

#### Basis for writing and information confirmation method

The writing framework of this report is based on the 2021 version of the Sustainability Reporting Standards (GRI Standards 2021, GRI Standards 2021) issued by the Global Reporting Initiative (GRI), and complies with the requirements of the "Listed/OTC Company Preparation and Submission of Sustainability Reports Operation Guidelines". The GRI Standards Content Index is provided in the Appendix of this report for reference by stakeholders. This report has not been re-edited.

In order to improve the disclosure quality of the report, Yuanjing commissioned GREAT Certification to conduct Type 1 medium assurance level verification based on AA 1000:AS V3, confirming compliance with the 2021 version of the GRI Standards and obtaining a verification statement. This report also provides the statement in the appendix for reference.

#### Frequency of issuance

This is the second ESG report released by Yuan Jing. Yuan Jing will release the report every year in the future. In order to improve the transparency and accessibility of the information disclosed in the report, the electronic file of the complete report can be downloaded from Yuan Jing's official website.

Current release date August 2024 Next release date August 2025

## Editorial Policy

Yuan Jing Solar Technology Co., Ltd. (hereinafter referred to as Yuan Jing) has issued the 2023 Sustainability Report (hereinafter referred to as this report) in pursuit of corporate sustainable management and improved information transparency. We Through the issuance of this report, we explain to stakeholders that under the goal of sustainable management, the company continues to build integrity governance, implement environmental protection and occupational safety measures, and improve employee remuneration and benefits.

The measures and performance taken in other aspects. Yuan Jing hopes that stakeholders will continue to pay attention to us and give valuable suggestions, so that the company can make great strides forward on the road to implementing corporate sustainable management.

## ESG information disclosure

Economic aspects Group consolidated data

Environmental aspects Head office, Hsinchu plant, Pingtung plant

Social aspects Head office, Hsinchu plant, Pingtung plant

## TSEC

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## The words of the operator

The global solar photovoltaic market is changing rapidly, in addition to the annual conversion efficiency increasing year by year, due to the increasing demand for green energy, supply and demand have not yet reached a final balance point, in the process of green energy growth, it is more likely to appear unstable and unbalanced supply and demand, and the Taiwan market is no exception. In the face of various challenges, the management team was able to rely on correct market judgment and cooperate with the government's "Green Energy Technology Industry Innovation Promotion Plan 2.0" to actively deploy large-size module production lines to create differentiated products, and further reduce production costs by decentralizing the supply chain and actively negotiating prices, and effectively implement reasonable inventory management operations, etc., and delivered a consolidated revenue decline of 8.3% in 2023 compared with last year, consolidated net profit after tax increased by 178% over last year, and consolidated earnings per share increased by 161% over last year.

As the highest governance unit for corporate sustainable development, the Board of Directors of TSEC has actively implemented the diversity of the Board of Directors by taking into account the development schedule of the "Corporate Governance 3.0 - Sustainable Development Blueprint", and has also planned the succession of the Board of Directors and the management team as soon as possible, and actively improved the level of corporate governance evaluation.

Energy is the foundation of the economy of all countries, and in various countries have successively controlled carbon emissions to accelerate the introduction of carbon rights and carbon taxes, and the new energy war has begun, but it is not traditional fossil energy, but green energy. Following the international green energy and political trends, in addition to taking into account the domestic demand market, the company has also begun to focus on the overseas market, for the international market that was previously hindered by the low-price competition of mainland factories, but could not be eaten, starting from 2024, the company will resort to actions to actively overseas marketing layout, so as to counter and fill the sales gap in the

domestic market that is eaten by imported modules. In the near future,TSEC has planned to improve the technology of the deployment process, and will develop the production of solar cells with N Type semiconductor chips, which is reflected in the power generation efficiency of solar photovoltaic modules, which will increase the power generation power by about 8%, and the power generation efficiency decay rate is lower than that of P Type. For the number of years of power generation in the photovoltaic project for at least 20 years, the power generation efficiency will be increased by 10.91%, which can further improve the effect of carbon reduction.

TSEC is a company co-founded by the initial employees, and these colleagues have been the central backbone ofTSEC and continue to this day, and they have experienced the hardships of grassroots creation and the operation of the industrial difficulties in the meantime. Therefore, we believe that talent is an important asset of an enterprise and a key factor for the sustainable success and progress of an enterprise, under the people-oriented corporate culture ofTSEC, we are committed to employee care based on human rights and gender equality, diversity, and attach importance to the mutual commitment between the company and employees, is a happy workplace that cares for employees, has a perfect system, has a pragmatic corporate culture, and continues to attract top talents to join us. WhileTSEC's business performance is gradually showing results, it will continue to plan the investment of various social care projects to take them from the society and use them for the society.

Looking forward to the future, with the intensification of industrial competition and global climate change, and the increasingly severe challenges of operational impact,TSEC will not only strengthen its own business strength and pursue corporate profit growth, but also continue to strengthen ESG aspects including improving corporate governance to safeguard shareholders' rights and interests, developing green products to reduce the negative impact on the environment, caring for employees to take care of physical and mental health and safety, and participating in public welfare, so as to achieve the goal of corporate sustainable operation.

## Editorial Guidelines

TSEC Solar Technology (., Ltd. (hereinafter referred to) asTSEC) issued 2023 in order to pursue corporate sustainability and improve information transparencyThrough the issuance of this report, we explain to our stakeholders the measures and performance of the company in building integrity governance, implementing environmental protection and occupational safety measures, and improving employee compensation and benefits under the goal of sustainable management.

## ESG Information Disclosure

<b>Economic aspect</b>	Group Consolidated Data
<b>Environmental Surfaces</b>	Head Office, Hsinchu Factory, Pingtung Factory
<b>Social aspect</b>	Head Office, Hsinchu Factory, Pingtung Factory

## Basis for writing and how to confirm the information

- This report is structured in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards 2021 (GRI Standards). 2021) in accordance with the requirements of the "Operating Regulations for the Preparation and Filing of Sustainability Reports by Listed/OTC Companies", and provides an index of GRI standards in the appendix of this report for the reference of stakeholders, and there is no recompilation of this report.
- In order to improve the quality of disclosure in the report, GREAT Certification was commissioned to conduct a Type 1 medium assurance level verification according to AA 1000:AS V3 to confirm that it complies with GRIThe 2021 edition of the Standards and a verification statement is also provided in the Appendix to this report.

## Frequency of issuance

In order to improve the transparency and accessibility of the information disclosure in the report, the electronic file of the full report can be downloaded from the official website ofTSEC.

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## Feedback

If you have any comments or suggestions about the contents of this report, please feel free to contact us.

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#### Sustainable performance

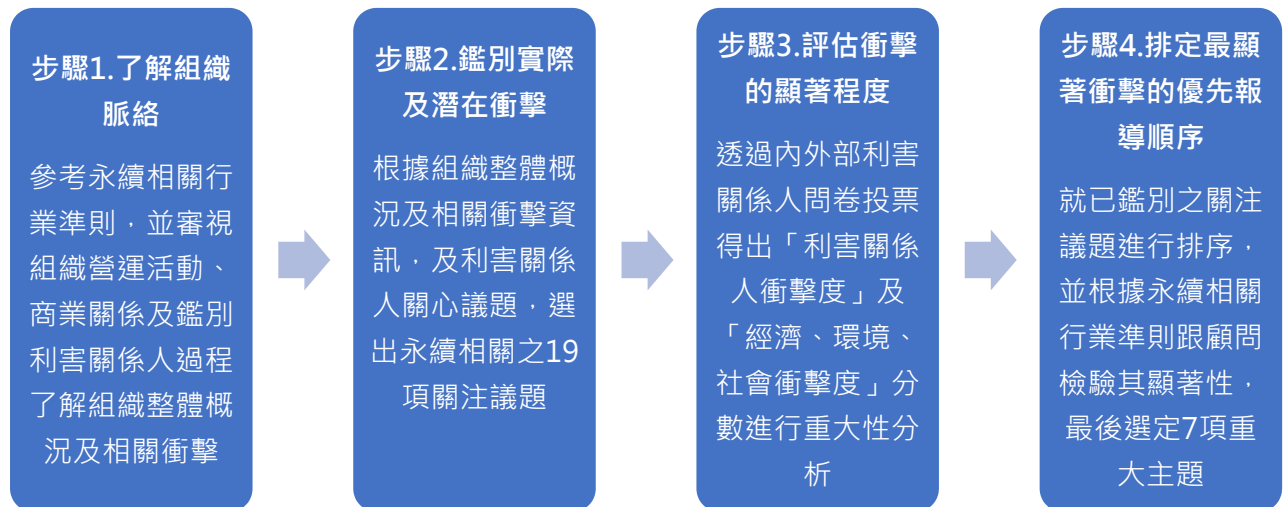
face	2023 Sustainable Actions
govern/ Economic aspect	<ul style="list-style-type: none"> <li>• I The company's consolidated (individual) revenue was NT\$8,260,947 thousand.</li> <li>• I Net profit of NT\$527,662 thousand, achieving the annual profit target.</li> <li>• I Corporate governance evaluation: 6%~20% of listed companies</li> <li>• I Won the Golden Energy Award for Silicon Crystalline Solar Cells and Silicon Crystalline Solar Photovoltaic Modules issued by the Energy Bureau of the Ministry of Economic Affairs.</li> <li>• I Customer satisfaction survey reached more than 95%.</li> <li>• I 6 hours of professional training for each director; 12 hours of training for corporate governance supervisors.</li> <li>• I Failure to receive a report of breach of integrity by a person; There is no record of violation of corporate governance laws and regulations; There were no significant deficiencies in internal control operations.</li> <li>• I No major information security incidents have occurred that have caused disruption to the company's operations; There were no personal data incidents.</li> </ul>
Environmental Surfaces	<ul style="list-style-type: none"> <li>• Surfaces</li> <li>• I Maintain the effective operation of the ISO 14001:2015 Environmental Management System.</li> <li>• I Imported ISO 14064-1:2018 greenhouse gas inventory standard and passed third-party verification.</li> <li>• I Taipei Company's greenhouse gas emissions category 1 produces 65.306 metric tons of CO2e; Category 2 produces 51.556 tonnes of CO2. The Hsinchu plant produced 7482.845 metric tons of CO2e in GHG emission category 1; ry 2 produces 36,437.909 metric tons of CO2e. The Pingtung plant produced 86.744 metric tons of CO2e in gas emission category 1; Category 2 produces 15,545.771 tons of CO2e. (Data not yet verified)</li> <li>• I Comply with RoHS and REACH hazardous substance management regulations and customer requirements for hazardous substance management, and also require suppliers to sign a letter of commitment to ensure that hazardous substances are not used.</li> <li>• I There have been no complaints related to the management of hazardous substances; We do not purchase conflict minerals.</li> <li>• I Accept customer audit RBA.</li> <li>• I Conducted environmental and social related evaluations for major material suppliers, and completed a total of 40 ESG evaluations, with a 100% ESG evaluation pass rate.</li> </ul>

