ton	4	2,400
Personnel engaged in hanging operations (lifting equipment)	1	600
Class-2 manager of Occupational safety and health affairs	1	2,400
Safety and health education and training for class-1 manager of Occupational safety and health affairs	1	1,200
Occupational safety and health training every three years (full training)	211	18,000

**Note:**

1. Workers including employees and non-employees whose work and/or workplace is controlled by the organization.
2. 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.
3. Educational training related to occupational safety and health includes general training or training for specific occupational hazards and dangerous situations.
4. 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

We value importance to all employees in safe and healthy workplace. In accordance with the regulations of the occupational safety, the occupational safety authority formulates occupational safety and health management policies and provides comprehensive and professional educational training to enhance employees' awareness and professional knowledge of occupational safety. We are committed to creating a safe, secure and healthy workplace for all our colleagues.

There was a slippery incidents occurred in each for employees and non-employee workers in 2023. Although they did not suffer serious injury, based on the doctor's diagnosis, we still recommend that they to take appropriate rest and recover injury. (Our employees have 6 days of sick leave, the injury frequency is 30.86, and severity rate of incapacitating injuries is 185; non-employees have 4 days of sick leave). All investigations of cases of occupational injuries and diseases caused by accidents were carried out. Commuting accidents are excluded from the above occupational accidents and diseases. The statistics of occupational injuries and diseases among our employees and non-employees in the past three years are as follows:

**last three years Statistics of Occupational Injuries of Employees**

Category	Item	2021	2022	2023
Total working hour	Women's total working hours	104,496	111,852	101,790
	Man's total working hours	256,429	325,868	293,685
	Total working hour	360,926	437,720	395,475
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	2	4	1
	Total number of occupational injuries (times)	2	4	1
% of fatalities due to occupational injuries		0%	0%	0%
% of serious occupational injury		0%	0%	0%
% of recordable occupational injuries		5.54%	8.29%	2.52%

**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.
6. We combined statistics on the working hours and number of occupational diseases for employees and non-employees in 2021.
7. Since occupational injury statistics of the employees in 2021 have been re-calculated, this data will be updated in this report



### last three years Statistics of Occupational Injuries of non-employees

Category	Item	2021	2022	2023
Total working hour	Women's total working hours	-	11,327	6,150
	Man's total working hours	-	33,689	42,666
	Total working hour	-	45,016	488,16
Number of deaths due to occupational injuries	Number of female deaths (times)	-	0	0
	Number of male deaths (times)	-	0	0
	Total number of deaths (times)	-	0	0
Number of serious occupational injuries (excluding fatalities)	The total female number of serious occupational injuries (times)	-	0	0
	The total male number of serious occupational injuries (times)	-	0	0
	Total number of serious occupational injuries (times)	-	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
	The total male number of occupational injuries	-	0	1
	Total number of occupational injuries (times)	-	0	1
% of fatalities due to occupational injuries		-	0%	0%
% of serious occupational injury		-	0%	0%
% of recordable occupational injuries		-	0%	20.48%

**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.
6. We combined statistics on the working hours and number of occupational diseases for employees and non-employees in 2021.
7. Since occupational injury statistics of the employees in 2021-2022 have been re-calculated, this data will be updated in this report



last three years Statistical Table of Employee Occupational Disease

Category	Item	2021	2022	2023
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	2	4	1
	Total number of occupational diseases	2	4	1
% of fatalities due to occupational diseases		0%	0%	0%
% of Recordable Occupational Disease		5.54%	8.29%	2.52%

**Note:**

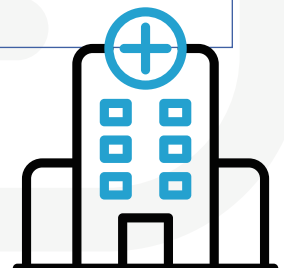
1. % of Occupational disease = (total number of occupational diseases / total working hours) \* 1,000,000.
2. % of fatalities due to occupational diseases = (number of deaths due to occupational diseases/total working hours) \* 1,000,000.
3. % of recordable occupational diseases = [Number of recordable occupational diseases / working hours] \* 1,000,000.
4. We combined statistics on the working hours and number of occupational diseases for employees and non-employees in 2021-2023.
5. Since Employee Occupational Disease statistics of the employees in 2022 have been re-calculated, this data will be updated in this report

Statistical Table of non- Employee Occupational Disease

Category	Item	2021	2022	2023
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	1
	The total male number of occupational diseases	0	0	0
	Total number of occupational diseases	0	0	1
% of fatalities due to occupational diseases		0%	0%	0%
% of Recordable Occupational Disease		0%	0%	20.48%

**Note:**

1. % of Occupational disease = (total number of occupational diseases / total working hours) \* 1,000,000.
2. % of fatalities due to occupational diseases = (number of deaths due to occupational diseases/total working hours) \* 1,000,000.
3. % of recordable occupational diseases = [Number of recordable occupational diseases / working hours] \* 1,000,000.
4. We combined statistics on the working hours and number of occupational diseases for employees and non-employees in 2021.





