

# 4

## Equal Workplace

- 4.1 Talent Attraction and Retention
- 4.2 Protecting the Workplace Environment



Suggested priority for referring to the stakeholders in this chapter:

- Supplier  Customer  Employee  Investor  Government  Media
- Others (such as the general public, academic institutions, etc.)



TSC believes that sustainable talent development is one of the key factors for organizations to achieve long-term success. It is critical to continually strengthen the organization's ability to respond to change and remain competitive in the marketplace. TSC will celebrate its 45th anniversary in 2024. To keep pace with global ESG and DEI trends, the company is actively attracting outstanding talent through various recruitment channels. In addition, the Company plans to implement a comprehensive talent development system to help colleagues cultivate the skills necessary for their respective positions. Employee welfare and physical and mental health are also critical elements of sustainable operations. Through various welfare policies, we prioritize the health management of our employees and strive to create a healthy and friendly work environment.



## 4.1 Talent Attraction and Retention

### Material Topics - Talent Recruitment and Retention - Human Resource Management



#### Policy and Commitments

- Create an engaging and inclusive system to increase employee engagement and unity, and develop diverse recruitment channels to attract exceptional talent to join TSC
- Improve the talent development and nurturing system, strengthen the diverse capabilities of employees, and integrate career planning for their development and growth.



#### Management Policy and Evaluation Mechanism

- Talent is recruited through various channels, both online and offline, based on the growth needs and strategic goals of each region. Talent development strategies are also implemented.
- Conduct an annual company-wide training needs assessment to understand the technical skills, professional knowledge, and leadership management needs of supervisors and employees. Based on these needs, plan appropriate courses in the training curriculum design framework.
- Stay informed on the laws and regulations governing compensation and benefits in different regions and develop appropriate strategies in a timely manner.



#### Action Plan and Performance

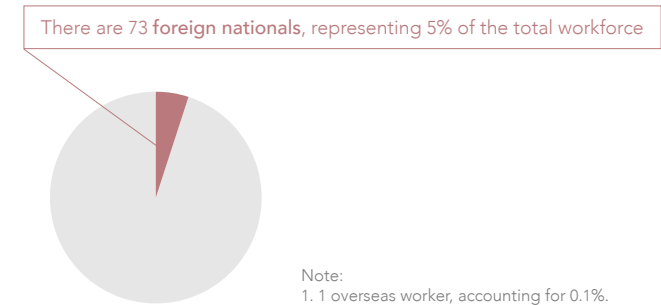
- ✓ Promote the Referral Incentive Program. By 2023, approximately 20% of total hires will come from employees recommended by their current colleagues.
- ✓ In 2023, the average number of training hours per employee in Taiwan was 62.12 hours.
- ✓ Beginning in 2023, the TSC Semi-Functional Module will be built, integrating and applying functional modules for performance assessment. This will help supervisors assess their colleagues' functional behaviors and provide timely and effective feedback.

### 4.1.1 Diversity and Inclusion GRI 2-7 GRI 2-8 GRI 2-19 GRI 2-20 GRI 3-3 GRI 401-1 GRI 405-1 GRI 405-2 TS-SC-330a.1

#### Manpower Structure

Talent is a critical asset for TSC. Our goal is to create a diverse, equal, and inclusive workplace that respects the uniqueness and differences of all employees. To achieve this goal, we recruit not only local talent, but also international talent while ensuring that all relevant processes strictly comply to legal regulations. In the context of globalization, TSC offers various employment opportunities through online and offline recruitment channels. We have a diverse and inclusive recruitment policy that does not discriminate on the basis of gender, age, race, nationality, religion, political opinion or sexual orientation. As a result, our workforce consists of employees from around the world, including various Asian countries such as Taiwan, Singapore, Japan, the Philippines, Malaysia, India, and Vietnam. These employees are spread across our headquarters and various factory locations. In fiscal year 2023, the number of employees in Taiwan increased by more than 3% compared to 2022 in response to the Company's long-term development plans and organizational adjustments, including the establishment of various specialized departments and the expansion of existing departments in the Taiwan region, such as the addition of an R&D engineering department and the expansion of manufacturing, equipment, and quality control personnel. The total number of employees in Taiwan and overseas production sites in 2023 is 1,446, all of whom are full-time employees.

#### Employee Distribution and Percentage of Total Employees (by Nationality and Work Location)



#### 2023 Employee Distribution

Category		Male		Female		Group Subtotals and Percentages		
		Number of People	Percentage of the Classification	Number of People	Percentage of the Classification	Number of People	Percentage of the Total Number of Employees	
Age	Under 30 years old (inclusive)	Taiwan	64	69.6%	28	30.4%	92	6.4%
		Mainland China	46	59.0%	32	41.0%	78	5.4%
		Subtotal	110	64.7%	60	35.3%	170	11.8%
	31 to 49 years old	Taiwan	269	56.4%	208	43.6%	477	33.0%
		Mainland China	171	24.7%	520	75.3%	691	47.8%
		Subtotal	440	37.7%	728	62.3%	1,168	80.8%
	50 years old and above (inclusive)	Taiwan	36	56.3%	28	43.8%	64	4.4%
		Mainland China	24	54.5%	20	45.5%	44	3.0%
		Subtotal	60	55.6%	48	44.4%	108	7.5%
Employee Category	Permanent Employee	Subtotal	610	42.2%	836	57.8%	1,446	100.0%
Total			610	42.2%	836	57.8%	1,446	100.0%

Note:  
1. Employee category is determined per the GRI guidelines, with all being full-time employees. There are no part-time employees, temporary employees, or non-guaranteed hours employees.  
2. The percentage represents the ratio of the number of employees in this category to the total number of employees.  
3. The reference date for the calculation of the data is December 31, 2023.  
4. Due to the expansion of the reporting boundaries to include the factory area in mainland China from fiscal 2023, the number of disclosed data has changed significantly compared to the previous year.



## Distribution of Management and Non-Management Levels in 2023 (by Age and Gender)

Category	Management Level		Non-Management Level		
	Male	Female	Male	Female	
Under 30 years old (inclusive)	Taiwan	0	0	64	28
	Mainland China	0	2	47	33
	Subtotal	0	2	111	61
	Percentage	0%	1%	9%	5%
31 to 49 years old	Taiwan	63	33	206	175
	Mainland China	29	74	143	450
	Subtotal	92	107	349	625
	Percentage	38%	44%	29%	52%
50 years old and above (inclusive)	Taiwan	23	9	13	19
	Mainland China	5	6	17	7
	Subtotal	28	15	30	26
	Percentage	11%	6%	3%	2%
Subtotal	120	124	490	712	
Total	244		1,202		

## Note:

- Management positions include entry-level, mid-level, and senior-level supervisors, with level ranging from 2 to 6, 7 to 8, and 9 and above.
- Employee category is determined per the GRI guidelines.
- The percentage represents the ratio of the number of employees in this category to the total number of employees.
- The reference date for the calculation of the data is December 31, 2023.
- Due to the expansion of the reporting boundaries to include the factory area in mainland China from fiscal 2023, the number of disclosed data has changed significantly compared to the previous year.

## Employee Distribution (Based on Diversity Indicators)

Category	2021		2022		2023		
	Number of People	Percentage	Number of People	Percentage	Number of People	Percentage	
Indigenous Peoples (Ethnic minorities)	Taiwan	5	0.9%	8	1.3%	5	0.8%
	Mainland China	8	0.8%	6	0.7%	7	0.9%
	Average Proportion	0.9%		1.0%		0.8%	
	Taiwan	5	0.9%	6	1.0%	5	0.8%
People with Disabilities (Disabled person)	Mainland China	3	0.3%	3	0.4%	3	0.4%
	Average Proportion	0.6%		0.7%		0.6%	
	Total	21	1.5%	23	1.7%	20	1.4%

Note: The percentage represents the ratio of the number of employees in this category to the total number of employees.





## Diverse Recruitment Channels and Talent Management

TSC uses multiple channels to recruit talent in order to continually increase the diversity of talent sources. Online recruitment platforms such as LinkedIn, 104 Job Bank, Qirc, Zhaopin and TEDA are used to increase TSC's visibility. The company creates dedicated pages and posts job openings on these platforms. In addition, TSC uses offline recruitment fairs and employee referrals to attract high-quality talent, thereby improving its market competitiveness. By promoting job openings to highly qualified candidates, TSC aims to attract more domestic and international mid-to-senior level and professional talent. Going forward, TSC will continue to develop talent strategies in line with the Group's growth needs and strategic goals. This includes reviewing talent needs, developing training plans in conjunction with career development, and motivating employees to learn and grow.

From a sustainable management perspective, talent is a critical asset for any organization. By minimizing talent turnover and improving overall human resource management, the Company can achieve operational stability. In the future, TSC will focus on enhancing internal education and training for employees, as well as providing rotation opportunities to nurture internal talent and showcase a diverse development system and growth prospects.

### New Employees

		2021		2022		2023	
		Total	Percentage	Total	Percentage	Total	Percentage
Gender	Male	160	48%	159	56%	95	67%
	Female	175	52%	126	44%	47	33%
Age	Under 30 years old (inclusive)	168	50%	146	51%	56	39%
	31 to 49 years old	163	49%	126	44%	76	54%
	50 years old and above (inclusive)	4	1%	13	5%	10	7%
Region	Taiwan	123	37%	184	65%	119	84%
	Mainland China	212	63%	101	35%	23	16%
Total		335	100%	285	100%	142	100%

Note: Percentage is calculated by dividing the number of each category of employees by the total number of new employees in that year.

### Employee Turnover

		2021		2022		2023	
		Total	Percentage	Total	Percentage	Total	Percentage
Gender	Male	127	48%	112	46%	113	52%
	Female	137	52%	129	54%	103	48%
Age	Under 30 years old (inclusive)	84	32%	91	38%	66	31%
	31 to 49 years old	163	62%	130	54%	126	58%
	50 years old and above (inclusive)	17	6%	20	8%	24	11%
Region	Taiwan	109	41%	109	45%	97	45%
	Mainland China	155	59%	132	55%	119	55%
Total		264	100%	241	100%	216	100%

Note:

1. Percentage is calculated by dividing the number of each category of employees by the total number of turnovers in that year.
2. All employees are full-time and permanent.