	<ul style="list-style-type: none"> <li>• I There is no record of non-compliance with environmental laws and regulations.</li> <li>• I There has been no disruption of the supply chain caused by major violations of laws and regulations related to social responsibility, such as environment, human rights, and occupational safety.</li> <li>• I Total energy consumption increased by 88,688.8 GJ over the previous year due to the expansion of production lines; Energy consumption intensity decreased by 9.3% compared to the previous year.</li> <li>• I Due to the expansion of production lines, the greenhouse gas emission category 1 of the Hsinchu plant increased by 1406.781 metric tons of CO<sub>2</sub>e compared with the previous year; Category 2 increased by 2714.893 metric tons CO<sub>2</sub>e; Category 1+2 GHG emission intensity (capacity MW) increased by 12.9% compared to the previous year. The greenhouse gas emission category 1 of the Pingtung plant decreased by 0.562 metric tons of CO<sub>2</sub>e compared with the previous year; Category 2 increased by 2065.768 metric tons CO<sub>2</sub>e; Category 1+2 GHG emission intensity (MW) increased by 28.1% from the previous year. (Data not yet verified)</li> <li>• I Water consumption increased by 127,930 tonnes compared to the previous year due to the expansion of production lines; Wastewater generation increased by 119,346 tonnes over the previous year; The wastewater recovery rate is 18.56%.</li> <li>• I The total amount of waste generated decreased by 481.8 metric tons compared to the previous year; The average rate of general waste entrusted reuse is 82.7%; The average rate of hazardous waste disposal is 99.5%.</li> </ul>
Social aspect	<ul style="list-style-type: none"> <li>• I In order to protect the employment rights and interests of employees, employees belong to 1. Non-fixed-term employment contracts and full-time employees; 2. Fixed-term employment contracts and partial-time workers.</li> <li>• I The average salary of non-supervisory employees increased by 6,000 yuan compared with the previous year (2022); Median wages decreased by \$8,000.</li> <li>• I Female employees accounted for 38.8% of all employees; Female supervisors accounted for 10.13% of all supervisors.</li> <li>• I 95.39% of employees are under the age of 50.</li> <li>• I 100% retention rate of employees after childcare and resumption.</li> <li>• I The average training hours of employees reached 232.5 hours.</li> <li>• I There is no death or serious occupational injury caused by occupational injury, and no death or recordable occupational disease caused by occupational disease occurs among all employees.</li> <li>• I There is no record of violation of labor laws and regulations</li> </ul>



## 1. Stakeholders agree

### Stakeholder and material topic identification process



### 1.1 Sustainable Development Committee

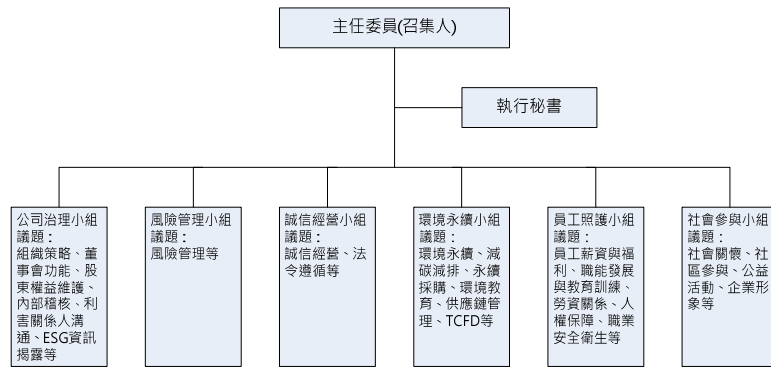
The Board of Directors of TSEC has adopted the Code of Practice for Sustainable Development, and the Board of Directors shall organize and establish a Sustainable Development Committee (hereinafter referred to as the ESG Committee), which shall be composed of at least three members appointed by the Board of Directors, of which more than half (inclusive) shall be independent directors, and one shall be elected as the chairman and serve as the convener. The ESG Committee formulates the sustainable development policy, which is responsible for the internal implementation and implementation of the company, and gradually integrates the sustainable management philosophy into the corporate culture of TSEC.

In response to the fact that sustainable development covers environmental, social and corporate governance (hereinafter referred to as ESG), the ESG Committee has set up a special group to collect stakeholders' concerns about ethical management, economic performance, corporate governance, risk management, supplier management, and labor and human rights, and to respect the rights and interests of stakeholders. In the future, TSEC also plans to report ESG implementation results to the board of directors every year to strengthen the board's participation in the company's implementation of ESG results.

Yuanjing's "Code of Practice for Sustainable Development" can be found on the official website at the following link:

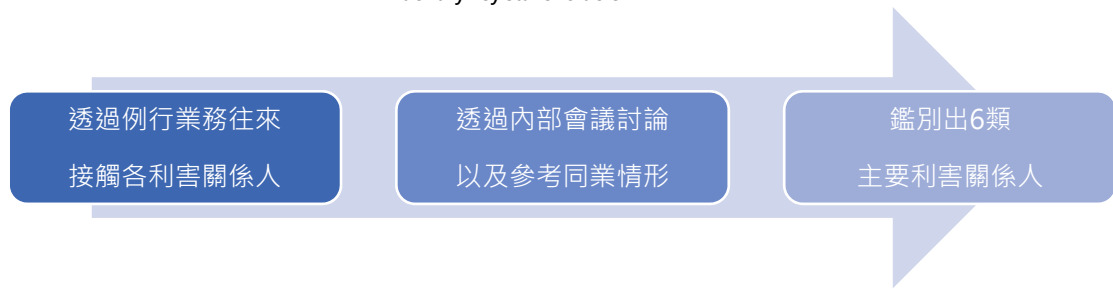
[https://www.tsecpv.com/zh-tw/investors/irCorpGovern/ir\\_05](https://www.tsecpv.com/zh-tw/investors/irCorpGovern/ir_05)

## 永續發展委員會 / ESG委員會



## 1.2 Identification of interested parties

### Identify key stakeholders



Stakeholders artificially affect TSEC or groups affected by TSEC, each department preliminarily screens the types of stakeholders contacted in routine business dealings, and then according to the frequency of interaction between each stakeholder and TSEC, the degree of mutual influence and the importance to each other. After discussion at the internal meeting and reference to the situation of the industry, 6 types of major stakeholders that are important to TSEC were finally selected, including shareholders, customers, employees, suppliers, government agencies, and banks.

### 1.3 Communication channels and issues of concern for stakeholders

Due to the different identity categories of the main stakeholders of TSEC, the issues that various stakeholders pay attention to TSEC are also different, and various departments of TSEC take the initiative to continue to interact with stakeholders through multiple channels to make them pay attention to TSEC so that stakeholders can understand the company's operation overview in a timely manner; At the same time, TSEC can also grasp the requirements and expectations of stakeholders for the company and respond in a timely manner, and the company reports to the board of directors every year on the communication of major stakeholders.

Each department of TSEC collects the concerns raised by major stakeholders in the course of routine business dealings, which are converged and summarized by the ESG Committee, and at the same time refer to the 2021 edition of the GRI Sustainability Reporting Standards and the ESG report of the industry, and summarize 7 sustainability issues. It covers economic, environmental and social aspects to ensure that the sustainability information disclosed by TSEC meets the integrity and diversity required by the GRI standards.

Key Stakeholders	importance to the company	Priority issues of concern	Communication channels, response methods , and frequency of communication	Communication performance in 2023
employee	. Employees are the indispensable foundation of the company's operations, and the company is committed to providing a workplace environment that is conducive to the healthy and diversified development of employees, so that employees can work without worries.	. Industrial relations and working conditions  . Occupational health and safety  . Compensation & Benefits  . Education, training and development	. Convene collective meetings (quarterly)  . Convening of the Employee Welfare Committee (quarterly)  . Hold health talks (irregularly)  . Employee health check-up (annual)  . Employee education (irregularly.))	In FY2023, a total of 8 labor-management meetings were held (Taipei Office: 4 times; Hsinchu Plant: 4 times; Pingtung plant: 4 times)  In 2023, the company held 4 times of vocational welfare accounting.  . During the year, a total of 748 employees were given

			<p>. Employee mailbox (real-time)</p> <p>. Employee Grievance Line (Immediate)</p>	<p>health check-ups.</p> <p>. This year's industrial safety health and environmental protection month includes activities such as weight loss and blood pressure measurement for employees.</p> <p>. This year, a total of 20 employee health lectures were held.</p> <p>. This year, we handled fire training for all employees in the plant, with 1,486 firefighting drills and 1,685 fire evacuation drills.</p> <p>. This year, a total of 103 employee education and training sessions were handled, with a total of 1,268 person-times (personnel plan)</p>
client	. Customers are the main source of the company's revenue, the company	. Customer relationship	. Customer visits or factory audits (irregularly))	In 2023, customers will come to the factory for a total

	regards the quality and safety of products and after-sales service as the highest commitment to customers, and maintaining high customer satisfaction with the company will help the company continue to strive for customer recognition	<p>management</p> <p>. Product quality and safety</p> <p>. Information Security and Personal Data Protection</p> <p>. Green product design</p> <p>. Supply chain management</p> <p>. environmental protection</p>	<p>. Customer satisfaction (annually)</p> <p>. The company's customer service team (instantly)</p> <p>. Company website (instantly)</p>	<p>of 11 audits (Hsinchu Factory: 2 times; Pingtung plant: 9 times)</p> <p>In 2023, a total of 40 customer litigation cases were handled.</p> <p>2024/1/2 Completed the 2023 module customer satisfaction survey. The 2024 module customer satisfaction survey is expected to start on 2024/11/1.</p>
Shareholders/ Investors	. Shareholders are the contributors of the company, protect the rights and interests of shareholders, treat all shareholders fairly, and ensure that shareholders enjoy the right to be fully informed, participate in and make decisions on major matters of the company.	<p>. Corporate Governance</p> <p>. Operational performance</p> <p>. Financial Information</p> <p>. Sustainable development strategy</p>	<p>. General Meeting (annual.))</p> <p>. Investor Meetings (at least once a year))</p> <p>. Annual Report (annual)</p> <p>. Financial Reports (Quarterly.))</p> <p>. Investor Relations Area of the Company's</p>	<p>The 2023 Annual General Meeting of Shareholders was held on May 24.</p> <p>In 2023, a total of 25 material messages were issued in both Chinese / English.</p> <p>. In fiscal 2023, we will hold corporate information sessions on August 18 and December 7.</p>

		<ul style="list-style-type: none"> <li>. risk management</li> </ul>	<ul style="list-style-type: none"> <li>Website (Instantly)</li> <li>. Open Information Observatory (Instant; Stock Code: 6443).</li> </ul>	
Suppliers & Contractors	<ul style="list-style-type: none"> <li>. The company maintains long-term and benign interaction with its supply partners, and our products and services rely on many suppliers to provide raw materials and components stably; In addition, we will leverage our influence in the industry to work with our suppliers to prevent environmental pollution and violations of labor rights.</li> </ul>	<ul style="list-style-type: none"> <li>. Supply chain management</li> <li>. Product quality and safety</li> <li>. Raw material management</li> <li>. Integrity and compliance</li> <li>. Green product design</li> </ul>	<ul style="list-style-type: none"> <li>. Exchange and discussion of market information on visits and mutual visits (irregularly.))</li> <li>. Review reports or meetings (from time to time)</li> <li>. Supplier audits (irregularly.))</li> </ul>	<p>In FY2023, a total of 48 suppliers were audited. (Hsinchu Factory: 27; Pingtung factory: 21)</p> <p>In 2023, there will be a total of 8 meetings for the organization of contractor agreements. (Hsinchu Factory: 4 sessions; Pingtung Factory: 4 sessions)</p>
Government agencies	<ul style="list-style-type: none"> <li>. Government agencies supervise and check the company's compliance with various laws and regulations.</li> </ul>	<ul style="list-style-type: none"> <li>. compliance</li> <li>. Occupational health and safety</li> <li>. Employee Diversity &amp; Equality</li> </ul>	<ul style="list-style-type: none"> <li>. Participate in symposiums, seminars, and evaluations held by the competent authorities. (Irregular.))</li> <li>. Correspondence and visits (irregularly.))</li> </ul>	<ul style="list-style-type: none"> <li>. Cooperate with the competent authorities to revise the operating procedures, participate in the briefing meetings held by relevant units, and cooperate with the supervision and explanation of the competent</li> </ul>