# Friendly Concern <sup>4.4</sup> Social Participation

Besides emphasizing the improvement of business performance, we are also aware of the importance of concern for our communities and contributing to society. 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.

**Our participation in social welfare activities in 2023 is shown in the following table:**

Name of public welfare activity	Amount (NTD)	Description
Blood donation activity	56,575	responds to public welfare activities
bone marrow donation	10,000	responds to public welfare activities
Smallholder Farmers Program	16,810	responds to public welfare activities
Donation for choir for Dacun Elementary School	2,000	Fundraising donation
Türkiye earthquake fundraiser	421,800	Fundraising donation
Give box to Syin-lu Social Welfare Foundation	54,287	responds to public welfare activities
Give box to Down Syndrome Foundation	48,213	responds to public welfare activities

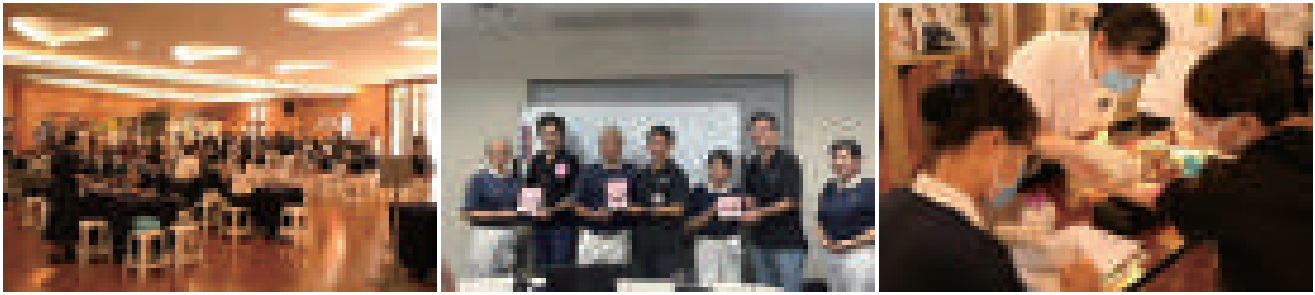
**Public welfare activity : Blood donation activity**

**Amount (NTD) : 56,575**



Public welfare activity : bone marrow donation

Amount (NTD) : 10,000



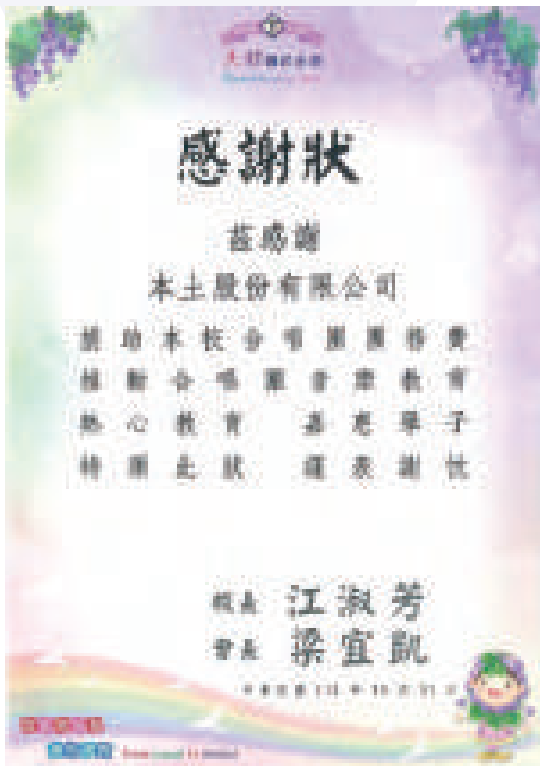
Public welfare activity : Smallholder Farmers Program