## Remuneration Policies

Employee compensation and benefits are established according to the Labor Standards Act and local labor laws at operational locations and are managed in accordance with the Company's articles of incorporation and related management regulations to ensure that overall employee compensation complies with government regulations and market trends. Additionally, a clear employee performance evaluation system is implemented, reviewed annually, and optimized to incentivize outstanding talent. Regarding employee remuneration distribution in Taiwan, bonuses are determined based on employees' job performance, scope of responsibilities, and special contributions, following the 'Employee Bonus and Stock Option Scheme'

With respect to executive compensation, TSC has a "Compensation Committee" that reviews the performance evaluation criteria for directors, supervisors, and executive officers, as well as annual and long-term performance goals, policies, systems, standards, and compensation structures. The Committee then makes recommendations to the Board. The performance evaluation and compensation of directors and executive officers are based on industry norms and take into account individual performance evaluation results, time spent, responsibilities assumed, achievement of personal goals, performance in other positions, as well as the Company's short- and long-term business goals, financial condition and assessment of individual performance in relation to the Company's operating performance and future risks. The Compensation Committee held two meetings during 2023 to ensure the competitiveness and fairness of compensation.

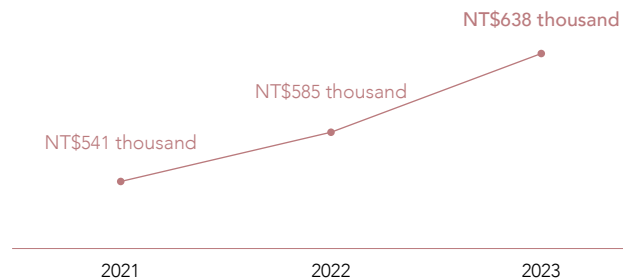
## Gender Remuneration Ratio

Basic Salary with Remuneration- Female: Male				
Year	Assistant Vice President Level	Manager and Assistant Manager Level	Section Manager Level	General Employees
<b>Taiwan</b>				
2021	0.42:1	0.30:1	0.78:1	0.75:1
2022	NA*	0.37:1	0.69:1	0.72:1
2023	NA*	0.36:1	0.64:1	0.77:1
<b>Mainland China</b>				
2021	NA*	1.02:1	0.77:1	0.97:1
2022	NA*	0.95:1	0.83:1	0.89:1
2023	NA*	0.93:1	0.86:1	0.85:1

Note:

1. There may be slight differences in the gender pay ratio due to individual performance, seniority, and other factors. Salary standards in Taiwan are the same for men and women and are not affected by gender.
2. There are no female assistant vice presidents in Taiwan for 2022-2023
3. In Mainland China, there will be no positions of factory director or higher available from 2021 to 2023.

## Median Salary of Full-time Employees in Non-supervisory Positions- Taiwan



The median salary of full-time employees in non-supervisory positions in Taiwan increased by NT\$53 thousand in 2023 compared to 2022, with a growth rate of 9.06%.

## Median Salary of Full-time Employees in Non-supervisory Positions- Mainland China

	2021	2022	2023
<b>Median</b>	NT\$77.6 thousand	NT\$69.7 thousand	NT\$59.5 thousand





## Referral Incentive Program

▶ **Establish a referral incentive program to encourage colleagues to make recommendations.**

In order to increase the motivation of our colleagues in Taiwan and expand their professional networks, we recommend high quality professionals and technical experts to join our team. We are also strengthening our internal referral recruitment efforts. In 2022, we launched an enhanced referral incentive program, which will be evaluated on its first anniversary in 2023. To facilitate this, we have created a dedicated section on our employee platform that provides detailed information about the referral process and incentive programs. In addition, we regularly announce internal job openings to keep our colleagues informed and encourage them to share these opportunities with professionals on social platforms or with their outstanding friends and family. This proactive approach encourages our colleagues to refer and attract new partners who are highly valued within our organization.

▶ **Announcement of the Annual Incentive Program to Enhance Employee Engagement**

During the one-year implementation of the Referral Incentive Program, approximately 20% of the total hiring rate was attributable to employees referred by their current colleagues. This underscores the importance of peer referrals as an important channel in the recruitment process. To recognize this achievement and to thank internal colleagues for their referrals, TSC invites both the referrer and the referred person to share their experiences with the referral program. This fosters a positive work culture and a sense of unity through sincere reactions and a pleasant working atmosphere among colleagues, which contributes to career development within the company. By announcing the list of nominated employees and sharing their experiences, we not only recognize the efforts of the nominating colleagues, but also demonstrate the spirit of unity among colleagues, which reinforces the positive impression of TSC and strengthens the employer brand image internally. This, in turn, creates a willingness to recommend more top talent to join the Company.

▶ **Continue to Promote and Deepen the Employer Brand Image of TSC**

The referral incentives will continue to be implemented next year to increase the frequency of project sponsorship, improve employee engagement and attract more talent to TSC. This initiative will help build a culture of unity and collaboration.



## 4.1.2 Human Resource Development GRI 3-3 GRI 404-1 GRI 404-3

### Talent Retention

To help retain top talent, TSC offers an equal pay policy and a variety of benefits. This enhances employee engagement and makes talent a sustainable source of energy. In addition, TSC continuously monitors market salary levels, regularly reviews the overall compensation structure and benefit policies on an annual basis, maintains effective communication channels with employees, and uses these as an important basis for formulating comprehensive compensation and benefits, including base salary, allowances, performance bonuses, etc. The goal is to ensure competitive salary levels that attract, develop and retain elite talent over the long term, thereby supporting the Company's continued growth and sustainable operations.

To ensure a stable internal promotion system, TSC not only prioritizes promotion opportunities for employees whose qualifications meet the requirements, but also regularly reviews employee performance and evaluates career development aspects. Adjustments are made based on job functions and development potential. In response to industry changes and operational challenges, TSC actively promotes talent development. In addition to investing adequate resources in internal training, TSC also implements overseas training and succession planning programs to enhance the professional skills and knowledge levels of its human resources. Internal rotation mechanisms are also in place to broaden the skills of employees and ensure that they are placed in appropriate roles, which enhances organizational flexibility.

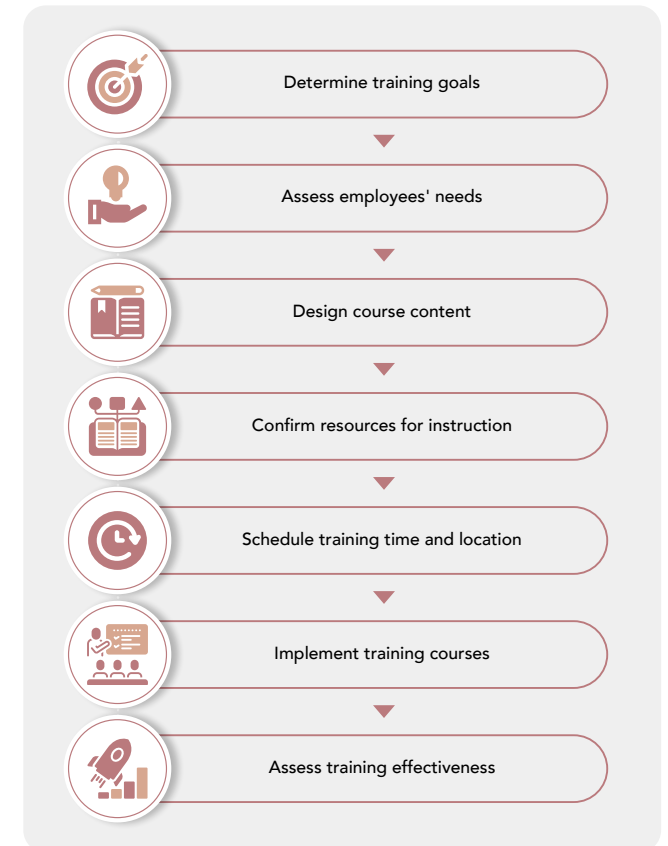
### Talent Development and Cultivation

TSC attaches great importance to cultivating and developing talents of supervisors and colleagues at all levels. In order to meet the needs of the company's development, TSC conducts an annual company-wide training needs survey to understand the technical skills, professional knowledge, and leadership and management needs of supervisors and employees. Based on these needs, corresponding courses are planned and designed in the training curriculum framework.

The arrangement of training resources is based on the nature of the training courses, using both internal and external resources. For example, internal trainers with expertise in the specific area are selected from within the company, or external experts with the required expertise are hired as trainers. In addition, carefully selected external learning resources are provided to enhance and keep colleagues' knowledge and skills current. In 2023, the Taiwan region invited external trainers to conduct competency module development courses and invited middle and senior managers as well as potential talents to participate. Through various learning activities, participants were guided to understand the competency modules and integrate the spirit of competency into their work practices. Subsequently, internal trainers focused on the core competency of accountability and execution in internal training, making it a concrete commitment closely linked to key company projects. At the same time, in 2023, the Taiwan region provided online learning resources for colleagues to engage in self-directed learning and improve their office skills. This not only improves colleagues' work skills, but also effectively promotes cross-departmental communication skills.

### Course Planning Process

In order to enable our employees to leverage their professional expertise and knowledge skills, TSC places significant emphasis on the planning and implementation of professional training. This is done to showcase the training effectiveness and relevant applications of employees' learning outcomes. The main planning process is as follows:



### Comprehensive and Diverse Training

TSC offers various training courses to employees of different position level and genders based on their functional requirements, with the aim of improving their professional expertise and abilities, enhancing their performance, and supporting their own advancement and career growth. In 2023, the average number of training hours per employee was 62.12 hours.



New Employee Training

Pre-employment training can be effective in helping new employees quickly understand the Company overview, organizational structure, company rules, business philosophy, importance of quality and management policies. In addition to familiarizing new employees with company policies on their first day, TSC continues to schedule training on common company language, such as core values and competency modules, one to two months after their arrival. This allows employees to further understand and integrate into the Company's culture. All department managers continuously update the training plan for new employees in their respective departments.



Management skills training

To improve the management skills of supervisors, promote effective communication at work, and provide employees with a sound workplace, training is not only targeted at newly promoted supervisors but also provides specialized training according to organizational needs to assist mid-level managers in enhancing their leadership abilities. TSC will continue to conduct training on the management capabilities of supervisors at all levels in accordance with the Company's mission and operational goals.