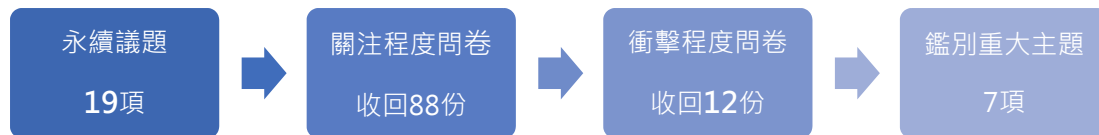
		<ul style="list-style-type: none"> <li>. Corporate Governance</li> <li>. Employment-employment relations</li> </ul>	<ul style="list-style-type: none"> <li>. Updating information on the company's website and public information observation stations. (Irregular.))</li> <li>. Accept the evaluation of government agencies (annually.))</li> </ul>	<p>authorities.</p> <p>The 2023 corporate governance evaluation will be Level 2 (6%~20%).</p>
Bank	<ul style="list-style-type: none"> <li>. Provide financial assistance toTSEC, mainly focusing onTSEC's financial performance and sustainable performance.</li> </ul>	<ul style="list-style-type: none"> <li>. Operational performance</li> <li>. Sustainability policy</li> <li>. Risk management</li> <li>. Corporate Governance</li> </ul>	<ul style="list-style-type: none"> <li>. General Meeting (annual.))</li> <li>. Annual Report (annual)</li> <li>. Financial Reports (Quarterly.))</li> <li>. credit rating</li> <li>. Investor Meetings (at least once a year))</li> <li>. Updating information on the company's website and public information observation</li> </ul>	<p>The 2023 General Meeting of Shareholders was held on May 24.</p> <p>In 2023, a total of 25 material messages were issued in both Chinese / English.</p> <p>. In fiscal 2023, we will hold corporate information sessions on August 18 and December 7.</p> <p>TCRI has a credit rating of Level 6 in 2023.</p>



			stations. (Irregular.) . Speaker system (instant)	
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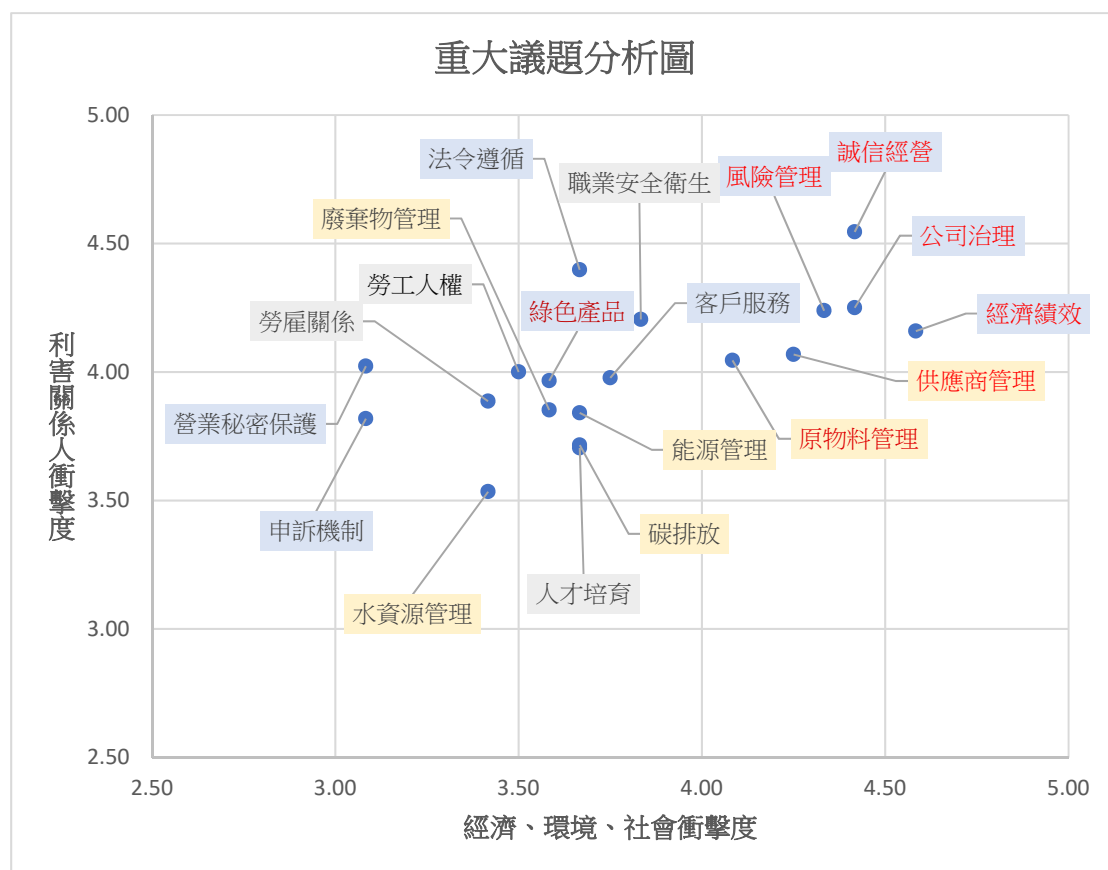
#### 1.4 Identify material themes

Material Topic Identification Process



face	Sustainability issues
Environmental Surfaces	Supplier management, raw material management, energy management, carbon emissions, water management, waste management
Social aspect	Employment-employment relations, occupational safety and health, human resource development, labor human rights
Economic aspect	Economic Performance, Corporate Governance, Legal Compliance, Grievance Mechanism, Integrity Management, Risk Management, Green Products, Customer Service, Trade Secret Protection

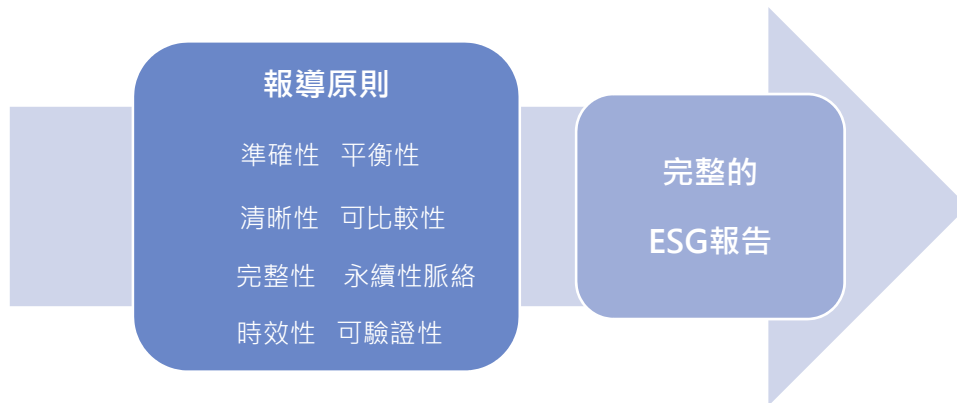
In 2022, the ESG Committee of TSEC formulated 19 sustainability issues, and sent out online questionnaires for major stakeholders to fill in, and collected a total of 88 valid questionnaires, covering 16 shareholders/investors, 18 employees, and 8 customers/b2b>25 suppliers, 12 government agencies, and 9 banks, etc., to obtain the scores of major stakeholders' attention to various sustainability issues; An online questionnaire was then distributed to 12 executives of the company to fill in the scores of the impact of each sustainability issue on TSEC, and then the scores of the two were compiled to obtain a matrix of major themes, and then the top 5 scores were selected in the three aspects of environment, society and economy after discussion by the ESG committee. In addition, the sustainability issues of labor and human rights disclosed by the company were added to the material themes of the year, and it was confirmed that the six major themes of environmental, social and economic aspects that TSEC should give priority to disclosing in the current year were integrity management, economic performance, corporate governance, risk management, supplier management, and labor human rights, which were identified in the current year. These material themes are both risks and opportunities for the Company: in the face of an increasingly challenging operating environment, especially in the pursuit of operational performance and the trust of shareholders and customers, the Company must not sacrifice the quality of the local living environment and the health and well-being of its employees, and the occurrence of illegal incidents will seriously damage the goodwill that the Company has worked so hard to build; On the other hand, if the company can turn risks into opportunities and find the balance between the company's economic performance, sustainable environment and social co-prosperity, it will enable the company to continue to grow and thrive and move towards sustainable operation. Considering that there are no major changes to stakeholders and the overall business environment, as well as the sustainability of major themes, we will continue to manage these 6 major themes in 2023, and add green products as a major theme, for a total of 7 major themes.



ESG aspect	Material Themes (Positive/Negative)
Environmental Surfaces	Supplier management (positive) green products (positive)
Social aspect	Labor Human Rights (Positive)
Governance surface	Economic Performance (Positive) Corporate Governance (Positive) Integrity Management (Positive), Risk Management (Positive))
Economic aspect	

According to 7 major themes,TSEC summarized the four main axes of ESG in the current year, namely, implementing corporate governance, enhancing corporate value, and strengthening the resilience of corporate development. Conduct business with integrity, abide by ethical norms, comply with laws and regulations, and comply with international initiatives; Implement emission reduction, carbon reduction and resource recycling to achieve environmental sustainability goals such as net-zero carbon emissions; Implement gender equality, attach importance to diversified development, provide a friendly environment, actively participate in public welfare activities and give back to the society.

## Principles of Report Writing



Yuanjing follows the reporting principles of the GRI Standards to prepare ESG reports, and transparently discloses how the company has taken measures to improve or reduce negative impacts on the economic, environmental and social realities of the local and surrounding regions in which it operates. According to the principle of integrity, the information disclosed in the report should adequately reflect the significant impact on the company's economy, environment and society; According to the principle of accuracy, the information in the report should be sufficient, accurate and detailed for stakeholders to evaluate the company's ESG performance; According to the principle of balance, the information in the report should fairly reflect the positive and negative performance, so that stakeholders can make a reasonable assessment of TSEC's ESG performance; According to the principle of clarity: the report presents information in a way that is easily understood and accessible to stakeholders; According to the principle of comparability: the report discloses ESG information in accordance with internationally used standards, and at the same time, the information disclosure method allows stakeholders to analyze the company's long-term performance; According to the principle of timeliness: the company regularly publishes ESG reports and provides important ESG information in a timely manner for stakeholders to make correct decisions; According to the principle of verifiability: the company compiles ESG reports in a way that can be reviewed by internal and external parties to ensure that information disclosure is correct.