Amount (NTD) : 16,810



Public welfare activity :  
Donation for choir for Dacun Elementary School

Amount (NTD) : 2,000



# Appendix

## Appendix 1: GRI Sustainability Reporting Standard (GRI Standard) Comparison Table

Usage statement	We referred to the GRI guidelines to report during the period of 2023/01/01-2023/12/31, 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
<b>1. Organization and Reporting Practices</b>					
<b>GRI 2 General Disclosure 2021</b>	2-1	Organization Details	1.1 About us	12	
	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	
<b>2. Activities and Workers</b>					
<b>GRI 2 General Disclosure 2021</b>	2-6	Activities, value chains and other business relationships	1.1 About us	12	
	2-7	staff	4.1 Talent training	58	
	2-8	non-employee	4.1 Talent training	58	
<b>3. Governance</b>					
<b>GRI 2 General Disclosure 2021</b>	2-9	Governance Structure and Composition	2.2 Operation Overview	27	
	2-10	Nomination and selection of the highest governance body	2.2 Operation Overview	27	
	2-11	chairman of the highest governing body	2.2 Operation Overview	27	
	2-12	Role of the highest governance body in overseeing impact management.	2.2 Operation Overview	27	
	2-13	Impact Management Leader	2.2 Operation Overview	27	
	2-14	Role of the highest governance body in sustainability reporting conflict of interest.	2.2 Operation Overview	27	
	2-15	conflict of interest	2.2 Operation Overview	27	
	2-16	Communicate key milestones	2.2 Operation Overview	27	
	2-17	Group knowledge of the highest governance body.	2.2 Operation Overview	27	
	2-18	The competencies and performance evaluation of the highest governance body	2.2 Operation Overview	27	
	2-19	salary policy	2.2 Operation Overview	27	
	2-20	Compensation Determination Process	2.2 Operation Overview	27	
	2-21	the ratio of annual total compensation	4.2 Employee benefits and compensation	67	
<b>4. Strategy, policy and practice</b>					
<b>GRI 2 General Disclosure 2021</b>	2-22	Statement of Sustainability Strategy	Sustainable Expectation	03	
	2-23	policy commitment	2.2 Operation Overview	27	
	2-24	Incorporate policy commitments	2.2 Operation Overview	27	

GRI Standard Category/Topic	Serial number	GRI Standard Disclosure	Corresponding Chapter	Page	Omit / Note
<b>4. Strategy, policy and practice</b>					
<b>GRI 2 General Disclosure 2021</b>	2-25	remediation of negative impacts	2.2 Operation Overview	27	
	2-26	Mechanisms for seeking advice and raising concerns	2.4 Regulatory compliance	37	
	2-27	Compliance	2.4 Regulatory compliance	37	
	2-28	Membership of public associations	2.5 External organization participation	39	
<b>5. Stakeholders' agreement</b>					
<b>GRI 2 General Disclosure 2021</b>	2-29	Stakeholder agreement policy	1.2 Stakeholder communication	15	
	2-30	Membership of public associations	4.1 Talent training	58	
<b>Specific Subject Guidelines: 200 Series (Economic Subjects)</b>					
<b>Market position</b>					
<b>Market position topic disclosure 2016</b>	202-1	Ratio of the standard salary of different genders employees to region minimum salary4.2 Employee benefits and remuneration	4.2 Employee benefits and remuneration	67	
	202-2	Ratio of employing residents as senior management	4.1 Talent training	58	
<b>Indirect economic impact</b>					
<b>GRI 203 Indirect Economic Impact Topic Disclosure 2016</b>	203-1	Development and Impact of Infrastructure Investment and Support Services	4.4 Social Participation	85	
	203-2	Significant indirect economic impacts	4.4 Social Participation	85	
<b>Purchasing Practice</b>					
<b>GRI 204 Purchasing Practice topic disclosure 2016</b>	204-1	Percentage of purchase from local suppliers	3.2 Supply Chain Management	48	
<b>Anti-competitive behavior</b>					
<b>GRI 206 Anticompetitive behavior topic Disclosure 2016</b>	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices.	2.4 Regulatory compliance	37	
<b>Tax</b>					
<b>GRI 207 Tax topic management disclosure 2019</b>	207-1	Tax policy	2.1 Financial Performance	23	
	207-2	Tax governance, control, and risk management	2.1 Financial Performance	23	
	207-3	Stakeholder communication and management of tax related issues	2.1 Financial Performance	23	
<b>Specific Subject Guidelines: 300 Series (Environmental Subjects)</b>					
<b>Materials</b>					
<b>GRI 301 Material topic disclosure 2016</b>	301-1	Weight or volume of material used	3.3 material management	50	
	301-2	recycled materials	3.3 material management	50	
<b>Water and sewage treatment</b>					
<b>GRI 303 Water and sewage treatment disclosure 2018</b>	303-3	Water intake	3.5 Water resource management	54	
	303-4	Discharge	3.5 Water resource management	54	
	303-5	Water Consumption	3.5 Water resource management	54	