Professional skills training

Each department organizes external training courses based on job-specific skills, such as project management, research and development expertise, supply chain management, and ESG studying. In addition, employees can also regularly participate in on-the-job training for environmental protection, quality assurance, occupational safety and health, and various professional competencies based on their skill levels, training assessments, or laws and regulations to lay the foundation for their own job needs and future development.

### Average Training Hours in 2023

		Taiwan	Mainland China
Gender	Male	63.74	58.59
	Female	49.95	68.07
Position Level	Management Level	63.57	72.76
	Non-management level	56.85	64.01
Total Number <sup>Note</sup>		698	900
Total Training Hours		40,601.40	58,665.57
Average Training Hours		58.17	65.20
Total average training hours (total training hours / total number of people)		62.12	

Note: Method of calculating total number: The total number of individuals who received training between January 1, 2023 and December 31, 2023.



## Enhancing Employee Management Skills

### Strengthening Managerial Leadership Influence Using the 70-20-10 Rule

To focus on cultivating middle managers and high-potential talents, systematically enhancing leadership and communication skills, effectively managing teams, and achieving organizational goals, TSC launched a series of initiatives in 2023. Through the 70-20-10 rule, TSC initiated a leadership enhancement program in Taiwan to develop versatile and multi-faceted leadership and decision-making skills. This initiative is designed to ensure robust organizational development and business operations. Details of the plan are as follows:

Progress	Description	70 - 20 - 10 Rule
<b>STEP 1</b>	<b>Online Questionnaire</b> Pre-class use of online resources to gather student needs	10
<b>STEP 2</b>	<b>Training Program</b> Through a series of courses led by three professional trainers, employees will be guided and trained through real-life case studies to gain an understanding of key management issues and interpersonal communication styles. They will also learn how to communicate effectively with individuals from different generations and apply their knowledge to team communication, goal setting, and interdepartmental collaboration.	20 + 10
<b>STEP 3</b>	<b>Application and Feedback</b> After completing the course, participants apply the theoretical methods and tools to their work by applying them to individual cases. They then receive feedback from the instructor and their peers, allowing them to make real-time adjustments to their management skills.	70 + 20 + 10
<b>STEP 4</b>	<b>Initiate Personal Development Plan</b> After reviewing the current state of management skills with peers and direct supervisors, and combining the development goals agreed upon through post-class practical exercises, efforts are made to improve the management skills and abilities of middle-level managers, and to demonstrate the goal of transferring and demonstrating daily execution skills from top to bottom.	70 + 20
<b>STEP 5</b>	<b>Review mid-term individual development plan</b> By applying the management skills learned through practical case studies in the workplace and receiving timely feedback from immediate supervisors, individuals can strengthen their management skills.	70 + 20
<b>STEP 6</b>	<b>Review end-of-term individual development plan</b> Anticipate stage-wise reviews of colleagues' development status, understanding and leveraging leadership capabilities as the cornerstone.	70 + 20



Guidance through external instructors to enhance supervisors' management thinking, reflected in practical work scenarios.



## Performance Management and Development

To ensure fair and reasonable evaluation of employee performance and effective implementation of the Company's annual operating goals from top to bottom, clear performance evaluation methods are in place in TSC's Taiwan region. Each year, a regular performance evaluation is conducted for all supervisors and peers in the company, which serves as the primary basis for job changes, salary adjustments, and bonus distributions. The evaluation focuses on individual mid- to long-term goals (OBJ), performance against key performance indicators (KPI), and evaluation of development projects. Through the principles of performance goal setting, supervisors can communicate organizational and personal goals, closely align talent development direction, and collectively contribute to the company's operational growth. In addition, starting in 2023, supervisors at level six and above will have the opportunity to practice functional goal setting and self-assessment through the introduction of functional modules. The goal is to raise the level of demonstrated skills through daily practice and improve the company's sustainable management approach to talent development.

In 2022, a group of internal instructors distinguished through internal certification stood out. In the first half of 2023, they were recognized and awarded certifications with the support and acknowledgment of senior executives. They regularly conducted courses on goal-setting principles, guiding new colleagues to communicate achievable targets with clear and measurable indicators to their supervisors. This aims to achieve personal and organizational performance, with a target of 100% participation of new hires in 2023. Additionally, the courses are open for current employees to refresh their knowledge, inspiring them to set challenging and specific goals once again.

In mainland China, indirect employees undergo an annual performance review, which includes a self-assessment by the employee and a review by the supervisor. This process helps monitor the progress of individual and organizational performance. For senior management positions, performance is also evaluated based on key performance indicators. On the other hand, the performance of direct reports is assessed on a monthly basis and the overall assessment is summarized at the end of the year. In the future, the mainland region will implement a new performance evaluation system that uses clear and measurable indicators. This will enable supervisors and colleagues to interact and evaluate each other's performance in a transparent manner, with the goal of facilitating mutual success for individuals, organizations, and the company as a whole.



With the support of senior executives, TSC cultivates internal instructors for goal-setting courses and conducts certification recognition

Through the active transfer of knowledge and experience by internal trainers, our goal is to increase employees' motivation to learn and improve the effectiveness of their learning.



### Percentage of Employees Undergoing Performance and Career Development Review

	2021				2022				2023			
	Male	Female	Total	Review Percentage	Male	Female	Total	Review Percentage	Male	Female	Total	Review Percentage
<b>Taiwan Region</b>												
Management Level	71	38	109	100%	78	42	120	100%	86	42	128	100%
Non-management Level	228	203	431	100%	272	220	492	100%	283	222	505	100%
<b>Mainland Chinese Region- Tianjin Site</b>												
Management Level	18	28	46	100%	18	29	47	100%	16	28	44	100%
Non-management Level	79	174	253	100%	80	169	249	100%	74	150	224	100%
<b>Mainland Chinese Region- Shandong Site</b>												
Management Level	22	56	78	100%	21	54	75	100%	18	54	72	100%
Non-management Level	168	402	570	100%	164	381	545	100%	133	340	473	100%



Collaborating to Cultivate Talent and Foster Professional Competence

► Constructing Competency Modules

To continually shape the culture and adapt to future development trends and growth strategies, TSC has established functional modules to foster a shared commitment to high performance among all employees. We achieve this through focused workshops, leveraging functional inertia, and conducting scientific analysis. Working with focus groups, we explore the key drivers of successful organizational functions, conduct interviews, and gather real-world experiences, perspectives, and expectations related to successful functional paradigms. We integrate TSC's mission, vision, business philosophy, values, and operational growth objectives and extract the functional module system through qualitative research and quantitative statistical results. This allows us to outline TSC's functional framework and define clear behavioral expectations that align with strategic development directions. The TSC Functional Module was officially approved in early 2023 and will be implemented from the base in Taiwan, along with a planned three-year competency development and implementation plan.

► Deep-rooted Concept of Functional Seeds

The functional modules are primarily divided into three core functions: accountable execution, teamwork, and pursuit of excellence; and two leadership functions: strategic capability and team leadership. Each function has specific operational definitions of behaviors. Under each function, there are different criteria for demonstrating proficiency, accompanied by explanations of varying levels of behavioral intensity. These functions are visually represented in a series of blue tones, symbolizing each colleague's commitment to accountable execution, teamwork, and pursuit of excellence. The leadership functions are highlighted in vibrant red, guiding the team forward with confidence.

For the first major functional rollout, we provided professional guided coaching to key executives. This coaching included a variety of learning activities such as classroom lectures, video analysis, experiential activities, group discussions, and post-course assessments. The goal of this coaching was to help executives understand the functional modules, improve their functional thinking, and integrate the spirit of the functions into their work practices. The first series of functional courses, with the active participation of key executives, totaled 686 hours of training. In July 2023, after introducing the daily practice of TSC's new inertia-functional module and the performance formula for breaking inertia, the functional module was officially introduced to all employees.



By actively participating in the course, colleagues will gain an understanding of the TSC vocational module and learn how to overcome inertia.



The instructor uses various teaching methods to help colleagues recognize differences in job competency levels



## ► Creating an environment that fosters the development of professional skills

In addition to extensive and rigorous functional training, our key leaders lead by example in their daily work to ensure that their team members understand and practice their functions. We also foster a supportive environment for functional advocacy. We have developed various advocacy materials based on functional modules to create a functional atmosphere in the office. In addition, we provide regular advocacy sessions to give employees ample opportunities for functional practice. We also have customized personal learning passports and knowledge cards that employees can refer to at any time. We regularly showcase examples of exemplary functional behavior to help employees understand the different levels of performance. At the same time, to cultivate a culture of constructive feedback, we encourage employees to observe each other's functional behavior in their work and provide continuous feedback. This enables us to identify functional stars and functional sharing experts, and promotes exemplary behavior as functional models. We also use a reward mechanism to motivate employees and reinforce their understanding of their functions.



By implementing the Personal Learning Passport, colleagues can gain a deeper understanding of TSC's commitment to talent development

## ► Initiating the Implementation of Culture

To help colleagues actively embody each function and encourage them to implement the function concept in their work projects, three core functions will be gradually unlocked through targeted internal training. The first function to be introduced is responsible execution, in which key project managers and the Human Resources Department work together to develop daily implementation training for responsible execution. This training enables key supervisors to make suggestions to each other and to make commitments to work projects. The participation rate for this course reached 100%, and the accountable execution action goals and plans of colleagues in the course have become concrete commitments to implement specific actions, which is closely in line with the spirit of accountable execution to achieve important company projects. In the future, courses on team collaboration, pursuit of excellence, and leadership function will also be held in succession.



Colleagues actively participate in course discussions and interactions, seeking inspiration and feedback

Internal trainers use instructional design to engage employees and translate it into learning outcomes

► Initiate a Talent Development Action Plan to Achieve Sustainable Growth

Meanwhile, in 2023, TSC plans to gradually incorporate and use the content of the functional modules for performance evaluation. This will include evaluating the work of new employees, developing personal plans for mid-level managers, and establishing annual performance evaluation criteria. These measures will help managers assess the functional behaviors of their colleagues, provide timely and effective feedback, and improve job performance. TSC is committed to valuing the career development of its employees and working with them to seize growth opportunities.