Identify significant topics and boundaries




face	Major topics	The importance of the metacrystal	Internal boundaries	Outer boundaries				Comply with the GRI guidelines	The report revealed
			firm	investor	vendor	client	Bank		
economy	Integrity management	<ul style="list-style-type: none"> <li>● Integrity is the foundation of the enterprise, with a sound management policy and smooth communication channels, in order to avoid anti-corruption, anti-competition and other behaviors, so that the company can create stable business results.</li> </ul>	●	●	●	●		●2-27	●3.2 Integrity management
economy	Economic performance	<ul style="list-style-type: none"> <li>● Establishing a complete strategy and management to improve operational performance and achieve sustainable and steady growth is the goal of TSEC's continuous efforts, in addition to enhancing the confidence of investors, employees, supply partners and customers, creating mutual benefit and common prosperity, and moving towards the road of sustainable operation.</li> </ul>	●	●	●	●	●	<ul style="list-style-type: none"> <li>● 201 Economic Performance: 2016 (201-1)</li> </ul>	●3.4 Operational Performance
economy	Corporate Governance	<ul style="list-style-type: none"> <li>● Safeguard the rights and interests of shareholders, strengthen the structure and operation of the board of</li> </ul>	●	●				●Yuanjing custom theme	●3. Governance in good faith

		directors, enhance information transparency, and implement the standards and measures for sustainable development of the company.							
economy	risk management	<ul style="list-style-type: none"> <li>● In the face of operational, environmental and other risks faced by global enterprises, it is necessary to establish a risk management mechanism to be able to respond quickly, reduce losses and continue to safeguard the interests of stakeholders.</li> </ul>	●	●				●Yuanjing custom theme	●3.3 Risk Management
environment	Supplier management	<ul style="list-style-type: none"> <li>● In addition to its own ESG improvement, TSEC also uses its influence on the supply chain to require supply partners to comply with local regulations and TSEC's ESG policies, and also invites them to respond to sustainable operation and make more and more progress in environmental protection and employee care.</li> </ul>	●		●			<ul style="list-style-type: none"> <li>● 308 Supplier Environmental Assessment: 2016</li> <li>● 414 Supplier Social Assessment: 2016</li> </ul>	●4.6 Supply chain sustainability management
environment	Green products	<ul style="list-style-type: none"> <li>●Yuanjing actively develops green products to create revenue and reduce carbon emissions and be friendly to the earth.</li> </ul>	●		●			●Yuanjing custom theme	●3.5 Green products
society	Labor human rights	<ul style="list-style-type: none"> <li>●Comply with labor laws and regulations and establish a complete human rights policy and smooth channels to protect their labor human rights, reduce disputes, and shape good labor relations.</li> </ul>	●					●Yuanjing custom theme	●5.1 Labor human rights

## 1.5 Sustainable development goals

The United Nations Sustainable Development Goals (SDGs) are a plan released by the United Nations in 2015, proposing 17 sustainable development goals and 169 sub-goals as 2030 Member States and businesses around the world have adopted the guiding principles of sustainable development.

TSEC integrates the sustainable development goal into the company's business strategy, and expands the company's previous thinking model of focusing on economic performance to take into account environmental protection and other laws and regulations, improve employee treatment to retain outstanding talents, eliminate various unequal conditions in the workplace, slow down the discharge of waste water and greenhouse gases, and invite suppliers to work together to improve the environment and improve workplace treatment.

SDGs	Detailed objectives	Yuanjing responded
 <p>1 消除貧窮</p>	<p>1.4 Ensure that all women and men, especially the poor and vulnerable, have equitable rights and access to economic resources.</p>	<ul style="list-style-type: none"> <li>• Provide market-competitive salary conditions and complete welfare measures that are better than laws and regulations, so that employees can work with dignity and improve the economic living standards of individuals and families.</li> <li>• Appropriately adjust the salary of employees according to the company's profitability and improve the centripetal force of colleagues to the company.</li> </ul>
 <p>4 優質教育</p>	<p>4.5 Eliminate educational disparities and ensure that disadvantaged groups have access to education and vocational training for all classes, including people with disabilities, indigenous peoples and disadvantaged children</p> <p>4.7 Promote sustainable development education, sustainable lifestyle, human rights, gender equality, peace and non-violence.</p>	<ul style="list-style-type: none"> <li>• Arrange employees with different business attributes to carry out functional training to ensure that each employee can receive the opportunity for vocational training.</li> <li>• Plan courses on sustainable development, gender equality in the workplace, and labor human rights, and encourage colleagues to participate.</li> </ul>
 <p>5 性別平等</p>	<p>5.1 Eliminate all forms of discrimination against women.</p> <p>5.4 Recognize and value women's family care through social protection policies.</p>	<ul style="list-style-type: none"> <li>• Do not use gender as a factor in the appointment and evaluation of employees</li> <li>• Provide employees regardless of gender with the right to apply for childcare leave.</li> </ul>

	<p>6.3 Improve water quality, reduce pollution, eliminate garbage dumping, reduce the release of toxic chemicals and hazardous materials, and reduce the proportion of untreated wastewater.</p>	<ul style="list-style-type: none"> <li>Regularly test the water quality of the discharge water, and the water quality results in the past three years are in line with the requirements of the local regulations and discharge water specifications.</li> </ul>
	<p>8.4 Improve energy use and production efficiency.</p> <p>8.5 Achieve full and productive employment with a good job for all men and women, including young people and persons with disabilities, and equal pay for equal work</p> <p>8.7 Prohibit child labor and eliminate oppressed labor.</p> <p>8.8 To protect the rights and interests of workers and to promote a safe working environment, especially for women and workers who perform hazardous work</p>	<ul style="list-style-type: none"> <li>I Energy saving of 2350 kilowatt-hours in the past three years.</li> <li>I Do not use gender as a factor in the appointment and evaluation of employees.</li> <li>I Appropriately adjust the salary of employees according to the company's profitability and improve the centripetal force of colleagues to the company.</li> <li>I Respect labor rights, including prohibiting child labor and prohibiting any form of workplace discrimination.</li> <li>I Maternal employees appropriately adjust their job content in accordance with the law, reduce workload, and substantially protect maternal employees.</li> <li>I Implement an occupational safety and health management system to effectively improve employee workplace safety.</li> </ul>
	<p>9.4 Upgrading infrastructure and transforming businesses and industries so that they can develop sustainably, improve energy efficiency, and significantly adopt clean and environmentally friendly technologies and industrial processes.</p> <p>9.5 Encourage innovation, increase the number of R&amp;D personnel, and increase R&amp;D expenditure.</p>	<ul style="list-style-type: none"> <li>I Energy saving of 2350 kilowatt-hours in the past three years.</li> <li>I Increase the number of R&amp;D teams year by year.</li> </ul>



	<p>10.2 Promote socio-economic and political integration, regardless of age, gender, disability, religion, economic or other status.</p> <p>10.3 Practical practices to ensure equality of opportunity and reduce inequalities, including the elimination of discrimination.</p>	<ul style="list-style-type: none"> <li>• I The company's recruitment, assessment and promotion mechanism does not take employees' physiological or psychological differences as the consideration criteria.</li> <li>• I Set up employee reporting channels, and have a complete reporting process to protect whistleblowers.</li> </ul>
	<p>12.5 Significantly reduce waste generation through prevention, reduction, recycling and reuse.</p>	<ul style="list-style-type: none"> <li>• I Continuously improve the production process and reduce the output of waste.</li> </ul>
	<p>16.6 Develop effective, accountable and transparent systems at all levels.</p> <p>16.7 Ensure that decision-making at all levels is responsive to public opinion and is inclusive, participatory and representative.</p>	<ul style="list-style-type: none"> <li>• L Strengthen corporate governance, ensure that employees comply with the company's standards through internal control, and have independent reporting channels and a complete reporting process.</li> <li>• I Understand the requirements and expectations of the company through communication with stakeholders, and report to the board of directors on a regular basis.</li> </ul>

## Second, aboutTSEC

### 2.1 Company Profile

Founded in June 2010,TSEC Solar Technology Co., Ltd. has the largest production capacity in Taiwan, the highest degree of automation of the advanced plant, adhere to the super high quality made in Taiwan, the products have passed strict inspection and meet RoHS, SVHC strict standards, not only won a number of professional certifications at home and abroad, but also won the government's affirmation and praise every year, It is the most awarded solar photovoltaic manufacturer in Taiwan.

In addition to focusing on the R&D, production and sales of solar cells and modules, it also provides system integration services for power plant construction and long-term maintenance. Deeply cultivated in Taiwan for many years, with rich experience in power plant development, brilliant achievements throughout Taiwan, such - private - Chiayi Yizhu Power Plant (70MW), - state-owned - Tainan Qigu Yantian Power Plant (150MW), and the largest water surface in Taiwan - Changbin Industrial Zone Lunwei East Power Plant (181MW) /b25>, all of which use safe and durable meta-crystal solar modules.

As a leader in Taiwan's industry, we fulfill our corporate social responsibility, actively implement the symbiosis and coexistence of solar energy and the natural ecological environment, pursue the sustainable development of the earth, and strive to sell "Made in Taiwan" solar products to the world.

Note: For the important history of TSEC, please refer to the 2023 Annual Report of the Shareholders' Meeting/II, Company Profile/II, Company History.

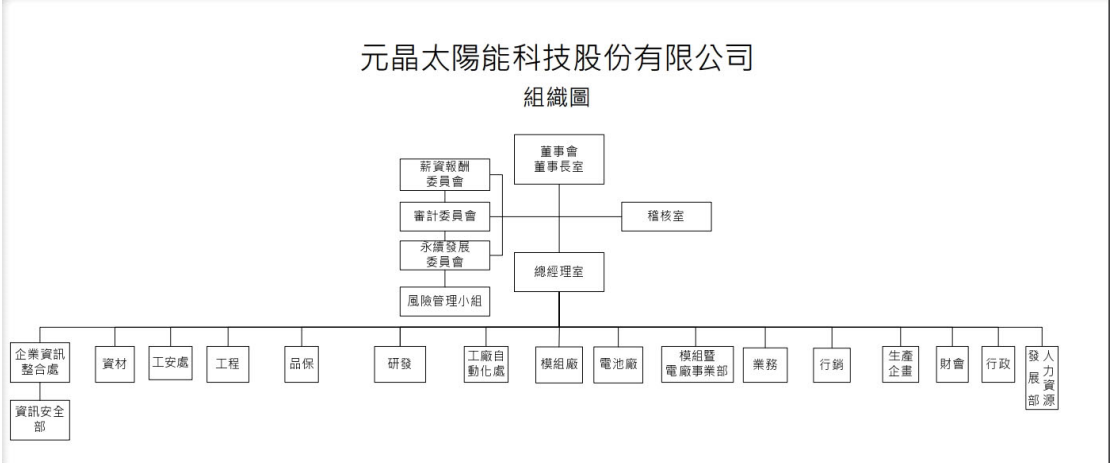
Company name	Yuanjing Solar Technology Co., Ltd
Industry	Optoelectronic industry
Headquarters location	8th Floor, No. 225, Section 3, Beixin Road, Xindian District, New Taipei City
Form and legal nature of ownership	Company limited by shares (stock code: 6443).
Amount of capital (Unit: NT\$ thousand)	NT\$5,386,914 (thousand yuan)
Shareholding structure	7.82% for domestic corporations, 72.82% for domestic individuals, 19.36% for foreign institutions and foreign individuals
Consolidated (individual) revenue for the year (Unit: NT\$ thousand)	Solar module sales\$7,843,537 thousand Solar cell sales\$256,470 thousand Others\$160,940 thousand \$8,260,947 thousand
Number of employees	About 1,669 people
Operational bases	Hsinchu Factory: No. 85, Guangfu North Road, Hukou Township, Hsinchu County Pingtung Factory: No. 335-12, Daxi Road, Pingtung City, Pingtung County
Key products/services	Solar cell and module sales, construction and maintenance of solar photovoltaic case factories
Output of main products (Unit: Bai Wan Watt)	The annual production capacity of solar cells is 1.5GW and that of solar modules is 1.5GW
The proportion of sales of major products	94.95% of solar module sales Solar cell sales: 3.10%, other 1.95%, total 100%.
Proportion of revenue by district	Asia (98.10%) Europe (1.83%) Americas (0.06%)

Note: Data as of the end of 2023.