GRI Standard Category/Topic	Serial number	GRI Standard Disclosure	Corresponding Chapter	Page	Omit / Note
<b>Specific Subject Guidelines: 400 Series (Social Topic)</b>					
<b>Employee Diversity and Equal Opportunity</b>					
<b>GRI 405 Employee Diversity and Equal Opportunity topic disclosure 2016</b>	405-1	Diversity of governance units and employees	4.1 talent training	58	
	405-2	Ratio of base-salary between men and women	4.2 Employee benefits and remuneration	67	
<b>Non-discrimination</b>					
<b>GRI 406 non-discrimination topic disclosure 2016</b>	406-1	Incidents of discrimination and corrective actions taken	4.1 talent training	58	
<b>Freedom of Association and Collective Bargaining</b>					
<b>GRI 407 Freedom of Association and Collective Bargaining topic disclosure 2016</b>	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be risk	3.2 supply chain management 4.1 talent training	48 58	
<b>Child labor</b>					
<b>GRI 408 Child labor topic disclosure 2016</b>	408-1	Operations and suppliers are significant risk for incident of child labor	3.2 supply chain management 4.1 talent training	48 58	
<b>For compulsory labor</b>					
<b>GRI 409 Forced or compulsory labor topic disclosure 2016</b>	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	3.2 supply chain management	48	
<b>Security practice</b>					
<b>GRI 410 Security practice topic disclosure 2016</b>	410-1	Security personnel trained in human rights policies or procedure	4.1 talent training	58	
<b>Local community</b>					
<b>GRI 413 Local community topic disclosure 2016</b>	413-1	Operations with local community engagement, impact assessments, and development programs	4.4 social participation	85	
	413-2	Operations with significant actual and potential negative impacts on local communities	4.4 social participation	85	
<b>Customer Health and Safety</b>					
	416-2	Violations of health and safety regulations regarding products and services	3.1 Products and Services	40	
<b>Marketing and Labeling</b>					
	417-2	Incidents of non-compliance with laws and regulations regarding information and labeling of products and services	3.1 Products and Services	40	
<b>Customer Privacy</b>					
<b>GRI 418 Customer Privacy topic disclosure</b>	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.1 Products and Services	40	

## 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	17	
GRI 3: major topic 2021	Management policy	-	3-2	Major topic list	1.3 Major topic identification	17	
<b>Major topic: Economic Performance (Economic Performance GRI 201)</b>							
GRI 3: major topic 2021	Economic Performance Management Policy	-	3-3	Major Topic Management	2.1 Financial performance	23	
GRI 201	Economic Performance Topic disclosure 2016	-	201-1	Direct economic value generated and distributed	2.1 Financial performance	23	
			201-2	Financial implications and other risks and opportunities due to climate change	2.3 Risk Management	34	
			201-3	Defined benefit plan obligations and other retirement plans	4.2 Employee Benefits and remuneration	67	
			201-4	Financial assistance received from government	2.1 Financial performance	23	
<b>Major Topics: Energy &amp; Emissions (Energy GRI 302, Emissions GRI 305)</b>							
GRI 3: major topic 2021	GRI 3 Major topic 2021	GRI 3 Major topic 2021	GRI 3 Major topic 2021	GRI 3 Major topic 2021	3.1 Product and service	52	
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	52	
			416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3.1 Product and service	52	
GRI 417	Marketing and labelling topic disclosure	-	417-1	Requirements for product and service information and labelling	3.1 Product and service	52	
			417-2	Incidents of non-compliance concerning product and service information and labelling	3.1 Product and service	52	
			417-3	Incidents of non-compliance concerning marketing communications	3.1 Product and service	52	
<b>Major theme: Energy &amp; Emissions (Energy GRI 302, Emissions GRI 305)</b>							
GRI 3: major topic 2021	Energy & Emissions management policy	-	3-3	Major topic management	3.4 Energy & Emissions	51	
GRI 302	Energy topic disclosure 2016	-	302-1	Energy consumption within the organization	3.4 Energy & Emissions	51	
			302-2	Energy consumption outside the organization	3.4 Energy & Emissions	51	
			302-3	Energy	3.4 Energy & Emissions	51	
			302-4	Reduction of energy consumption	3.4 Energy & Emissions	51	
GRI 305	Emission topic disclosure 2016	-	305-1	Direct (Scope1) GHG emissions	3.4 Energy & Emissions	51	
			305-2	Energy indirect (Scope2) GHG emissions	3.4 Energy & Emissions	51	
			305-3	Energy indirect (Scope3) GHG emissions	3.4 Energy & Emissions	51	
			305-4	Other emissions intensity	3.4 Energy & Emissions	51	
			305-5	Reduction of GHG emissions	3.4 Energy & Emissions	51	
			305-6	Emissions of ozone-depleting substance (ODS)	3.4 Energy & Emissions	51	
			305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emission	3.4 Energy & Emissions	51	