## 4.2 Protecting the Workplace Environment GRI 401-2 GRI 401-3

### 4.2.1 Employee Health and Benefits

The well-being and overall health of employees are crucial aspects of the company's sustainable operation. By offering comprehensive benefit plans, flexible policies, and a range of health promotion initiatives, TSC is able to attract and retain exceptional talent. This not only increases employee satisfaction and work efficiency, but also ensures the company's stable growth and long-term competitiveness.

#### Employee Care

 <p><b>Employee Group Insurance</b></p>	<p>In Taiwan, a wide range of group insurance products are offered to employees, including term life, accident, medical, hospitalization, and cancer insurance. Employees' dependents are also eligible for coverage, ensuring comprehensive protection. In mainland China, social insurance and provident fund contributions are made for each employee, demonstrating a commitment to employee welfare and social responsibility. This not only ensures basic protection for employees in areas such as medical care, retirement and unemployment, but also provides a housing provident fund, further enhancing employees' quality of life and job satisfaction. By providing comprehensive benefits, employees can feel that their personal well-being is being taken care of, thereby increasing loyalty and ensuring the stable development of the Company.</p>
 <p><b>Employee Stock Ownership Trust</b></p>	<p>In Taiwan, in accordance with the shareholder meeting charter and agreements, employees are awarded a subsidy of 30% of the actual deposit amount as company incentives, encouraging all colleagues to participate in business operations and jointly create excellent operational performance.</p>
 <p><b>Childcare Policy</b></p>	<p>To implement the concept of "caring for employees," TSC in Taiwan responds to employees' needs to balance career development and family care in accordance with the Gender Equality in Employment Act and the Regulations for Implementing Unpaid Parental Leave for Raising Children. TSC has established a system of unpaid parental leave, maternity leave, prenatal care leave, and paternity leave. Employees can apply for parental leave or adjust their working hours to achieve work-life balance. In addition to complying with regulations, TSC has also established comprehensive employee benefits such as childcare subsidies and education incentives, and provides a birth allowance for each baby as a congratulatory gesture. In mainland China, various regions have implemented childcare leave, maternity leave, breastfeeding leave and nursing leave in accordance with local laws and regulations to ensure that employees receive the necessary support and protection during the childbirth and childcare periods.</p>

#### Employee Unpaid Parental Leave in Taiwan

	2021			2022			2023		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of Employees Eligible to Apply for Parental Leave in the Year (A)	28	14	42	23	13	36	16	19	35
Actual Number of Employees who Applied for Parental Leave in the Year (B)	2	1	3	1	4	5	2	4	6
Application Rate (B/A)	7%	7%	7%	4%	31%	14%	13%	21%	17%
Number of Employees who have Taken Parental Leave and are Eligible for Reinstatement in the Year (C)	2	3	5	0	2	2	0	3	3
Actual Number of Employees who Applied for Reinstatement in the Year (D)	2	1	3	0	2	2	0	3	3
Reinstatement Rate (D/C)	100%	33%	60%	0%	100%	100%	0%	100%	100%
Number of Employees Reinstated in the Previous Year (E)	1	2	3	2	1	3	3	6	9
Number of Employees Remaining One Year After Reinstatement in the Previous Year (F)	1	2	3	2	1	3	3	6	9
Retention Rate (F/E)	100%	100%	100%	100%	100%	100%	100%	100%	100%





## Retirement Plan

TSC has implemented a retirement pension system to ensure the well-being of employees after they retire. This system is designed in accordance with the law, including the retirement procedures outlined in the Labor Standards Act and the defined contribution plan specified by the Labor Pension Act. Additionally, the Labor Retirement Reserve Supervisory Committee has been established. Since July 1, 2005, TSC has been allocating 6% of the retirement pension to employees' Individual Labor Pension Accounts monthly, as regulations require. If employees choose to make voluntary contributions to their retirement pension, the contribution will be deducted from their monthly salary and transferred to their Individual Labor Pension Accounts at the Bureau of Labor Insurance, based on the voluntary contribution rate. Employees can select either the relevant pension provisions of the previous or new retirement system, while maintaining their work seniority before implementing these regulations. For the fiscal year 2023, TSC has fully allocated retirement pension expenses of NT\$20,172 thousand to the Bureau of Labor Insurance, in accordance with the retirement pension allocation method. For overseas subsidiaries, retirement provisions are determined based on local legal requirements. The retirement benefit expense recognized for the year 2023 amounted to NT\$58,180 thousand.



TSC's benefit plan is in accordance with the Labor Standards Act. The retirement pension for employees is determined by their years of service and the average salary in the six months prior to retirement. Qualified actuaries annually calculate and allocate funds to the Workers' Retirement Reserve Funds Account at the Bank of Taiwan to ensure employee retirement benefits. As of the end of 2023, the balance in the Workers' Retirement Reserve Funds Account at Bank of Taiwan is NT\$39,945 thousand. The retirement fund, as stipulated by the Labor Standards Act, is managed by the Bureau of Labor Funds, Ministry of Labor, and its utilization is governed by the Regulations for Revenues, Expenditures, Safeguard, and Utilization of the Labor Retirement Fund. The minimum annual return on the settlement and distribution of the fund must not be lower than the return based on the interest rate of a two-year fixed deposit in a local bank.

## Incentive System and Employee Benefits

To foster a positive learning culture, TSC publicly recognizes leaders, exemplary employees and individuals from various regions. These awards recognize employees for their contributions, service and exceptional performance, making them role models for their peers to emulate.

All employees in various regions of Taiwan receive welfare bonuses for festivals such as the Mid-Autumn Festival, Labor Day and the Dragon Boat Festival. In addition, Employee Benefit Committee and unions in each region organize various benefits each year, including maternity gifts, scholarships for employees' children's education, wedding gifts, birthday gifts, condolence gifts for illness or death, and other subsidies. These initiatives are designed to make colleagues feel cared for and supported. We express our gratitude for everyone's hard work and create cherished memories through festive activities and year-end banquets.

## 2023 Incentive System and Benefit Expenditure in the Taiwan area

	Item	Frequency	Highlights
 Festivals	Mid-Autumn Festival	Once a year	The Company distributes annual holiday bonuses to express blessings and gratitude, motivate employees to work actively, and enhance overall performance
	Dragon Boat Festival		
	Labor Day		
	Subsidies for Marriage, Funerals, and Festivals - Cash Gifts for Birthdays	Number of Applicants Approved	The Company has an Employee Welfare Committee that organizes a range of benefits and activities annually. In 2023, the committee primarily allocated its benefit funds towards cash gifts for occasions such as childbirth, marriage, birthdays, as well as providing condolence money for instances of illness, injury, and bereavement.
	Subsidies for Marriage, Funerals, and Festivals - Cash Gifts for Marriages		
	Subsidies for Marriage, Funerals, and Festivals - Condolence Money for Bereavements		
	Subsidies for Marriage, Funerals, and Festivals - Condolence Money for Injury or Illness		
Other (Birthdays)	Once a year		
 Employee-related	Childbirth Subsidy - Parental Subsidy	Number of Applicants Approved	To help employees feel more comfortable raising and nurturing the next generation and to address the challenges of an aging population, TSC has implemented a number of benefits and assistance programs for employees who have children. These initiatives are designed to help employees balance their career development and family responsibilities. In 2023, TSC provided childcare subsidies to <b>72</b> employees and educational incentives to <b>129</b> employees, demonstrating our commitment to caring for our employees and fostering a harmonious work-life environment. These efforts ultimately contribute to employee retention.
	Childbirth Subsidy - Educational Benefits		
	Meetups	Planned by the Benefits Committee, multiple times per year	In 2023, we will listen and respond to the expectations of colleagues in each region. We will do this by organizing events or providing gift cards to meet our colleagues' needs and demonstrate our concern for their quality of life outside of work.
	Senior Employees	Based on annual planning, multiple times per year	At the year-end banquet, publicly present certificates and gold jewelry to eligible senior employees as a token of appreciation for their years of service and contributions. Exemplary employees are nominated by each department and selected by senior management to receive bonuses and certificates. At the same time, the list of exemplary employees and their achievements are announced, motivating employees to serve as positive role models for one another.
	Exemplary Employee		
	Physical Examinations	The headquarters holds an annual meeting, while the factory holds a biennial meeting.	TSC collaborates with a professional medical team to provide employees with health check-ups that exceed regulatory requirements, conducted regularly. In 2023, a total of <b>154</b> employees underwent health checks, with ongoing follow-ups and health management
	Christmas Gift Distribution	Form and frequency of activities determined according to festivals.	In 2023, senior executives from each district dressed up as Santa Claus to show appreciation for their colleagues' efforts. They distributed small, warm gifts, creating delightful memories for the employees.
Year-end Banquet	Form of year-end banquet determined according to annual planning.	The annual year-end banquet event will be held in the factory area in 2023. Colleagues will gather together in a lively atmosphere to enjoy a delicious lunch, thrilling performances, and interactive games. There will also be opportunities to win attractive cash prizes. The event aims to provide a shared time for relaxation, communication, and celebration	

## Promotion of Physical and Mental Health and Work-life Balance

### Health Promotion Resources and Activities

TSC collaborates with professional medical teams to conduct regular health checks for employees according to local regulations. In Taiwan, we provide health checks that exceed legal requirements in terms of frequency and surrounding resources, ensuring continuous care for employee health management.