Yuanjing's location map in the upstream, midstream and downstream of the overall industrial chain

上游		中游		下游
Polysilicon	Wafer	Cell	Module	System

Organizational structure



## 2.2 Business philosophy

### vision

Determined to become a leading manufacturer in Taiwan's clean green energy industry, and join hands with shareholders, employees, customers and suppliers to create sustainable growth of Metacystal.

### mission

Sustainable operation, steady operation, friendly environment, social co-prosperity

### 2.3 Awards, honors and management systems over the years

TSEC continues to improve and innovate the company's processes, products and services, and builds a high-standard safe and hygienic workplace environment, while reducing the damage to the environment and ecology in the production process. Since 2011, TSEC Hsinchu Battery Factory has successively carried out ISO 9001 quality management system, ISO 14001 environmental management system, and OHSAS 18001 occupational safety and health management system verification and obtained certificates, while Pingtung Module Factory also obtained the certificates in 2018 and continues to verify and maintain the validity of the certificates every year. The aforementioned OHSAS 18001 certification was revised to ISO45001 certification in 2020, and all Pingtung factories have obtained certificates. In addition, the Hsinchu plant conducted the first ISO 14064-1 organizational greenhouse gas inventory verification in 2012, while the Pingtung plant conducted the first verification in 2022, and will continue to verify annually in the future to maintain the validity of the certificate.

Management system	ISO 9001:2015	ISO 14001:2015	ISO 45001:2018	ISO 14064-1:2018
Verification Body	Taiwan Germany Rhine	Taiwan Germany Rhine	Taiwan Germany Rhine	Taiwan Germany Rhine

Won over the years

Corporate Governance:

- The results of the 9th (2022) corporate governance evaluation are in the top 21%~35% of listed companies, and the evaluation results of the 10th (2023) announcement in 2023 are in the top 6%~20% of listed companies, indicating that the company's governance is becoming more and more sophisticated.

Innovative Products :

- Won the Golden Energy Award for the selection of high-quality solar photovoltaic products by the Energy Bureau of the Ministry of Economic Affairs for nine consecutive years
- The solar photovoltaic module produced by TSEC has obtained the voluntary product verification certificate (VPC certification) from the Bureau of Standards, Inspection and Inspection of the Ministry of Economic Affairs.
- The solar photovoltaic cells produced by TSEC have obtained the MIT smile product certification issued by the Industrial Development Bureau of the Ministry of Economic Affairs in Taiwan.
- The solar photovoltaic module produced by TSEC has obtained the product certification of UL SOLUTIONS TAIWAN.

### 2.4 Participation in external organizations

In addition to improving the competitiveness of its own products, TSEC also actively communicates with stakeholders from all walks of life, and has a positive interaction with members of the association through the opportunity of participating in industry-related associations to understand the latest development trends of the industry.

Name of the external association	Participation Status	Participation in committees/promoted projects (If not, can be omitted)
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SEMI International Semiconductor Industry Association	Vice-Chair	SEMI Solar Photovoltaic Committee/SEMI Elite Leaders Summit Special Working Subcommittee
	commissioner	SEMI Solar Photovoltaic Public Policy Advocacy Committee/Volkswagen Green Energy Communication Project Team
	commissioner	SEMI Smart Energy Storage Committee
	Chairman	SEMI Process Technology Forum Task Force
Taiwan Solar Photovoltaic Industry Association	member	
Solar Energy Systems Association	member	

### 3. Governance in good faith

Sound corporate governance includes a sound board of directors, a rigorous internal control system and stable financial control, which can not only help reduce the company's operational risks, but also enhance the company's competitiveness and create brand value. Building a corporate culture of integrity and responsibility and abiding by various laws and regulations to implement ethical management, while a well-functioning corporate governance structure can ensure the sound development of the company's operations and protect the rights and interests of investors and other stakeholders.

In Taiwan order to strengthen the protection of shareholders' rights and interests, strengthen the functions of the board of directors, respect the rights and interests of stakeholders and enhance information transparency, the board of directors has adopted the "Corporate Governance Code of Practice", which implements fair, just and open director selection procedures and establishes independent directors to strengthen the management and supervision functions of the board of directors. The Board of Directors also prohibits directors, managers and employees from using information that is not available in the market to make profits. In addition, TSEC also adheres to the principles of correct, timely and fair disclosure, and has established a complete information disclosure system to provide various information related to operations, finance, board of directors and shareholders' meetings on the company's website and public information network reporting system to ensure that shareholders can obtain the latest information related to the company.

"Code of Practice on Corporate Governance" (file link) :

[https://www.tsecpv.com/zh-tw/investors/irCorpGovern/ir\\_05](https://www.tsecpv.com/zh-tw/investors/irCorpGovern/ir_05)

### 3.1 Corporate Governance

Management policy	
Major topics	Corporate Governance
Significance forTSEC	Safeguard the rights and interests of shareholders, strengthen the structure and operation of the board of directors, enhance information transparency, and implement the standards and measures for corporate sustainable development.
Policy Direction	Abide by the "Best Practice Code for Corporate Governance for Listed and OTC Listed Companies", the "Best Practice Code for Corporate Governance" and relevant laws and regulations, and implement the corporate - development blueprint.
Core objectives	<ol style="list-style-type: none"> <li>1. Strengthen the structure and operation of the Board of Directors</li> <li>2. Improve information transparency</li> <li>3. Implement corporate social responsibility</li> <li>4. Continuously improve the performance of corporate governance evaluation</li> </ol>
Performance Outcomes	<ol style="list-style-type: none"> <li>1. Diversity and independence of board members: 25% of directors are women, 37.5% are independent directors, the tenure of independent directors is not more than 9 years, and the number of directors of the company who are employees of the company, mother, son or brother companies is less than one-third of the board seats.</li> <li>2. Operation of the Board of Directors: In 2023, the Board of Directors held 6 meetings, and the average attendance rate of directors reached 97.92%.</li> </ol>

	<p>3. The performance evaluation result of the board of directors in 2023 is 94.29 /good.</p> <p>4. The 2023 performance evaluation result of the Audit Committee is 96.97 /excellent.</p> <p>5. The performance evaluation result of the Remuneration Committee in 2023 is 97.89 points/excellent.</p> <p>6. The 2023 performance evaluation result of the Sustainable Development Committee is 94.9 /good.</p> <p>7. Enhance information transparency: major information in English is released synchronously, and information declaration is carried out in accordance with regulations, and no penalty is imposed on liquidated damages; 2023, we will hold two corporate information meetings.</p> <p>8. 2022.07.05The Sustainability Committee was set up to coordinate the formulation of corporate social responsibility, sustainable development direction and goals, or the proposal and implementation of relevant management policies and specific promotion plans.</p> <p>9. In August 2019, Liao Weiran, Executive Deputy General Manager of the Chairman's Office, was appointed as the head of corporate governance.</p> <p>10. The results of the 10th (2023) corporate governance evaluation are listed companies: 6%~20%.</p>
Course of action	<p>1. Regularly report to the Board of Directors on the performance of corporate governance and the implementation of various operations and ESG operations</p> <p>2. Succession planning of board members</p> <p>3. Regularly review the additions and revisions of laws and regulations, and report relevant information in a timely and accurate manner.</p>
How to manage	



Put in the resources	The Board of Directors and various functional committees are designated as full-time corporate governance officers, and a sustainable development committee has been established
Feedback mechanism	1. Stakeholder communication ( <a href="https://www.tsecpv.com/zh-tw/contact/index">https://www.tsecpv.com/zh-tw/contact/index</a> ).
Evaluation mechanisms	<p>1. According to the "Board of Directors Performance Evaluation Measures", self-evaluation is conducted once / year, and external evaluation is conducted once per year.</p> <p>2. Participate in external corporate governance evaluations.</p> <p>3. Assess whether the company's operating procedures are reasonable and effective through the internal control system.</p>
Planning for the future	
2024 target:	<ul style="list-style-type: none"> <li>• Improve the results of corporate governance evaluation to be within the top 20% of listed companies .</li> <li>• Declare information in accordance with regulations, and there will be no penalty.</li> </ul>

The shareholders' meeting is composed of all shareholders, makes decisions on major matters of the company, regularly listens to the report of the board of directors, and is the highest decision-making organ of the company; The General Manager assists the Chairman in formulating the Company's business policy and formulating the sustainable development strategy, and the Board of Directors reviews the financial performance and sustainability strategy, and ensures that the Company's operations comply with various laws and regulations. In order to improve the operation of corporate governance and strengthen the competitiveness of the company, the board of directors has set up an audit committee and a remuneration committee to improve the operation of the board of directors. There is also an independent audit office under the Board of Directors, which regularly conducts audit work and reports the audit results to the Audit Committee and the Board of Directors.

TSEC attaches great importance to corporate governance, pursues sustainable growth and honest management, continuously strengthens the corporate governance structure, adheres to information transparency, and cooperates with an effective internal control system to protect the rights and interests of stakeholders. In accordance with the "Guidelines for the Establishment of Internal Control System in Public Companies", TSEC considers the overall operation activities of the company, designs and implements the internal control system, and reviews it at any time to respond to changes in the internal and external

environment to ensure that the design and implementation of the internal control system continue to be effective; Through a sound management mechanism to improve the performance of operations, to achieve the goal of sustainable operation.

In order to strengthen the company's support for directors to exercise their duties and improve the effectiveness of the board of directors, the board of directors resolved in August 108 to appoint Liao Weiran, executive deputy general manager of the chairman's office, as the head of corporate governance, responsible for assisting directors in performing their duties, providing required information and arranging further education, handling matters related to the meetings of the board of directors and shareholders' meetings in accordance with the law, and assisting the company in complying with the relevant resolutions of the board of directors and shareholders' meetings and maintaining investor relations; 2023, the head of corporate governance will continue to study 12 hours of professional courses related to corporate governance. The results of the 10th Corporate Governance Evaluation in 2023 are located in 6%~20% of the listed company group, which shows that under the leadership of the head of corporate governance, TSEC has effectively and well-operated in all aspects of corporate governance, and the company will also strive to improve the overall effectiveness of corporate governance in the future and strengthen the trust of stakeholders in TSEC.

At the same time, the company's financial statements are entrusted to the accounting firm to check the visa regularly, for the laws and regulations required by the information disclosure, can be completed correctly and timely, and the responsible personnel are responsible for the external disclosure of the company's information, and at the same time establish a spokesperson system to ensure that all material information can be disclosed in a timely and appropriate manner, for shareholders and stakeholders to refer to the company's financial business related information.

Looking ahead, strengthening the operation of the board of directors, enhancing information transparency, and gradually integrating the sustainable governance strategy into the corporate governance structure are the goals of TSEC's continuous efforts.