## Major topic disclosure

GRI Code	Topic	Industry Code	Code	GRI Guidelines Disclosure Content	Corresponding Chapter	Page	Omit / Note
<b>Material topic: Waste (Waste GRI 306)</b>							
<b>GRI 3: major topic 2021</b>	Waste management policy	-	3-3	Major topic management	3.6 waste management	55	
<b>GRI 306</b>	Waste topic management disclosure 2020	-	306-1	Waste generation and significant waste-related impacts	3.6 waste management	55	
		-	306-2	Management of significant waste-related impacts	3.6 waste management	55	
	Waste topic disclosure 2020	-	306-3	Waste generated	3.6 waste management	55	
		-	306-4	Waste diverted from disposal	3.6 waste management	55	
		-	306-5	Waste directed to disposal	3.6 waste management	55	
	Sewage and waste Topic Disclosure 2016	-	306-3 (2016)	Serious leakage	3.6 waste management	55	
<b>Major Theme: Training and Education &amp; Employment &amp; Employment Relations (Employment GRI401, Labor/Management Relations GRI402, Training and Education GRI 404)</b>							
<b>GRI 3: major topic 2021</b>	Training & Education & Employment Relations management policy		3-3	Major topic management	4.1 talent training	58	
<b>GRI 401</b>	Labor / Management Relations topic disclosure 2016	-	401-1	New employee hires and employee turnover	4.1 talent training	58	
		-	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2 Employee benefits and remuneration	67	
		-	401-3	Parental leave	4.2 Employee benefits and remuneration	67	
<b>GRI 402</b>	Labor / Management Relations topic disclosure 2016	-	402-1	Minimum notice periods regarding operational changes	4.2 Employee benefits and remuneration	67	
<b>GRI 404</b>	Training and Education topic disclosure 2016	-	404-1	Average hours of training per year per employee	4.1 talent training	58	
		-	404-2	Programs for upgrading employee skills and transition assistance programs	4.2 Employee benefits and remuneration	67	
		-	404-3	Percentage of employee receiving regular performance and career development reviews	4.1 talent training	58	
<b>Major theme: occupational safety and health (occupational safety and health GRI 403)</b>							
<b>GRI 3: major topic 2021</b>	occupational safety and health management policy	-	3-3	Major topic management	4.3 Workplace health and safety	72	
<b>GRI 403</b>	occupational safety and health topic management disclosure 2018	-	403-1	Occupational health and safety management system	4.3 Workplace health and safety	72	
		-	403-2	Hazard identification, risk assessment and incident investigation	4.3 Workplace health and safety	72	
		-	403-3	Occupational health services	4.3 Workplace health and safety	72	
		-	403-4	Worker participation, consultation, and communication on occupational health and safety	4.3 Workplace health and safety	72	
		-	403-5	Worker training on occupational health and safety	4.3 Workplace health and safety	72	
		-	403-6	Promotion of worker health	4.3 Workplace health and safety	72	
		-	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.3 Workplace health and safety	72	
	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	72	
		-	403-9	Work-related injuries	4.3 Workplace health and safety	72	
		-	403-10	Work-related ill health	4.3 Workplace health and safety	72	

## Appendix 2: Sustainability Accounting Standards SASB Comparison Table

Topic	SASB code	Metric	Nature	Annual Disclosure	Comparison of report content and chapters	Page
<b>Energy Management</b>	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	(1) Total operational energy consumption:16,557.62GJ (2) Percentage of grid electricity: 27777.78%(Proportion of grid electricity usage = (Electricity/ Total energy consumption) X 100%) (3) Percentage of Renewable energy : 0%	3.4 Energy and Emission	51
<b>Waste Management</b>	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	(1) Total amount of waste: 585.79tons (2) Percentage of hazardous waste: 0% (3) Percentage of Non-hazardous waste recycling: 84.83%	3.6 Waste Management	55
<b>Product safety</b>	TR-AP-250a.1	Number of rejected announced and total quantity of product rejected	Quantify	There was no rejection due to product safety in 2023. Time of rejection:0 Total number of rejected products: 0	3.1 Product and Service	44
<b>Design for Fuel Efficiency</b>	TR-AP-410a.1	Revenue from products designed to improve fuel efficiency and/or reduce emissions	Quantify	We are currently developing energy-saving gearboxes to help reduce greenhouse gas emissions. At this moment, preliminary research and development results have been completed, and are under a confidentiality agreement. It is expected that the results will be published within 2 years.	3.1 Product and Service	44
<b>Raw material traceability</b>	TR-AP-440a.1	Describe risk management procedures for the usage of key controversial raw materials	Description and analysis	<b>1. Supplier Diversification:</b> Choose multiple reliable suppliers to reduce reliance on a single supplier. In response to the increased risk of supply delays or interruptions, we actively develop new sources of materials, that plays a positive effect in stabilizing economic development. <b>2. Climate change risks:</b> We have begun planning for ISO 14064-1 and ISO 14067 verification. The scope of greenhouse gas and carbon inventory includes the manufacturing and transportation of raw materials by suppliers, etc. We hope to explore the possibility of reducing greenhouse gases and carbon emissions in the raw material procurement process and and continue to encourage suppliers to implement ISO 14064-1 and ISO 14067 verification.	3.2 Supply Chain Management	48
<b>Raw material efficiency</b>	TR-AP-440b.1	The percentage of sold products that can be recycled in all sales revenue	Quantify	<b>1. Steel is 100% recyclable.</b> <b>2. Use 10% recycled scrap steel</b> (raw materials are copper and steel, and copper accounts for less than 1%)	3.3 Material Management	50
	TR-AP-440b.2	Percentage of recycled raw materials compared to total input raw material weight	Quantify	<b>Lubricating oil recycling:</b> The lubricating oil used is filtered and regenerated to reduce the consumption of lubricating oil and produce waste. Establish a lubricating oil recovery and regeneration system; install filtration equipment; check regularly the quality of lubricating oil to make sure that the regenerated lubricant meets the usage standards	3.3 Material Management	50
<b>Competitive behavior</b>	TR-AP-520a.1	Total amount of losses as a result of legal proceedings associated with Anti-Competitive Conduct Regulations	Quantify	In 2023, no violations of anti-competitive behavior, antitrust and monopoly behavior occurred. Total monetary loss: 0	2.4 Compliance with regulations	37