### 2023 Workplace Health Promotion Results:

#### Health Services

- Regular on-site services are provided in each district, including health advice, counseling and care, workload and psychological stress management, prevention of work-related muscle soreness, maternity protection advice for pregnant women, advice on workplace misconduct, health advice on medical issues, and return-to-work assessments.
- Regularly hold annual health seminars that cover topics such as weight loss and lung cancer prevention to promote health education

#### Health Protection Plan

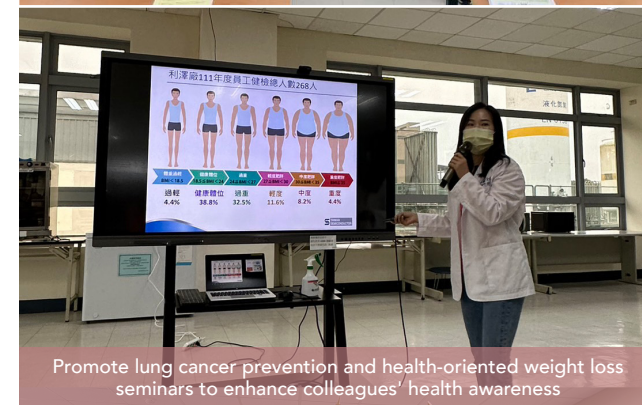
- Prevention of diseases caused by overwork:** Identify and assess high-risk employees, schedule physician interviews and provide health guidance, and make necessary adjustments to working hours and job content.
- Prevent repetitive musculoskeletal disorders:** Conduct a survey using a questionnaire to assess workers' musculoskeletal symptoms, including fatigue and soreness, to determine the level of discomfort and to evaluate task-related hazards. Make necessary job adjustments.
- Maternal health protection:** Measures are implemented to assess, control, and manage the health of female workers from the beginning of pregnancy to less than one year after delivery. These measures are designed to protect the health of both the mother and the fetus.
- Regular monitoring and management of employees' physical and mental health conditions are conducted by on-site medical personnel in various regions.

#### Physical Examinations

- Routine health check-ups:** Arrange for employees to participate in health checks according to regulations.
- Health Tracking Management:** Professional evaluation of health tracking proficiency by on-site medical staff in every district. For those in need of further health tracking, all of them have had -to-face interviews arranged during regular on-site medical services, achieving a tracking rate of **100 %**.

#### Health Promotion Activities

- In Taiwan, the "Get Active" campaign was organized to promote participation in sports events among colleagues. A total of **30** colleagues participated, covering a distance of **42.5** kilometers in cycling, **6** kilometers in swimming, **80** kilometers in running, and **400** meters in dragon boat racing. In addition, the **martial arts** category won a **bronze medal** and the **tennis category** placed second in the team event. This initiative provided a platform for colleagues to showcase their athletic skills outside the workplace.
- In the mainland China region, **sports competitions** are held, including badminton and skipping competitions. These competitions encourage employees to participate in sports, foster friendship and have fun together. They also enhance teamwork awareness and promote growth in a relaxed and enjoyable atmosphere.



Promote lung cancer prevention and health-oriented weight loss seminars to enhance colleagues' health awareness



Warm Christmas Gift Giving



Diverse Health Promotion

TSC is committed to ensuring the physical and mental well-being of its employees. In fiscal 2023, TSC plans to launch a series of health promotion initiatives at its Taiwan site to foster a culture of wellness and create a healthy work environment.

► Health Knowledge

Monthly health information sessions cover a variety of health topics, including comprehensive strategies for calcium intake, basic steps for building muscle and reducing fat, and dental care, to increase employees' health awareness. In addition, professional medical staff are available for consultation on relevant health issues, enabling employees to become familiar with health concepts and prioritize self-health management.

► Healthy Eating

From the source to the table, this practice is common in Taiwanese workplaces. We are engaged in hydroponic vegetable farming activities to provide fresh vegetables to our colleagues. With a focus on food and agriculture education, we emphasize hands-on experience, allowing colleagues to participate in every step of the process, from planting seedlings to harvesting and preparing dishes. This enhances their understanding of the vegetable growth process, improves their ability to make nutritious food choices, and promotes the development of healthy eating habits. A total of 64 people actively participated in the vegetable gardening experience. In addition to carefully tending to the vegetables, the colleagues also showed their creativity by creating delicious vegetarian dishes. While enjoying these tasty and healthy meals, colleagues also collaborated with Taiwanese locals to achieve the goal of reducing carbon emissions. After 6 months of dedicated efforts, all partners collectively reduced carbon emissions by 225 kilograms (estimated based on the reduction of carbon emissions from vegetarian meals). We hope that through this vegetable gardening experience, colleagues will be inspired to adopt healthier and greener eating habits and to incorporate the principles of health and environmental sustainability into their daily lives.



Experience in planting and harvesting at a vegetable farm to inspire colleagues with more concepts of healthy and low-carbon diets



► Healthy Movements

• **Creating a Healthier Life**

Continuing the spirit of healthy weight management from 2022, we aim to promote physically active lifestyles and healthier living among colleagues. The 2023 Healthy Body Promotion Campaign was launched in September with 129 colleagues participating. By encouraging colleagues to adjust their diet and exercise plans on their own, the campaign aims to reduce body fat or increase lean mass. It also aims to correct misconceptions about weight loss through dieting and emphasizes the importance of mastering the correct key steps for better muscle gain and fat loss. This initiative integrates with TSC's core competency of responsible execution, maintaining a healthy physique to cultivate a healthy lifestyle. During the campaign, colleagues received guidance from professional nutritionists on proper dietary practices and engaged in daily physical activity regardless of weather conditions. Through three months of dedicated effort, colleagues collectively reduced their body fat percentage by 126.8%. The champion of the initiative achieved a remarkable 10.1% reduction in body fat, demonstrating significant progress and improved health among participants who persisted in their efforts.

• **Get Active for Health**

In September 2023, TSC introduced the Excellence Sports Bonus Program to encourage employees to develop a habit of exercising and to reward their participation in various external sports events. By demonstrating their personal interest in sports and actively participating in sports competitions, employees have the opportunity to immerse themselves in the event atmosphere, dedicate themselves to training and effort, achieve their self-set goals, and enhance their self-confidence and sense of accomplishment. During the program, employees actively participate in a variety of athletic events, including marathons, swim meets, tennis tournaments and martial arts competitions. They also form groups with colleagues who share their passion for sports to motivate each other. By combining the pursuit of excellence with their core competencies, they strive for outstanding results in the competitions. Ultimately, some employees achieve remarkable success, placing in the top three in competitions that surprise and instill a sense of pride in all involved. TSC will continue to promote a variety of health promotion activities to encourage colleagues to prioritize both physical and mental health and to maintain a healthy state as part of a sustainable lifestyle.



Colleagues actively participate in various sporting events.



## 4.2.2 Labor Relations and Human Rights Management

GRI 2-23   GRI 2-24   GRI 406-1   GRI 407-1   GRI 408-1   GRI 409-1

### Management and Promotion of Human Rights Policy

#### Establishing Corporate Social Responsibility Management System

To ensure the implementation of labor rights, environmental protection, occupational health and safety, and ethical practices, and to fulfill our corporate social responsibility, TSC complies to international labor and human rights standards. These standards include the UN Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the UN Universal Declaration of Human Rights. Additionally, TSC complies with local regulations and follows the Responsible Business Alliance (RBA) Code of Conduct. The RBA Social Responsibility Management Manual, which has been approved by the Chairman, is publicly available. TSC actively establishes a corporate social responsibility management system and conducts human rights risk assessments. We conduct self-checks, customer audits, and third-party verifications to address any identified human rights issues. Based on the results of these assessments and reviews, TSC continuously strives for improvement to achieve our risk management objectives and implement relevant practices. In November 2023, we will undergo a third-party audit.



#### Establishing a Consensus on Corporate Social Responsibility

To ensure all colleagues understand the corporate social responsibility (CSR) policies and commitments, and to establish consensus, TSC conducted CSR education and training sessions at its two Taiwan factories throughout 2023, with a participation rate of 100%. Through universal participation and educational training, this initiative strengthened colleagues' awareness of CSR and collectively reinforced the commitment to CSR implementation.

#### Implementation of Corporate Social Responsibility Practices

To align with the establishment of the corporate social responsibility management system, TSC has undertaken a comprehensive review and revision of internal management policies, operating procedures and other documents. The goal is to ensure consistency in communication, writing, and actions to implement corporate social responsibility policies and commitments, as well as the Company's strategies, operating policies, and procedures. By 2023, all internal management regulations and operating procedures will be either newly issued or revised. In addition, the development and distribution of forms will facilitate the effective execution of relevant operations. Externally, TSC requires all suppliers to adhere to the Responsible Business Alliance (RBA) Code of Conduct and sign the RBA Vendor Code of Conduct. Going forward, TSC will continue to strengthen its commitment to human rights within the organization.

## Human Rights Management Measures


Goal	Action Plan Taken	2023 Performance Exhibition
Eliminate the Use of Child Labor	<ul style="list-style-type: none"> <li>The "Regulations on the Prevention and Protection of Child and Youth Labor" have been implemented.</li> <li>Please carefully review the recruitment process to ensure that child labor is not employed.</li> </ul>	No Employment of Child Labor and Youth
Preventing Discrimination	<ul style="list-style-type: none"> <li>Please review the operational processes related to human resources to ensure that there is no discrimination or bias in the management of human resources.</li> <li>Ensure equal rights and opportunities regardless of race, gender, religion, nationality, or other identities, respecting colleagues' beliefs and customs</li> </ul>	<ul style="list-style-type: none"> <li>Completed a thorough review of multiple regulations, procedural documents and operational processes to ensure that no discrimination or bias is present in any operation. Comply to applicable standards, resulting in no incidents of discrimination</li> <li>Hiring colleagues of diverse nationalities and races and ensuring equal treatment for individuals of all identities, including recognition of specific racial holidays and observances as required by law.</li> </ul>
Freedom of Association	<ul style="list-style-type: none"> <li>Regularly hold labor-management meetings for labor-management consultations</li> <li>Respect the legitimate right of colleagues to freely form or join organizations</li> </ul>	<ul style="list-style-type: none"> <li>Every quarter, we hold a labor-management meeting where colleagues can make suggestions and receive feedback.</li> <li>Regularly conduct appropriate training to ensure that employees have a clear understanding of policies and regulations regarding Freedom of Association and Collective Bargaining. Aim to complete factory training and achieve a <b>100%</b> training completion rate by 2023.</li> <li>In 2023, it was determined that there were no operational sites or suppliers that violated the rights of Freedom of Association and Collective Bargaining.</li> </ul>
Freedom in Employment and Prevention of Forced Labor	In accordance with the "RBA Social Responsibility Management Manual," procedures should be established for employment, overtime, resignation, and other matters to prevent any instances of non-voluntary labor-related incidents	Through various channels for complaints and suggestions, it has been confirmed that there have been no cases of forced labor or handling documents on behalf of others.
Eliminate Workplace Violence and Illegal Infringement	<ul style="list-style-type: none"> <li>Implement anti-harassment policies and raise awareness of illegal violations. Provide appropriate training. Establish complaint hotlines, e-mail addresses, and other communication channels in each district. Conduct regular inspections and audits.</li> <li>Establishment of the "Regulation Governing Sexual Harassment Prevention Measures, Complaints and Punishments" and investigation procedures to ensure privacy.</li> <li>In compliance with the "TSC Corporate Governance Best Practice Principles," the internal control system is implemented to ensure the effectiveness of the reporting mechanism and confidentiality procedures.</li> </ul>	<ul style="list-style-type: none"> <li>Train and promote the elimination of workplace violence and unlawful acts to all colleagues, with a goal of 100% training completion by 2023.</li> <li>Through various channels for complaints and suggestions, as well as regular inspections, there have been no incidents of workplace violence or illegal violations</li> <li>No human rights-related complaints were filed in 2023</li> </ul>
Ensure that Wages Comply with Legal Requirements	<ul style="list-style-type: none"> <li>Remuneration is in accordance with legal requirements, including base pay and statutory benefits, and is not subject to disciplinary action.</li> <li>Hiring employees according to local laws and signing contracts, ensuring compliance with employment procedures</li> <li>Salaries are calculated and distributed according to work rules, ensuring that employees receive detailed salary information as agreed</li> </ul>	Through payroll policies and internal controls, regular reviews are conducted to ensure that employees are not paid below the local minimum wage, that there are no delays in the payment of wages, and that no arbitrary deductions are made. Any violations are promptly addressed