### 3.1.1 Board of Directors

The Board of Directors shall draw up the Company's business strategy, be responsible to shareholders and other stakeholders, and the Directors shall faithfully perform business and fulfill the duty of care as a good manager, and exercise their powers in a prudent manner. The Articles of Association of TSEC stipulate that the election of directors adopts a candidate nomination system through regular re-election; At the same time, in accordance with the provisions of the Code of Corporate Governance Practice, in addition to the number of directors who are also managers of the Company, no more than one-third of the board members, in order to strengthen corporate governance and promote the sound development of the composition and structure of the board of directors, we also advocate the policy of diversity of directors, which is believed to help improve the overall performance of the company. The members of the Board of Directors are selected on the basis of merit, and have diversified and complementary capabilities across industries, including age, gender, nationality and other basic components, as well as industry experience (e.g., peer, business, finance, marketing, etc.) and professional capabilities (legal, accounting, risk management). In order to strengthen the functions of the board of directors and achieve the ideal goal of corporate governance, Article 22 of the "Code of Practice on Corporate Governance" of TSEC stipulates that the overall competencies of the board of directors include operational judgment, accounting and financial analysis, operation management, crisis management, industry knowledge, international market outlook, leadership and decision-making ability, etc. The board of directors currently has 8 directors (including 3 independent directors) with a term of office of 3 years, and the board of directors is convened at least once a quarter in accordance with the law, and a total of 6 board meetings will be held in 2023, with an average attendance rate of directors 97.92 % • Note 1: Please refer to the following link on the company's official website for the main experience (education) and concurrent positions of the directors of TSEC:

([https://www.tsecpv.com/zh-tw/investors/irCorpGovern/ir\\_01](https://www.tsecpv.com/zh-tw/investors/irCorpGovern/ir_01))

Note 2: For the list of major shareholders, please refer to the following link on the company's official website:

(<https://www.tsecpv.com/zh-tw/investors/irCorpGovern/ownershipstructure>)

Diversity Statistics/Annual			In 2021		In 2022		In 2023	
			Number	percentage	Number	percentage	Number	percentage
director	gender	man	6	75%	6	75%	6	75%
		woman	2	25%	2	25%	2	25%
	age	Under 50	2	25%	2	25%	2	25%
		50 ~ 60	1	12.5%	1	12.5%	1	12.5%
		60 以上	5	62.5%	5	62.5%	5	62.5%
	Degree	institute	6	75%	6	75%	6	75%
		college	2	25%	2	25%	2	25%
		other	-	-	-	-	-	-

Note: Percentage of female directors = (number of female directors at the end of the year / number of directors at the end of the year) \* 100%.

In order to establish a sound board operation system, improve the supervision function, and ensure that independent directors can maintain independence in the execution of business, the board of directors of TSEC has adopted the "Rules of Procedure of the Board of Directors" to clarify the scope of responsibilities of independent directors to be followed. The directors also uphold a high degree of self-discipline in the spirit of interest recusal, and those who have an interest in the board of directors and themselves or the legal person they represent shall not participate in the discussion and voting if there is a risk of harm to the interests of the company in the deliberations of the board of directors, and shall not recuse themselves from the discussion and voting, and shall not exercise their voting rights on behalf of other directors, except for the important contents of their interests in the current board of directors. At the same time, in order to improve the quality of the Board's decision-making, the Board of Directors has also adopted the "Board Performance Evaluation Measures", which conducts an internal evaluation of the performance of the Board of Directors, individual board members and functional committees every year, which is issued to the board members by the board of directors in the form of self-evaluation, and is evaluated by external professional independent institutions or external experts and scholars every three years. The results of the performance evaluation of the board of directors may be used as a reference for the selection or nomination of directors in the future; The results of the performance evaluation of individual directors can also be used as a reference basis for determining their individual remuneration.

"Rules of Procedure of the Board of Directors" and "Measures for the Evaluation of the Performance of the Board of Directors" (see link.)) :

[https://www.tsecpv.com/zh-tw/investors/irCorpGovern/ir\\_05](https://www.tsecpv.com/zh-tw/investors/irCorpGovern/ir_05)

In the event of a potential negative and significant impact between the stakeholders and the company, the responsible department will conduct due diligence on the stakeholders in finance, company operations, legal compliance records, environmental pollution, infringement of employees' human rights and health, etc., and report the results of the investigation to the general manager and the chairman of the board. The chairman of the board of directors will assess whether to report to the board of directors depending on whether the specific results will cause significant harm to the company's overall operation, and finally the board of directors will make a resolution on the due diligence report and hand it over to the company's rights and responsibilities department for implementation, and there will be no potential negative major impact events between TSEC and stakeholders in 2023, so there is no record of reporting to the board of directors. In practice, TSEC's due diligence of stakeholders and the role of the board of directors in the face of potential negative and significant impacts will be more complete.

In order to effectively manage risk and improve the willingness of professionals to serve as directors, TSEC has purchased liability insurance for directors, so that directors can be free from worries when performing business, and at the same time reduce and disperse the risk of significant damage to the company and shareholders caused by directors' mistakes or negligence.

Considering the issues of compliance and governance practices that directors may face when participating in the company's operational decision-making, TSEC actively encourages and arranges directors to pursue relevant professional courses, with a

total of 54 hours of continuing education for all directors in the current year. TSEC believes that under the leadership of the board of directors with integrity governance and abundant industry experience, the company's operation will be more vigorous and continue to make great strides on the road of sustainable operation.

### 3.1.2 Functional Committees

In order to improve the supervisory function and strengthen the management function, the Board of Directors has set up an Audit Committee and a Remuneration Committee, and the functional committee shall be responsible to the Board of Directors, except for those who shall exercise their powers independently in accordance with laws and regulations, and submit the proposed proposals to the Board of Directors for resolution.

#### Audit Committee

The Audit Committee assists the Board in monitoring the quality of the Company's accounting, auditing, financial reporting processes and financial controls, and submits the results of the evaluation to the Board for discussion. The Board of Directors of TSEC has adopted the "Audit Committee Organizational Regulations", which sets up an audit committee on the board of directors, with 3 independent directors as audit members, one of whom is the convener, and at least one of whom has accounting or financial expertise, and holds meetings at least once a quarter, with a total of 10 audit committee meetings in 2023, with a total attendance rate of 100%.

The head of internal audit shall hold a closed-door meeting with all independent directors at least once a quarter to report on the implementation of the company's internal audit, and the directors and the head of audit shall hold a total of 6 meetings during the year; In addition, the independent directors also held two meetings with the accountants during the year, during which the accountants not only reported to the independent directors on the results of the audit of the financial reports, but also conducted legal advocacy and exchanged views at the meetings. The overall communication between the independent directors and the head of internal audit and the accountant is smooth.

#### Remuneration Committee

In order to improve the remuneration system for directors and managers, and evaluate whether the operating performance of directors and managers and the remuneration they receive are fair and reasonable, the board of directors adopted the organizational regulations of the remuneration committee and set up a remuneration committee in the board of directors, with at least 2 independent directors participating in the committee members 100%.

The main functions and powers of the remuneration committee are to establish and regularly review the system and standards for the performance and remuneration of directors and managers, and to evaluate the remuneration of directors and managers on a regular basis. At the same time, the remuneration committee shall comprehensively consider the following principles when conducting the evaluation: the company's salary and remuneration are in accordance with relevant laws and regulations and sufficient to attract outstanding talents; The performance evaluation and remuneration of directors and managers should refer to the usual level of payment in the industry, and consider the time invested, the responsibilities assumed, the achievement of personal goals, the performance of other positions, the salary and remuneration of those who have been given the same positions by the company in recent years, and the reasonableness of the relationship between personal

performance and the company's operating performance and future risks based on the achievement of the company's short-term and long-term business goals and the company's financial situation. directors and managers should not be instructed to engage in behaviors that exceed the company's risk appetite in pursuit of remuneration; The proportion of short-term performance remuneration for directors and senior managers and the timing of payment of part of the change in remuneration should be determined by taking into account the characteristics of the industry and the nature of the company's business.

In practice, the Remuneration Committee adheres to the duty of care of good managers, faithfully performs its functions and powers to establish and regularly review the policies, systems, standards and structures for the performance evaluation and remuneration of directors and managers, and to regularly evaluate and determine the remuneration of directors and managers, and submits its recommendations to the Board of Directors for discussion.

The articles of association of the company stipulate that if there is a profit in the current year, no less than 5% shall be allocated for employee remuneration, which shall be distributed in stock or cash by resolution of the board of directors, and the distribution object may include the employees of the subordinate company who meet certain conditions; The company shall allocate no more than 5% of the above profit amount to the remuneration of directors by the resolution of the board of directors. However, if the company still has accumulated losses, it shall reserve the amount of compensation in advance, and then allocate the rest according to the above proportion. Proposals for the distribution of employee remuneration and directors' remuneration shall be made by a special resolution of the board of directors and submitted to the shareholders' meeting.

At present,TSEC is still in the stage of implementing ESG, and has not yet linked ESG development goals and performance with the personal remuneration of directors and managers, butTSEC will continue to pay attention to ESG trends, and after the internal implementation of ESG is more mature in the future, the remuneration committee will discuss and evaluate the formulation of methods.

### 3.1.3 Internal Audit

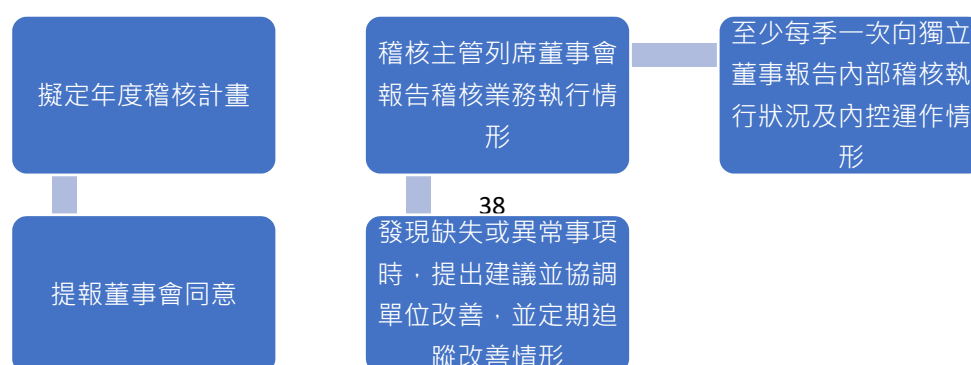
The purpose of the Company's internal audit is to assist the Board of Directors and managers to examine and review the deficiencies of the internal control system, measure the effectiveness and efficiency of the operation, and provide suggestions for improvement in a timely manner to ensure the continuous and effective implementation of the internal control system, and serve as the basis for reviewing and amending the internal control system. In accordance with the provisions of the "Standards for the Establishment of Internal Control System in Public Companies", TSEC considers the overall operation activities of itself and its subsidiaries, establishes an effective internal control system, and reviews and improves it from time to time to respond to changes in the company's internal and external environment to ensure that the design and implementation of the internal control system can be continuously and effectively. In order to ensure that the auditors uphold a fair and detached stance in the implementation of audit work, TSEC has set up an audit office of an independent unit under the board of directors in accordance with the law, with full-time auditors, and the "Organizational Regulations of the Audit Committee" clearly stipulate that the appointment and dismissal of the audit supervisor shall be approved by the audit committee and submitted to the board of directors for resolution; In addition, the appointment, dismissal, evaluation, salary and remuneration of internal auditors shall be submitted to the board of directors or signed by the chief audit officer and approved by the chairman of the board.

In addition to the self-assessment of the internal control system, the board of directors and the management review the self-assessment results of each department and the audit report of the audit office at least annually, and the audit supervisor attends the board of directors to report on the implementation of the audit business in accordance with the regulations, and attends the audit committee meeting at least once a quarter to report to the independent directors on the implementation of the company's internal audit and the operation of internal control.

Secondly, the Audit Office reviews the self-assessment report of the internal control system of each unit and subsidiary of the Company every year, and provides the Board of Directors and the General Manager with the Board of Directors and the General Manager as the basis for evaluating the effectiveness of the overall internal control system and issuing the internal control system statement together with the internal control deficiencies and abnormal improvements found. In addition, in order to strengthen the professional ability of the auditors, TSEC arranged for the auditors to continue their training and participate in the internal audit seminars held by the institutions designated by the competent authority, so as to improve and maintain the quality and effectiveness of their audits, and the auditors received a total of 42 hours of training for 3 times that year.