Activity indicator	Indicator number	Measurement unit	Nature	Description	Comparison of report content and chapters	page
Parts production quantity	TR-AP-000.A	quantity	Quantify	Number of components we produced in 2023: Total number of components: 3,863,753pieces	3.3 Material Management	59
Part production weight	TR-AP-000.B	tons(t)	Quantify	Weight of components we produced in 2023 Total weight of components: 6,312.5857tons	3.3 Material Management	59
Production plant area	TR-AP-000.C	Square meters (m <sup>2</sup> )	Quantify	Our production plant area in 2023 : 1635.46m <sup>2</sup> °	1.1 About Us	13

### Appendix 3 Proposed Climate-related Financial Disclosure (TCFD) Comparison Table

Item	Comparison of report content and chapters	page
1.Describe board and management oversight and governance of climate-related risks and opportunities.	2.3Risks management	34
2.Describe how the identified climate risks and opportunities will affect the business, strategy and finances of the company (short, medium and long term)	2.3Risks management	34
3.Describe the financial impact of extreme climate events and transitional actions	2.3Risks management	34
4.Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system	2.3Risks management	34
5.If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be explained.	-	-
6.If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and goals used to identify and manage physical risks and transition risks.	2.3Risks management	34
7.If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	-	-
8.If climate-related goals are set, the covered activities, scope of greenhouse gas emissions, planning schedule, annual progress and other information should be stated; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the offset should be stated Replace it with the source and quantity of carbon reduction credits or the quantity of renewable energy certificates (RECs).	-	-
9.Greenhouse Gas Inventory and Confirmation Situation (Also fill in 1-1 and 1-2)	The greenhouse gas inventory and situation are explained in 1-1 and 1-2	-

## 1.1-1 Greenhouse Gas Inventory and Status

### Basic information

In accordance with the provisions of the sustainable development roadmap for listed OTC companies, it should at least reveal:

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li><input type="checkbox"/> Companies with capital of more than NT\$ 10 billion, such as steel industry, cement industry</li> <li><input type="checkbox"/> Companies with capital of more than NT\$5 billion but less than NT\$ 10 billion</li> <li><input checked="" type="checkbox"/> Companies with capital of less than NT\$5 billion</li> </ul> | <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Parent company individual inspection</li> <li><input type="checkbox"/> Consolidated financial statements subsidiary inspection</li> <li><input type="checkbox"/> Assurance of the parent company's individual entity</li> <li><input type="checkbox"/> Assurance of the subsidiary's consolidated financial statements</li> </ul> |
|--|--|

## 1-1-1 Greenhouse gas inventory

2022 total greenhouse gas emissions		
Reporting period: January 1, 2022, to December 31, 2022		
Category 1	Total emission (metric tonsCO <sub>2</sub> e)	Density (metric tonsCO <sub>2</sub> e/NT\$million)
Headquarter Taiwan	163.9709	0.14
Total	163.9709	0.14
Category 2	Total emission (metric tonsCO <sub>2</sub> e)	Density (metric tonsCO <sub>2</sub> e/NT\$million)
Headquarter Taiwan	2,363.6313	2.11
Total	2,363.6313	2.11

**Note:1.** Direct emissions (Category 1, that is, directly from our owned or controlled emission sources owned), indirect energy emissions (Category 2, indirect greenhouse gas emissions from the input of electricity, heat or steam) and other indirect emissions (Category 3, emissions generated from our activities, which are not indirect emissions from energy, but come from emission produced or controlled by other companies).