Note: In addition to all TSC operational sites, the influence extends to suppliers as well. All suppliers are required to sign the RBA Vendor Code of Conduct commitment letter, ensuring compliance with relevant guidelines to safeguard the rights of all personnel in the supply chain.




## Communication and Grievance Channels

We value employee relations by establishing diverse, two-way, and open channels of communication and encouraging employees to courageously report unlawful conduct or file complaints when their rights are violated. In addition, we encourage employees to proactively suggest beneficial improvements for the company. We also have an employee survey mechanism to understand the living conditions of colleagues and ensure their awareness of the Company's various communication and complaint channels. TSC clearly defines and implements work rules and related complaint procedures, and posts information on the company intranet to ensure the smooth operation of communication channels so that colleagues' voices can be effectively conveyed and addressed. In 2023, there were no complaints from colleagues, and we tracked and responded to their suggestions accordingly.




**Real-time Promotion**

- Intranet- The latest Company news is released from time to time.
- Email Notification- Announcement of company regulations and delivery of messages from senior executives to employees.
- Bulletin Board- Providing information on labor-related policies, health and safety, and event updates.



**Labor-Management Communication**

The labor-management meeting is an important channel for fostering a positive labor-management relationship. Starting in 2023, these meetings will be held quarterly at various locations in Taiwan to discuss employee benefits and labor-related issues. In addition, the Tianjin and Shandong plants also hold annual union meetings to facilitate communication.



**Two-way Communication**

- Proposal to Improve the Physical Employee Suggestion Box and Email Inbox- Enhancing Colleague Feedback Collection and Communication
- Service/Complaint Hotline- Establishing dedicated phone lines and email addresses
- Labor-Management Meeting- A Labor-Management Meeting is held in various factory areas for the purpose of communication.

Branch	Communication Frequency	Main Communication Issues in 2023
Taiwanese Locations	Once per quarter	Improvement of working environment Attendance and Legal Compliance Employee Activities Vacation Maintenance Seminar
China Shandong Factory, Tianjin Factory	Once a year	Recommendation of Labor Model Representative Election of Employee Representative Local Labor Law Promotion and Signing of Document

In 2023, the focus in various regions of Taiwan is on employee comfort and well-being, while the plants in Tianjin and Shandong, mainland China, address regional concerns. TSC remains committed to promoting dialogue and consensus, and to respecting and valuing employee opinions and feedback. The Company is committed to building a stronger labor-management relationship, ensuring a fair and safe working environment for all, and promoting harmonious labor relations.

Initiating Employee Opinion Survey to Facilitate Communication and Consensus through Diverse Channels

TSC's workforce is diverse, and interaction and communication with colleagues can help the Company continue to evolve. To gain a deeper understanding of colleagues' perspectives, TSC conducted its first "Employee Opinion Survey" in April 2023. The survey covers four main aspects: commitment, teamwork, management, and corporate identity. In accordance with the principle of confidentiality, the survey is expected to be conducted annually to gain insights into the overall work experience and thoughts of colleagues. Employee feedback is essential to developing company policies and creating a cohesive work environment. Based on the survey results, colleagues generally consider themselves part of the TSC team, take pride in teamwork, and demonstrate accountability and a commitment to excellence in their work. In addition, colleagues are open to suggestions and feedback and strive for positive change. This proactive attitude is a key driver of the Company's development, as it reflects a strong commitment to embrace change and take on new challenges. According to the survey results, more than 70% of colleagues place a high priority on developing benefits and systems. As a result, TSC will share the survey results internally in June and work to improve the following areas to foster mutual growth for employees and TSC:

▶ Promoting communication and consensus, while enhancing the overall experience

Through labor-management meetings, all-hands meetings, feedback hotlines, physical mailboxes, email, QR codes, and annual surveys, we have established a diverse and real-time feedback mechanism to foster a culture of effective communication. Colleagues are encouraged to share their ideas promptly, and relevant departments actively receive and respond to feedback. Through these communication channels, our goal is to cultivate an open and collaborative culture within the company while improving the overall work experience.

▶ Career Development and Training, Motivation, and Retention

By actively promoting the TSC Competency Program through training, leading by example, and recognizing exemplary individuals, our goal is to instill a strong sense of competency and foster a positive culture and environment. We encourage colleagues to actively demonstrate positive behaviors through feedback and rewards, allowing everyone to learn from excellence and gain a better understanding of concrete examples of competency. This approach not only motivates and retains top talent, but also improves the overall performance of the team. In addition, we have made continuous efforts to improve the public environment and mechanisms, and to create a safer and more conducive working environment based on suggestions from colleagues. We will also implement various systems, platforms, and information sharing methods to provide more convenient and real-time services.



TSC employees participate in providing feedback on employee opinions, promoting the exchange and sharing of ideas

In the future, we will continue to communicate through various channels and annual employee surveys to ensure harmonious employee relations and achieve our sustainable development goals. We are committed to creating a diverse, equal, and inclusive environment that is friendly to all.

### 4.2.3 Workplace Safety Management

GRI 403-1~403-6 | GRI 403-8~403-10 | TC-SC-320a.1 | TC-SC-320a.2

TSC recognizes that providing a safe and healthy work environment is critical to sustainable operations. To effectively improve the management of the workplace environment, TSC has implemented a comprehensive company-wide environmental, health and safety policy. This policy focuses on six key areas: regulatory compliance, accident prevention, waste reduction, pollution prevention, energy conservation and green design. In addition, TSC has developed occupational health and safety operating procedures in accordance with relevant laws and regulations. The company is committed to maintaining occupational safety and health standards to ensure the well-being of its employees. Of note, as of 2023, TSC has not received any penalties for occupational safety violations across its entire network of facilities.

#### Occupational Safety Management System

The safety management framework of each TSC plant follows the ISO 45001 Occupational Health and Safety Management System, with a coverage rate of 100% and verification already completed. The Environmental Health and Safety (EHS) personnel oversee the system's operation in practice, following the "Plan-Do-Check-Action" framework. In addition to implementing various occupational health and safety procedures, supervision and continuous improvement are conducted through the Occupational Health and Safety Management Committee. This management system applies to all activities, products, and services of TSC's four plants, and includes all employees, contractors, subcontractors, and visitors who enter the premises. They are required to comply with company regulations and requirements to maintain system effectiveness and consistency, thereby achieving occupational health and safety management objectives.



#### ISO 45001 Certificate

I-lan Site	Li-Jie Site
Tianjin Site	Shandong Site



## Risk Identification, Assessment, and Management Policy

Taiwanese companies regularly conduct occupational health and safety risk assessments through their occupational health and safety management systems. They have a team of occupational safety and health personnel who address safety and health impacts during the manufacturing process, such as the use of organic solvents, acidic or alkaline chemicals, pipeline transportation, forklift handling, and high-pressure gas use. These companies establish safety operating standards, which are implemented by dedicated personnel, and regularly conduct hazard identification and risk assessments to ensure compliance and stay abreast of regulatory requirements. In addition, each site develops improvement activities or projects and establishes control mechanisms. In addition to pre-operational inspections, they conduct regular on-site inspections and periodic spot checks to correct unsafe behaviors, improve safety equipment, and reduce risks. If employees identify imminent hazards in the workplace, they have the right to stop work and evacuate to a safe place, and the company will not take disciplinary action.

"Zero accidents" and "zero occupational illnesses" are the primary goals of TSC. The effectiveness of the management system is ensured through annual internal cross-unit audits, external audits and reviews. A reporting mechanism is in place and regular safety meetings are held. In addition, machine safety management inspections and accident investigations are conducted to maintain safety and health performance.