Through the auditors, TSEC continuously monitors the implementation of various operating systems of the company, establishes good governance practices and risk control mechanisms, and can also create a sustainable business environment. In the current year, the audit office carried out a total of 102 audit operations, with an audit compliance rate of 98%, and there were no major non-conforming items, and all non-conforming items were completed and closed within the time limit.

Audit flow chart





### 3.2 Integrity management

Management policy	
Major topics	Integrity management
Significance forTSEC	Integrity is the foundation of the enterprise, with a sound management policy and smooth communication channels, in order to avoid dishonest or improper behavior, so that the company can create stable business results.
Policy Direction	Establish the Code of Ethical Management, the Code of Ethical Management Procedures and Conduct Guidelines, the Code of Ethical Conduct for Directors and Managers, and the Work Rules to standardize the responsibilities of employees when engaging in business conduct and establish a corporate culture of integrity.
Core objectives	<p>Short-term: No corruption incidents</p> <p>Medium and long-term: Establish a corporate culture of honest management and sound development</p>
Performance Outcomes	<p>1. In 2023, there was no record of any breach of ethical management.</p> <p>2. 100 % of the directors and senior managers sign the Declaration of Integrity Management.</p> <p>3. A total of 592 qualified suppliers and qualified miscellaneous suppliers signed by suppliers signed the letter of commitment for honest transactions, and a total of 591 were signed back, with a completion rate of 99.83%.</p> <p>4. Arrange 49 tiers of courses for new colleagues to advocate integrity and ethics, with a total of 49 tiers and 135 participants, with a total of 12.5 hours: arrange supervisors and procurement and general affairs related personnel to advocate integrity management courses, with a total of 1 echelon and participation42 passengers, with a cumulative number of 3 hours. Implement the internal material information processing and insider trading prevention operation standard for the new 3 directors and 3 managers.</p> <p>5. Record the "Integrity Management" micro-course and place it in the announcement area/Human Resources Department/Education /Yuanjing University Hall option for all colleagues to use.</p>

	6. Advocate the new manager Assistant Wang for internal major information processing and insider trading prevention operations.
Course of action	<p>1. Integrate integrity and ethical values into the company's business strategy, and cooperate with laws and regulations to formulate relevant anti-fraud measures to ensure ethical management</p> <p>2. Regularly analyze and assess the risk of dishonest behavior within the scope of business, and formulate anti-dishonest behavior plans accordingly, and formulate standard operating procedures and conduct guidelines related to work and business in each plan</p> <p>3. Plan the internal organization, establishment and responsibilities, and set up a mutual supervision and balance mechanism for business activities with a high risk of unethical behavior within the business scope</p> <p>4. Promote integrity policy advocacy training</p> <p>5. Establish a whistleblowing system and ensure the effectiveness of implementation</p>
How to manage	
Put in the resources	<p>1. In the process of engaging in business activities, all employees of TSEC shall explain the company's integrity management policy and relevant regulations to the counterparty, and clearly refuse to directly or indirectly provide, promise, request or accept any form or name of improper benefits.</p> <p>2. Signing of the Integrity Management Declaration and the Integrity Transaction Pledge</p> <p>3. Supplier audits</p> <p>4. Education and training and policy advocacy</p> <p>5. Whistleblowing system</p>
Feedback mechanism	<p>1. Board of Directors</p> <p>2. Expand the meeting of supervisors</p>

	3. Whistleblower mailbox: <a href="mailto:6443@tsecpv.com">6443@tsecpv.com</a> 4. Stakeholder communication ( <a href="https://www.tsecpv.com/zh-tw/contact/index">https://www.tsecpv.com/zh-tw/contact/index</a> ).
Evaluation mechanisms	1. Regularly report to the Board of Directors on the status of the implementation of ethical management 2. All directors and senior managers sign a declaration of integrity management 3. Suppliers shall sign a letter of commitment for honest transactions
Planning for the future	
2024target:	1. There has been no violation of ethics and integrity. 2. 100% of suppliers sign a letter of commitment to honest trade.

In order to ensure that the integrity business philosophy can be implemented within the company, the company has always attached importance to the moral character of its colleagues, and the human resources unit will advocate the company's integrity internal rules to the new personnel at the registration stage, and cultivate the integrity awareness of colleagues; At the same time, the management is required to set an example by requiring all directors and senior managers to sign a declaration of integrity management, abide by the principle of integrity, and subtly shape the company's overall integrity culture.

Internally,TSEC takes the administrative functional unit as the unit responsible for promoting the integrity management policy, and has formulated the "Corporate Governance Practice Code", "Integrity Management Code", "Integrity Management Operating Procedures and Conduct Guidelines", "Ethical Conduct Guidelines for Directors and Managers", and "Internal Material Information Collation and Prevention of Insider Trading Management Operating Procedures". and other rules and regulations related to integrity management, and passed by the resolution of the board of directors; If colleagues have any questions about the company's integrity internal rules, they can not only inquire on the company's official website, but also consult the administrative functional units through multiple channels such as email and telephone.

At the same time,TSEC has established multiple reporting channels, and stakeholders can submit reports through the stakeholder area of the company's official website and external reporting mailbox, and the general manager will appoint special personnel to carry out investigations. However, if the anonymous whistleblower has attached relevant specific evidence, the investigator may also conduct a follow-up investigation; If the investigator has an interest in the informant or the person being reported, or has a relationship that may affect the handling of the case, he should take the initiative to inform and avoid the investigation by other personnel, and the investigation process should be handled impartially and confidentially, and the identity of the informant shall not be exposed. If the subject of the report is a supervisor at or above the managerial level, it will be reported to the independent director. In 2023,TSEC did not receive any reports or appeals.

In terms of business interactions, in the course of performing business, TSEC colleagues should explain the company's integrity management policy and relevant regulations to the counterparty, and clearly refuse to directly or indirectly offer, promise, request or accept any form or name of improper benefits; At the same time, attention should be paid to avoid engaging in commercial transactions with agents, suppliers, customers or other business partners involved in dishonest behavior, and if it is found that the business dealings or cooperation partners have dishonest behavior, they should be assessed whether to list them as refusal objects, so as to implement the company's integrity management policy; Finally, when entering into a contract with the counterparty, TSEC shall fully understand the integrity management status of the other party, and incorporate the compliance with the integrity management policy of TSEC into the terms of the contract between the two parties, and enter into the contract terms including but not limited to the contract clauses in which either party knows that a person has violated the other party's prohibition on accepting commissions, kickbacks or other improper benefits, and shall immediately inform the other party of the identity, manner, amount or other benefits of such personnel, and provide relevant evidence and cooperate with the other party in the investigation; If one party suffers damage as a result, it may claim damages from the other party, which may be deducted from the contract price payable. If either party is involved in dishonest conduct in business activities, the other party reserves the right to terminate or rescind the contract at any time and unconditionally.

In order to make the concept of ethics and creditworthiness more deeply rooted in the process of colleagues performing business, administrative functional units will gradually plan to conduct online creditworthiness training for in-service colleagues in the future; Regularly arrange senior executives to use the meeting to promote the importance of corporate integrity culture to colleagues; At the same time, the unit shall check and evaluate whether the preventive measures established by the implementation of integrity management are effectively operational, evaluate the compliance of relevant business processes, and report the implementation results to the board of directors every year; The audit office will then supervise and check the implementation of the company's overall integrity, and report to the board of directors as necessary.

"Code of Ethical Management", "Code of Ethical Conduct for Directors and Managers" and "Operating Procedures for Internal Material Information Collation and Prevention of Insider Trading" (refer to the link) :

[https://www.tsecpv.com/zh-tw/investors/irCorpGovern/ir\\_05](https://www.tsecpv.com/zh-tw/investors/irCorpGovern/ir_05)

Multiple reporting channels	The number of cases	Processed	Case closed
	accepted in the current year		

The company's official website: the communication window for stakeholders <a href="https://www.tsecpv.com/zh-tw/contact/index">https://www.tsecpv.com/zh-tw/contact/index</a>	0	0	0
External whistleblower mailbox: 6443@tsecpv.com	0	0	0

### 3.3 Risk Management

Management policy	
Major topics	Risk management
The importance of the metacrystal	In the face of the operational, environmental and other risks faced by global enterprises, it is necessary to establish a risk management mechanism to be able to respond quickly, reduce losses and continue to protect profits
Policy Direction	Anticipate possible major risks in the future to avoid risks, or deploy countermeasures in advance to reduce the impact on the company or obtain priority business opportunities
Core objectives	<p>Short-term goal: Regularly implement it every year, identify major risks, and formulate avoidance or countermeasures.</p> <p>Medium- and long-term goals: In response to climate change issues, we plan to assess the risks brought by it and formulate relevant strategies to reduce the impact.</p>
Performance Outcomes	<ol style="list-style-type: none"> <li>1. Identify major operational risks such as third-party modules and high inventory, and propose corresponding measures by the responsible units to reduce the impact of future risks.</li> <li>2. The implementation of risk management in 2023 will be reported to the Board of Directors by the Risk Management Team in December.</li> </ol>
Course of action	<ol style="list-style-type: none"> <li>1. Each unit shall measure the risk of its business content, and formulate control priorities and countermeasures based on the measurement results.</li> <li>2. The risk management team summarizes the risk measurement results of each unit and reviews the effectiveness of its control, and coordinates cross-departmental control operations.</li> <li>3. The Risk Management Team will monitor the implementation of risk management and report to the Sustainability Committee and the Board of Directors.</li> </ol>
How to manage	
Put in the resources	Risk Management Group, Expanded Heads of Meeting, Sustainability Committee, Board of Directors
Feedback mechanism	<ol style="list-style-type: none"> <li>1. Participate in the risk management team assigned by each unit to feedback on risk assessment and improvement measures.</li> <li>2. The Expanded Directors' Meeting, the Sustainability Committee and the Board of Directors also provide feedback and suggestions for improvement, and continue to improve and optimize</li> </ol>

Evaluation mechanisms	<ol style="list-style-type: none"> <li>1. The extent to which measures are being improved</li> <li>2. The assessment results of the same risk in the following year should be lower than that of the previous year, or a response mechanism should be established</li> </ol>
未來規劃	
2024 target:	Identifying more precise risk factors, 2024 will include three aspects: sustainable environment, corporate governance and social co-prosperity, as well as the impact of climate change. Risks that cover all material topics.

In accordance with the company's overall operation policy, TSEC defines various risks, establishes a risk management mechanism for early identification, accurate measurement, effective supervision and strict control, prevents possible losses within the scope of tolerable risks, and continuously adjusts and improves the best risk management practices according to changes in the internal and external environment, so as to protect the interests of employees, shareholders, partners and customers, increase the company's value, and achieve the optimal principle of the company's resource allocation.

#### Risk management organization

unit	Duties
board of directors	It is the highest unit of risk management and is ultimately responsible for risk management.
Risk Management Team	Monitor the implementation of risk management.
Functional units	Implement risk management in practice.
Audit Office	Implementation of audit risk management.

#### Risk management process

Including: risk scope identification, risk measurement, risk monitoring, risk reporting and disclosure, risk response, etc.