**Note:2.** The date of direct emissions and indirect energy emissions should be in accordance with the Article 4-1, Item 2 of the Taiwan Stock Exchange's "Operation Rules for Preparing and Filing Sustainability Reports by Listed Companies" (hereinafter referred to as the "Operation Rules"). Other indirect emissions information is subject to voluntary disclosure.

**Note:3.** Greenhouse gas inventory standards, ISO 14064-1-1 published by the International Organization for Standardization (ISO).

**Note:4.** The intensity of greenhouse gas emissions is calculated based on revenue (NT\$ million).

2023total greenhouse gas emissions		
Reporting period: January 1, 2023, to December 31, 2023		
Category 1	Total emission (metric tonsCO <sub>2</sub> e)	Density (metric tonsCO <sub>2</sub> e/NT\$million)
Headquarter Taiwan	741.46	0.63
Total	741.46	0.63
Category 2	Total emission (metric tonsCO <sub>2</sub> e)	Density (metric tonsCO <sub>2</sub> e/NT\$million)
Headquarter Taiwan	2,151.82	1.84
Total	2,151.82	1.84

**Note:1.** Direct emissions (Category 1, that is, directly from our owned or controlled emission sources owned), indirect energy emissions (Category 2, indirect greenhouse gas emissions from the input of electricity, heat or steam) and other indirect emissions (Category 3, emissions generated from our activities, which are not indirect emissions from energy, but come from emission produced or controlled by other companies).

**Note:2.** The date of direct emissions and indirect energy emissions should be in accordance with the Article 4-1, Item 2 of the Taiwan Stock Exchange's "Operation Rules for Preparing and Filing Sustainability Reports by Listed Companies" (hereinafter referred to as the "Operation Rules"). Other indirect emissions information is subject to voluntary disclosure.

**Note:3.** Greenhouse gas inventory standards, ISO 14064-1-1 published by the International Organization for Standardization (ISO).

**Note:4.** The intensity of greenhouse gas emissions is calculated based on revenue (NT\$ million).



## 1-1-2 Confirmation of Greenhouse Gas Information

We are expected to calculate annual greenhouse gas inventories starting in 2023.

## 1-2 Greenhouse gas reduction goals, strategies and specific plans

### Our basic information

- Companies with capital of more than NT\$10 billion, such as steel industry, cement industry
- Companies with capital of more than NT\$5 billion but less than NT\$ 10 billion
- Companies with capital of less than NT\$5 billion

### According to the sustainable development plans for listed companies, listed companies should at least disclose

- In 2025, disclose the previous year's reduction targets, strategies and specific action plans
- In 2026, Disclose the previous year's reduction targets, strategies and specific action plans
- In 2027, Disclose the previous year's reduction targets, strategies and specific action plans

**Clarify the greenhouse gas reduction base year and its data, reduction targets, strategies and specific action plans, as well as the achievement of reduction targets.**

### Plan of Greenhouse gas reduction

#### Headquarter in Taiwan:

#### ■ Short-term goals (2 to 3 years)

#### Improve in energy efficiency:

1. Conduct energy audits in offices and production facilities and implement energy-saving measures.
2. Replace energy-high consumption equipment with high-efficiency equipment or technology.
3. Promote and implement energy-saving lamps and intelligent power management system

#### Increased renewable energy use:

1. Install solar panels or wind power equipment to partially replace traditional energy.

#### Transportation Transportation management:

1. Introduce our commuting programs, such as encouraging employees to use public transportation, carsharing or bicycling.
2. Electrify our vehicles or use hybrid vehicles



## Plan of Greenhouse gas reduction

### Waste management:

- 1.Reduce waste and promote comprehensive recycling and reuse programs
- 2.Having plans for effective management and reduction of waste produced during production

### ■ Medium-term goals (more than 3 years):

#### Comprehensive energy transition:

- 1.Significantly increase the use of renewable energy to more than 1%.
- 2.Conduct green practices to improve energy efficiency.

#### Supply chain carbon reduction:

- 1.Reduce greenhouse gas emissions with supply chain partners
- 2.Require suppliers to report their carbon footprint and consider their emissions reductions into evaluation criteria.

#### Product & Service Innovation:

- 1.Develop and launch low-carbon products or services to meet market demand while reducing carbon emissions.
- 2.Increase product life cycle management and reduce carbon emissions

### ■ Long-term goals (more than 5 years):

#### Continuous innovation and technological leadership:

- 1.Continue to invest in research and development of new technologies and innovative solutions
- 2.Establish and drive best practice to become a promoter of a low-carbon economy.