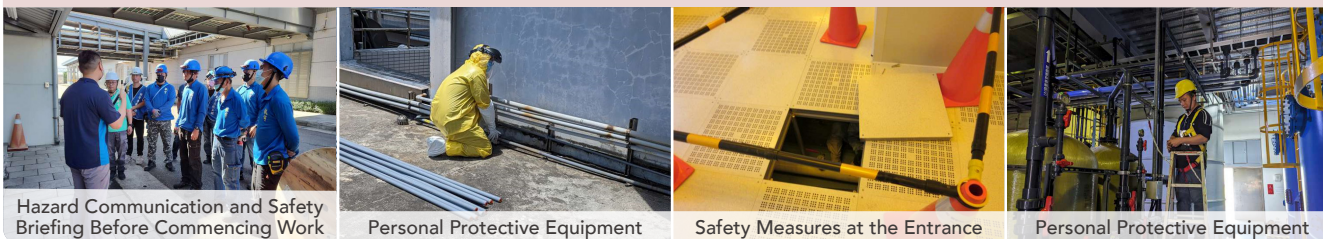
Taiwan Plant	
ISO management procedures are used to assess and manage various operations for risk, including contract management, procurement management, change management, and inspection management. Non-routine hazard risk assessment and identification is performed using.	
<b>Contract Management</b>	To enhance contractor safety management, ensure the quality of their work, and maintain safety and hygiene during construction, TSC has implemented the Contractor Management Measures. These measures encompass various actions, such as establishing agreements, issuing hazard notifications prior to construction, inspecting machinery and equipment, verifying personnel qualifications for site access, assigning dedicated supervisors, conducting on-site safety inspections, and implementing control measures for high-risk operations. Application forms for these operations are utilized and reviewed to uphold construction safety standards.
<b>Procurement Management</b>	TSC conducts risk and quality assessments during the procurement stage for new chemicals, raw materials, protective equipment, or construction projects. Safety confirmation is then implemented prior to adoption.
<b>Change Management</b>	TSC has implemented change management procedures to address personnel, machinery and equipment, raw materials, construction methods, and operating environments. For instance, modifications to the engineering design or configuration of machines can potentially pose safety and health risks. To mitigate these risks, TSC conducts thorough risk assessments, provides necessary training, updates relevant information, and performs safety confirmations prior to implementing any changes.
<b>Inspection Management</b>	Regular inspections are conducted in the TSC factory area. These inspections help us identify abnormalities and potential hazards by detecting operational safety observations. This allows us to effectively reduce and control risks.

**Mainland China Sites**

Through the use of standardized documents, various management procedures and the involvement of all employees, we continuously improve risk assessment and management to ensure that the implementation of all processes complies with local regulations and international standards. In addition, we continually improve our procedural documents to adapt to the ever-changing business environment and regulatory requirements. We actively work with our employees and provide training to increase their safety awareness and promote a culture of continuous improvement.



Construction Safety Supervision Conducted by Li-Jie Site



## Occupational Injuries and Occupational Safety Incidents

TSC has established emergency response procedures in the event of a workplace injury or safety incident. In the event of an incident, immediate contingency measures are taken in accordance with company and local legal requirements. This includes establishing an effective reporting system, internally notifying the Safety and Health Department and supervisors, externally notifying the appropriate authorities, and contacting fire and medical services for assistance. When safety and health incidents occur, a project investigation is initiated to address areas such as elimination and substitution, work process adjustments, education and training, provision of personal protective equipment, management of equipment and supplies, and monitoring and control. These improvements are designed to minimize the impact of accidents and prevent their recurrence.

### Mainland China Sites

- Develop emergency response plans for production safety accidents and manage related incidents.
- Perform comprehensive risk assessments of the production process to identify potential accident hazards.
- Develop different emergency plans for different types of accidents, taking into account possible emergencies such as fire, leakage, and explosion. Clearly define the responsibilities and roles of each team member, and establish an effective notification system to ensure timely communication in emergency situations.
- Train and drill the team regularly on detailed emergency procedures, including emergency evacuation, first aid, and firefighting, to ensure that team members are familiar with the emergency plans and can execute them effectively.
- Periodically inspect emergency and back-up supplies to ensure their effective use in the event of an accident, and ensure that the workplace is stocked with sufficient first aid equipment and medications, and that employees are trained in their use to maximize their effectiveness in emergencies.
- Contact the local fire department to secure their assistance and establish a cooperative partnership for mutual support. By addressing the key points above, establish a comprehensive and effective emergency response plan for production safety incidents to minimize losses from accidents.



## Description of the 2023 Occupational Safety Incident

### Shandong Factory: 2 Work- Related Accidents in 2023

Description	改善措施
From 2021 to 2023, a total of 5 occupational accidents occurred at the Shandong site. The main causes were slips and falls and hazards caused by careless operation of equipment and machinery.	In response to each accident, the factory promptly implemented improvement measures, including maintaining clean floors, regularly inspecting and repairing equipment, providing safety training, using appropriate tools, and providing protective equipment. These measures are aimed at reducing workplace accidents, promoting employee safety awareness and proper operation, and providing appropriate personal protective equipment. Implementation of these measures will help improve the safety of the work environment and minimize the recurrence of similar incidents.



## Various Occupational Accident Statistical Indicators

Relevant Indicators	2021	2022	2023
<b>I-lan Site</b>			
Total Working Hours	315,360	340,288	343,896
Work Accident	0	0	0
Traffic Accident	0	0	1
Injury Rate (IR)	0	0	0
Disability Frequency Rate (FR)	0	0	0
Lost Days	0	0	0
Lost Days Rate (LDR)	0	0	0
Disabling Severity Rate (SR)	0	0	0
Number of Deaths	0	0	0
<b>Li-Je Site</b>			
Total Working Hours	511,528	609,558	699,832
Work Accident	1	0	0
Traffic Accident	0	6	8
Injury Rate (IR)	0.39	0	0
Disability Frequency Rate (FR)	1.95	0	0
Lost Days	5	0	0
Lost Days Rate (LDR)	1.95	0	0
Disabling Severity Rate (SR)	9	0	0
Number of Deaths	0	0	0
<b>Headquarters (including the Hsinchu Office)</b>			
Total Working Hours	193,664	204,680	228,527
Work Accident	0	0	0
Traffic Accident	0	0	3
Injury Rate (IR)	0	0	0
Disability Frequency Rate (FR)	0	0	0
Lost Days	0	0	0
Lost Days Rate (LDR)	0	0	0
Disabling Severity Rate (SR)	0	0	0
Number of Deaths	0	0	0

### Note:

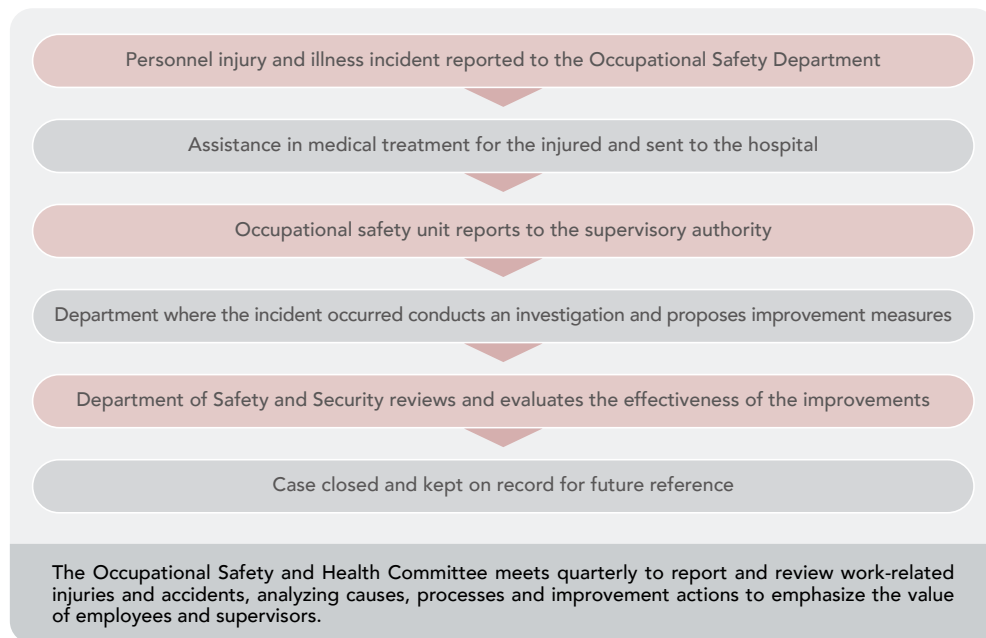
- The calculation scope includes a total of five locations: Taiwan headquarters, Li-Jie site, I-lan site, and mainland China
- In 2023, there were 0 cases of severe occupational injuries. (Definition of severe occupational injuries: those causing workers to be unable or find it difficult to recover to their pre-injury state within six months.)
- The mortality rate caused by occupational injuries in 2023 was 0.
- According to the occupational accident report, there are 13 individuals who are not employees but whose work and/or workplace is under the control of the Company. These individuals primarily include security personnel and equipment contractors from the Li-Jie site and I-lan site. There have been no reported occupational accidents or diseases among them.

Relevant Indicators	2021	2022	2023
<b>Shandong Site</b>			
Total Working Hours	2,150,804	1,959,712	1,334,957
Work Accident	1	2	2
Traffic Accident	2	1	1
Injury Rate (IR)	0.09	0.20	0.30
Disability Frequency Rate (FR)	0.77	1.57	1.75
Lost Days	34	75	34
Lost Days Rate (LDR)	3.16	7.65	5.09
Disabling Severity Rate (SR)	15.81	38.27	25.47
Number of Deaths	0	0	0
<b>Tianjin Site</b>			
Total Working Hours	597,600	587,640	537,840
Work Accident	0	0	0
Traffic Accident	0	0	0
Injury Rate (IR)	0	0	0
Disability Frequency Rate (FR)	0	0	0
Lost Days	0	0	0
Lost Days Rate (LDR)	0	0	0
Disabling Severity Rate (SR)	0	0	0
Number of Deaths	0	0	0
<b>Total</b>			
Total Working Hours	3,768,956	3,701,878	3,145,052
Work Accident	2	2	2
Traffic Accident	2	7	13
Injury Rate (IR)	0.11	0.11	0.13
Disability Frequency Rate (FR)	0.53	0.54	0.64
Lost Days	39	75	34
Lost Days Rate (LDR)	2.07	4.05	2.16
Disabling Severity Rate (SR)	10	20	11
Number of Deaths	0	0	0

- Traffic accidents are not classified as work-related accidents and are not taken into account when calculating various indicators.
- Injury Rate (IR) = Total number of occupational accidents ÷ Total working hours × 200,000.
- Disability Frequency Rate (FR) = Number of disability injuries ÷ Total working hours × 1,000,000.
- Disability Severity Rate (SR) = Total number of lost days ÷ Total working hours × 1,000,000.
- Lost Days Rate (LDR) = Number of lost days ÷ Total working hours × 200,000.