#### Global influence:

- 1.Expand our influence on the globe and promote comprehensive carbon reduction in the industry and society.
- 2.Develop and promote the implementation of a global climate plan

#### Social responsibility and sustainable development:

- 1.Ensure our sustainable development strategy and global sustainable development goals.
- 2.Maintain good communication and cooperation with stakeholders through open and transparent report

## Greenhouse gas reduction strategy and specific plan

### Greenhouse Gas Reduction Strategies

- 1.In compliance with government regulations and corporate commitments, we save 1% of electricity annually to reduce carbon emissions.
- 2.Reduce the consumption of packaging materials and use recycled packaging materials.
- 3.Inventory and use of electricity, water equipment, loss of confirmation, durability and range of use, goals setting
- 4.Energy saving and energy consumption reduction.
- 5.Conduct electricity meter, use device accordingly, arrange digital meter gradually.
- 6.Promote the concept of energy saving and carbon reduction, implement the no waste principle, and reduce daily waste.

## Achievement of reduction goals

### 1. Annual carbon emissions

■ 2022 base year data: 9502.107tonsCO<sub>2</sub>e

■ 2023 target data: In 2023, ISO 14064 verification has not yet been carried out, it is expected to have comprehensive verification in the second half of 2024.

### 2. Waste- oil sludge reduction rate 9.88%

■ 2022 base year data: 43.34tons

■ 2023 data: 39.06tons

### 3. Waste- waste oil mixture reduction rate 11.84%

■ 2022 base year data: 31.08tons

■ 2023 data: 27.40tons

**4.Waste - general waste reduction rate 7.14%**

- 2022 base year data :23.95tons
- 2023 data: 22.24tons

**5.Reduce water consumption 3.09%, Carbon reduction 4.18%**

- 2022 base year data: 6,836kWh producing carbon emissions 1,101KGS
- 2023 target data: 6,625kWh producing carbon emissions 1,055KGS

**Achievement status**

**1.annual carbon emissions**

- **Achieved data:** Since ISO 14064 in 2023 has not yet been implemented, therefore the carbon emissions of Category 1 and Category 2 are only preliminary estimates and are not suitable for calculating annual carbon emissions reduction. Only can we have accurate data calculation after the verification of ISO 14064
- **Measurement:**At least to have annually one proposal for energy conservation and carbon reduction, and one proposal was actually completed in 2023.

**2.renewable energy use**

- **Achieved data:**It is expected to install green energy equipment, and the proportion of renewable energy use reaches 1%
- **Measurement:**Install solar power equipment to meet part of the electricity demand.

**3.waste recycling rate: 0.4%**

- **Achieved data:**The overall proportion of waste recycled products (waste grinding wheels) is 0.4%
- **Measurement:**Priority is given to the recycling technology industry for waste recycling. Through recycling technology, waste grinding wheels are made into recycled building materials.

**4.reduce water consumption**

- **Achieved data:**Annual water consumption is reduced by at least 211kWh, Reduce carbon emissions by 4.18%.
- **Measurement:**Adopt pressure-reducing for water facilities to reduce excess water consumption.

**5.water recycling rate**

- **Achieved data:**The RO system of the cleaning machine consumes approximately 102.4 tons of water, the amount wof recycling is about 25.6 tons, water recycling rate is 25%
- **Measurement:**Install recycling facilities for machine RO system wastewater and take advantage of watering on iron roofs for cooling down temperature

Promote productive and reuse non-toxic wastewater

**Example**

- 1.Solar power generation:** It is expected to install green energy facilities on the roof of the factory in 2025. Not only can it reduce dependence on traditional energy and also meet the electricity needs in production and offices, but also can also reduce annual carbon emissions. As for a short-term goal, it is expected that the electricity consumption data after installation in 2025 can be reduced by 1%.
- 2.Waste recycled products:**Since 2023, we have actively sought renewable waste and achieved the goal of transforming recycling waste grinding wheels into building materials So far in 2023, we are still negotiating with the recycling technology industry to recycle waste sludge into new fuel rod. It is expected that within 3-5 years, the efficiency of waste recycling can be improved.

**Note:1.** It should be addressed in accordance with the schedule specified in Article 4-1, Item 4 of these operating procedures

**Note:2.** The base year should be the year when the review of consolidated financial reporting boundary is completed. For example, according to the provisions of Article 4-1, Item 2 of these operating procedures, companies with a capital of more than NT\$10 billion should complete the review of the 2024 consolidated financial report in 2025, so the base year is 2024. If the company has completed the review of the consolidated financial report in advance, the earlier year should be used as the base year. The data can be calculated as the average of a single year or several years.

**Note:3.** The disclosure content for some reference examples can be found on the website of Taiwan Stock Exchange Corporation.

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