### Procedure for Handling Safety and Health Accidents



### Strengthen Safety Awareness Through Training, Communication, and Advocacy

The Taiwan plant is committed to preventing occupational accidents and has established a certification management mechanism to ensure the validity of safety and health certifications for relevant colleagues. Regular reviews are conducted to ensure compliance with certification requirements and to arrange for personnel to obtain certifications and undergo retraining as necessary. A comprehensive annual occupational safety and health training program is established, including regular occupational safety and health training for new and existing employees, which includes on-the-job training, fire evacuation drills and safety lectures, earthquake drills, respiratory protection training, safety protection training, AED+CPR basic first aid training, health education lectures, and emergency response measures to create a safe work environment through various courses.

Annual occupational safety and health training is conducted in the mainland China factories.

The training covers topics such as fire safety, safety colors and signage, occupational health and safety, and traffic safety. It also includes emergency drills for special equipment, confined spaces, chemical leaks, electric shock, food poisoning, forklift overturn, heat stroke, burns and other potential incidents. This training is designed to continually improve employee safety awareness and behavior.

The table below shows the detailed statistics of the training courses, promotional activities, and fire safety training sessions organized by TSC in 2023.



Item	Session	Number of Participants	Hours of Usage
General Safety and Health Education Training for New and Current Employees	88	3,033	7,565
Fire Safety Training (Drill)	9	2,064	4,848
Training for Various Occupational Safety Personnel (New)	25	31	158
Safety and Health Promotion Campaign	4	1,178	3,143
<b>Total</b>	<b>126</b>	<b>6,306</b>	<b>15,714</b>

Note: The data includes a total of 5 locations, which are Taipei Headquarters, Li-Jie site, I-lan site, Shandong site, and Tianjin site.

## Occupational Disease Prevention Measures

TSC attaches great importance to occupational disease management and actively takes measures to protect the health of its employees. It has maintained a record of zero occupational diseases<sup>Note</sup> for three consecutive years. The Taiwan plant conducts the identification of special hazardous operations in accordance with the law, and cooperates with work environment monitoring, special hazardous operation health examinations, and health management by factory doctors and nurses. It establishes various procedural documents and operating procedures in accordance with the ISO 45001 occupational health and safety management system. The factory in mainland China conducts regular occupational disease risk assessment and occupational disease risk factor testing, as well as annual employee occupational disease examinations, to ensure the health and safety of its employees.

The Taiwan factory convenes Occupational Safety and Health Committees quarterly to assess health management, occupational disease prevention, and health promotion matters. According to the issues that may cause physical and mental illness in the workplace, specialized operating procedures are established for implementation. At the same time, occupational health service personnel are stationed at the workplace to actively take care of employees' health. Regular monitoring of the work environment controls the factors that may cause occupational diseases. Health checks and questionnaires are conducted to understand employees' own health conditions. Professional health care personnel conduct health interviews and on-site visits to understand the health status of employees. In 2023, the participation rate in special health checks at the Taiwan plant was 100%, and efforts will continue to maintain the physical and mental health of employees.

Note: For the past three years, TSC has not recorded any cases of occupational illness, including persons who are not employees but who work in or are present on the Company's premises.

## Occupational Health Services

With the goal of achieving zero occupational accidents, TBC has actively prioritized the well-being of its employees and fostered a workplace that is both friendly and conducive to good health. A total of 158 consultations and interviews were conducted at the Taiwan plant in 2023, and the "TBC Excellence Sports Bonus" was introduced to encourage colleagues to participate in sports events. In addition, the company organized the "Build a Healthier Life - Weight Loss Competition," which provided colleagues with the opportunity to lead vibrant and healthy lives. In order to minimize the incidence of occupational diseases, the mainland China factory introduced mandatory occupational health examinations for all employees. In addition, **two awareness courses** on the prevention of occupational diseases were held with a total of **822 participants**.

- 1 Annual Physical Examinations and Special Health Hazard Check-ups.
- 2 Comprehensive operation environment monitoring and chemical classification management are conducted every six months throughout the entire site.
- 3 Annually, health questionnaires are distributed to proactively assess the physical and mental well-being of our employees.
- 4 Promote the implementation of measures to prevent overwork, excessive stress, human factor hazards, and workplace misconduct.
- 5 Protection for maternal health, employees with disabilities, and middle-aged and elderly health.
- 6 Contracted occupational health service physicians conduct quarterly visits, interviews, follow-ups, and care. If employees with hypertension are scheduled for medical treatment, their medication status will be monitored until blood pressure control improves, thereby reducing the risk of stress-related diseases.
- 7 Establishing Employee Personal Health Records and Regularly Tracking Status
- 8 Regularly conduct lectures on health-related topics.
- 9 Conduct health promotion activities on a regular basis.

## Occupational Safety and Health

TSC in Taiwan holds quarterly Occupational Safety and Health Committee meetings to discuss various issues, including policies, management plans, education and training, environmental monitoring, health management, suggestions for improvement, inspections and audits, hazard prevention, occupational accident investigation, and contract management. The purpose of these meetings is to continuously improve and optimize these areas. To promote effective communication and gather input from colleagues regarding safety and health, representatives of department managers, labor representatives, safety and health personnel and committee members participate in the process. Together, they review various safety and health management issues to ensure a safe working environment for employees. In addition, TSC provides feedback channels such as employee suggestion forms, communication logs, complaint channels, health questionnaires, and employee suggestion boxes to facilitate smooth communication with employees. Based on stakeholder feedback, adjustments and improvements are implemented promptly.

In mainland China, various communication channels are used at the factory level to facilitate communication and exchange of occupational safety and health content. These channels include email, WeChat work groups, trade unions, supervisor meetings, and morning safety production meetings. They enable employees and relevant departments to effectively discuss various occupational safety and health issues and to jointly focus on and promote occupational safety and health management indicators.



Emergency Disaster Preparedness Enhancement

TSC actively prioritizes workplace safety. In fiscal 2023, each plant will focus on implementing practical emergency response measures to improve the skills of all employees and further strengthen disaster prevention and response at each plant.

▶ **Enhancing Venue Safety: Improving Emergency Response Capability**

From January 2023, the Li-Jie plant will start to install medical facilities. The hardware equipment will be jointly evaluated by the occupational safety and medical staff to establish a medical room that meets the specific hazards of the factory. Emergency equipment and chemical decontamination agents will be provided to enhance the plant's safety response capabilities and improve the health care environment for employees. In September, a toxic disaster response drill is planned under the supervision of the local environmental protection authority. The drill aims to ensure effective response and control in the event of a disaster, test response and rescue capabilities, and evaluate the efficiency of accident handling. By becoming familiar with various notifications and preparations, it will improve communication and coordination among departments, ensuring the safety of employees' lives and proper environmental protection.

▶ **Enhancing Protection and Response Capabilities**

Wearing protective equipment correctly is also an important aspect of improving emergency response capabilities. Since August 2023, the I-lan plant has implemented a project inspection to ensure that protective equipment is worn and to confirm its effectiveness in the workplace. A process flow chart has been created to guide colleagues in correctly identifying and using the equipment. By prioritizing their own safety, employees can quickly assess and effectively respond to various emergency situations. Starting in October 2023, the I-lan plant will implement a rotating schedule for the fire self-defense team, which will promote a sense of responsibility among team members and enable more efficient operation of emergency response groups. Through twice-yearly day and night evacuation drills and dormitory drills, the impact of disasters can be minimized, and processes can be reviewed and strengthened to improve the team's self-defense and firefighting capabilities.

▶ **Building Cohesion in Safety Awareness and Emergency Response Capabilities**

From June 2023, the Tianjin plant organized all employees to watch a promotional video on safety production. The video will be played continuously in areas with high personnel density, such as the cafeteria and production area. In addition, safety propaganda brochures are distributed to promote understanding of the importance of safety and reinforce the concept of safety production. For high-risk operators, the "I Know the Risks of Hot Work" campaign will be launched to improve the knowledge of hot work safety among plant and maintenance personnel. This will also strengthen the inspection of non-compliant hot work activities and improve the level of hot work safety management. Regular fire drills will be conducted for all employees to improve fire safety awareness and crisis response capabilities. By conducting a series of activities during the Safety Production Month, the enthusiasm of employees for safety production will be consolidated, and the safety awareness and emergency response capabilities of employees at all levels will be fully influenced to ensure the smooth progress of safety production work.



## ► Received the Fire Safety Award

- Since 2023, the Shandong site has been equipped with three automatic external defibrillators (AEDs) on its premises, making it the first company in Yangxin County to have AEDs on its production line. In addition, 50 colleagues have been trained in the use of AEDs and have obtained first aid certificates, strengthening the workplace's emergency response capabilities and improving the factory's ability to handle medical emergencies.
- In June 2023, under the theme "Everyone Talks Safety, Everyone Knows Emergency Response," the Company conducted a comprehensive employee awareness campaign. The campaign included the distribution of safety production warning videos, discussions on safety topics during morning meetings, and group presentations on safety production regulations for all employees. The goal was to familiarize everyone with key safety production standards. In addition, department managers were invited to share significant accident case studies to emphasize the importance of safety production to all colleagues. Finally, all employees participated in signing a safety slogan banner to symbolize their commitment to safety production.
- The plant conducted a total of 29 emergency drills during the year, covering various scenarios such as special equipment, confined spaces, chemical spills, forklift overturn and heat stroke. **More than 30** fire safety drills were also conducted, including evacuation drills for both day and night shifts. To simulate a real fire situation, an outdoor mock fire scene was set up to practice firefighting with fire extinguishers. Employees became familiar with emergency response procedures through hands-on experience and on-site training.
- In November 2022, we actively encouraged our colleagues to participate in the fire safety learning platform. They engaged in reading fire information, watching fire videos, and participating in quiz activities to earn points. Together, we achieved a monthly fire safety learning score of over 200,000 points in June 2023, ranking among the **top 3** in the county with a total score of over **2.54 million points**. This concrete action demonstrates our commitment to the requirements of the fire department and showcases our achievements in fire management, earning us the **"2023 Advanced Collective in Fire Safety Work"** award (only 3 companies in the county received this award). For TSC, this is not only a source of pride, but also a recognition of the emergency response and disaster prevention skills of every colleague in the plant.

In the future, TSC will continue to implement various emergency preparedness measures to ensure the maintenance of its employees' emergency response and disaster prevention capabilities, thereby collectively ensuring workplace safety.



The Shandong site received the "2023 Advanced Collective in Fire Safety Work" award, establishing itself as a leading example in the county.