#### Type of risk

facets	Type of risk	Risk Statement
Economic aspect (Including corporate governance)	Market Risk	<ul style="list-style-type: none"> <li>● Political and economic aspects: including the risks of financial or business impact on the company due to domestic and foreign political, economic and regulatory requirements.</li> <li>● Technology and industry orientation: including the risk of financial or business impact on the company due to factors such as domestic and foreign technology and industry changes.</li> </ul>

		<ul style="list-style-type: none"> <li>●Financial aspect: including the risk of various losses caused by changes in the value of the company's financial assets or liabilities (including assets and liabilities on and off the balance sheet of financial position) due to fluctuations in market risk factors (interest rates, exchange rates, stock prices, commodity prices and electricity prices)</li> </ul>
	Operational Risk	<ul style="list-style-type: none"> <li>●Operational aspects: including changes in business models, organizational structure adjustments, excessive concentration of sales/procurement, product obsolescence, product and service design and quality management, and major risk management of commercial contractsand other risks that affect the company.</li> <li>●Financial aspects: including asset valuation, credit and solvency, liquidity risk and accounting policiesand other risks that affect the company.</li> <li>●Internal control aspect: including risks related to the company's internal control.</li> <li>●Intellectual property orientation: such as patent application and maintenance, intellectual property protection, etcWait.</li> <li>●Supply chain orientation: including the risk of affecting the company due to supplier quality, price, delivery time and corporate social responsibility and other related issues.</li> <li>●Information security: such as digital information security, general data protection norms, etcand other risks that affect the company.</li> <li>●Public relations aspect: including issues related to public relations, such as brand management, corporate image shaping and maintenance, etcand other risks that affect the company.</li> </ul>
	Investment Risk	<ul style="list-style-type: none"> <li>●Investment Orientation: Including the risk of fluctuation in the market price of short-term investments such as over-concentration of investment targets, high-risk and high-leverage operations, derivative financial product transactions, financial wealth management, etc., or the risk of long-term investment in the operation and management of investee companiesand other risks that affect the company.</li> </ul>
	Legal compliance risks	<ul style="list-style-type: none"> <li>●Compliance: including the risk of failure to comply with relevant laws and regulations, including but not limited to labor laws, company laws and securities trading related regulations, import and export laws and regulations, industrial code of conduct, anti-corruption and anti-monopoly norms, etcetc., and may be derived from risks.</li> </ul>



		<ul style="list-style-type: none"> <li>●Legal aspects: including the risks that may arise from failure to comply with various laws and regulations, or the legal risks that may infringe on the rights and interests of the company.</li> </ul>
Environmental Surfaces	Environmental risks	<ul style="list-style-type: none"> <li>●Environment: Greenhouse gas emission management, carbon credit management, and energy management in response to climate change and natural disasters and other related issues; and the need to comply with international and local environmental laws and regulations, such as air, water, waste, toxic noise emission management or environmental impact assessment requirements.</li> </ul>
Social aspect	Risk of occupational hazards	<ul style="list-style-type: none"> <li>●Work orientation: including the risks of the company caused by occupational safety and health and health, chemical management, safety protection and emergency response, and other improper or wrong human management operations. °</li> </ul>
	Human resource risk	<ul style="list-style-type: none"> <li>●Human resources: including the human rights issues of employees or suppliers, including but not limited to labor relations, child labor, forced labor, etc.; and risks arising from issues such as recruitment and retention of talents, talent development mechanisms, etc.</li> <li>●Work environment orientation: Includes risks caused by issues related to the safe working environment of employees or suppliers.</li> </ul>
Other faces	Other risks	<ul style="list-style-type: none"> <li>●Other aspects: refers to the risks that do not belong to the above-mentioned risks, but the risks will cause the company to incur significant losses, such as long-term emerging risks, major external hazard events, or tail risks caused by extreme events. In addition, if there are other risks, appropriate risk control procedures should be established according to the risk characteristics and the degree of impact</li> </ul>

Based on the principle of materiality, TSEC identifies the risk factors that may be faced by each aspect and risk type. In this regard, we will analyze and assess the risks, as well as the impact and impact of the risks, so as to formulate various risk response strategies and conduct risk monitoring. The significant risks identified and the strategies to address them are as follows:

facets	Type of risk	Risk issues	Potential Risks	Risk mitigation strategies	備註
	Legal compliance risks	Integrity management	<ul style="list-style-type: none"> <li>●Fraud or corruption</li> </ul>	<ul style="list-style-type: none"> <li>●Internal advocacy and</li> </ul>	

Economic aspect				education and training  ● Establishment and smoothing of whistleblowing channels	
			● Violation of laws and regulations	● Internal advocacy and education and training	
Economic aspect	Operational Risk  Market Risk	Economic performance	● Foreign module dumping	● Improve product quality and after-sales service  ● Create product differentiation	
			Interruption of raw material supply and price fluctuations	● Introduction of new suppliers to diversify risks  ● Timely tracking and follow-up of material purchase operations  ● Immediate adjustment of safety stock	
			Exchange rate fluctuations	● Manage the currency of quotation and procurement, and use the currency of raw materials to hedge	

				<p>against natural risk</p> <ul style="list-style-type: none"> <li>● The exchange rate is transferred upstream and downstream through negotiation between the selling price and the cost</li> <li>● Predict the position of assets and , liabilities, and choose appropriate financial trading tools for hedging</li> </ul>	
			<ul style="list-style-type: none"> <li>● Inventory management</li> </ul>	<ul style="list-style-type: none"> <li>● Adjust production and marketing operations in a timely manner</li> <li>● Immediate adjustment of safety stock</li> </ul>	
Economic aspect	Operational Risk	Corporate Governance	<ul style="list-style-type: none"> <li>● Operation of the Board of Directors</li> </ul>	<ul style="list-style-type: none"> <li>● Improve the structure and operation of the board of directors</li> <li>● Implement the responsibility of corporate sustainable development</li> </ul>	

Economic aspect	Operational Risk	risk management	<ul style="list-style-type: none"> <li>● Failure to formulate prevention mechanisms and contingency procedures for various types of major risks</li> </ul>	<ul style="list-style-type: none"> <li>● Identification of risk factors and coefficients</li> <li>● Formulation of response strategies</li> <li>● Disposal of risks caused by the injury</li> <li>● Implementation of risk monitoring</li> </ul>	
Environmental Surfaces	Environmental risks	Supplier management	<ul style="list-style-type: none"> <li>● Establishment of a sustainable supply chain</li> </ul>	<ul style="list-style-type: none"> <li>● Implement the audit of supplier sustainable operation</li> </ul>	
Environmental Surfaces	Operational Risk	Green products	<ul style="list-style-type: none"> <li>● Green product R&amp;D performance</li> </ul>	<ul style="list-style-type: none"> <li>● Implement R&amp;D project management</li> </ul>	
Social aspect	Human resource risk	Labor human rights	<ul style="list-style-type: none"> <li>● Guarantee of working conditions</li> </ul>	<ul style="list-style-type: none"> <li>● Working hours: Shift adjustment in accordance with the law to avoid excessive overtime hours for employees</li> <li>● Wages and benefits: Provide fair and reasonable wages and working conditions</li> </ul>	

			<ul style="list-style-type: none"> <li>● Non-discrimination and diversity and inclusion</li> </ul>	<ul style="list-style-type: none"> <li>● Any form of discrimination is prohibited</li> <li>● Provide an equal and fair working environment, and prohibit any form of discrimination on the basis of race, color, religion, nationality, gender, sexual orientation, age, disability, etc., in recruitment, hiring, training, reward, promotion, termination, retirement, and other employment conditions</li> </ul>	
			<ul style="list-style-type: none"> <li>● Right to work</li> </ul>	<ul style="list-style-type: none"> <li>● Fair performance appraisal system</li> </ul>	
			<ul style="list-style-type: none"> <li>● Privacy</li> </ul>	<ul style="list-style-type: none"> <li>● Appropriate management of personal information and information of stakeholders</li> </ul>	
Economic aspect	Operational Risk	Information security risks	<ul style="list-style-type: none"> <li>● Hacker and virus attacks</li> </ul>	<ul style="list-style-type: none"> <li>● Introduction of intrusion detection system</li> <li>● Educational advocacy</li> </ul>	
			<ul style="list-style-type: none"> <li>● The system is old</li> </ul>	<ul style="list-style-type: none"> <li>● Hardware and operating system upgrades</li> </ul>	

### 3.4 Economic Performance

Management policy	
Major topics	Economic performance
The importance of the metacrystal	In addition to enhancing the confidence of investors, employees, supply partners and customers, creating mutual benefit and common prosperity, and moving towards sustainable operation, TSEC has established a comprehensive strategy and management to improve operational performance and achieve sustainable growth.
Policy Direction	Yuanjing is committed to achieving the company's business objectives, in addition to creating product differentiation and establishing product advantages, it also flexibly adjusts the cooperation with suppliers and strictly controls the inventory level to establish a competitive advantage in production costs, improve the utilization rate of production lines, and create profits steadily and continuously.
Core objectives	<p>short term:</p> <ol style="list-style-type: none"> <li>1. Addition of large-size module production line.</li> <li>2. The number of module sales, revenue, and profit continue to grow.</li> </ol> <p>Long term:</p> <ol style="list-style-type: none"> <li>1. Steady growth in performance and improvement in profitability.</li> <li>2. Taiwan's module market share remains the first.</li> </ol>
Performance Outcomes	<ol style="list-style-type: none"> <li>1. Consolidated operating profit in 2023 increased by 91% compared to the previous year.</li> <li>2. Consolidated net profit after tax in 2023 increased by 178% compared to the previous year.</li> <li>3. Consolidated earnings per share in 2023 increased by 161% from the previous year.</li> <li>4. TCRI's corporate credit rating was upgraded from 7 to 6.</li> </ol>
Course of action	<ol style="list-style-type: none"> <li>1. Accelerate the introduction of large-size product differentiation to improve production quality and efficiency.</li> <li>2. Increase the utilization rate of production capacity and reduce production costs with economies of scale.</li> <li>3. Enhance the bargaining power of procurement.</li> <li>4. Strive for the highest market share in Taiwan's module market and continue to expand overseas markets.</li> </ol>
How to manage	

Put in the resources	<ol style="list-style-type: none"> <li>1. Increase sales of high-margin products</li> <li>2. Strengthen the supplier management mechanism</li> <li>3. Accelerate time-to-market for new products</li> </ol>
Feedback mechanism	<ol style="list-style-type: none"> <li>1. Regular and irregular business meetings / production and marketing meetings /expansion supervisor meetings, etc</li> <li>2. Financial reports audited by accountants</li> <li>3. Stakeholder communication window (<a href="https://www.tsecpv.com/zh-tw/contact/index">https://www.tsecpv.com/zh-tw/contact/index</a>).</li> </ol>
Evaluation mechanisms	<ol style="list-style-type: none"> <li>1. Market size evaluation index</li> <li>2. Annual Plan and Budget Review Meeting</li> <li>3. KPI compliance rate of each department</li> </ol>
Planning for the future	
2024 target:	<ol style="list-style-type: none"> <li>1. The module sales target is 654MW</li> <li>2. The target operating income is 7,277,979 thousand yuan</li> <li>3. The annual net profit target is approximately 429,821 thousand yuan</li> <li>4. EPS 0.84</li> <li>5. Complete the production line of large-size new process</li> </ol>

In response to the Executive Yuan's efforts to implement the energy transition goals from 2021,TSEC will build Taiwan into a safe, clean and sustainable smart energy island, and promote the green energy technology industry innovation promotion plan 2.0With the four visions of "Green Energy Promotion", "Industrial Development", "Technological Innovation" and "Green Finance", in line with the government's policies and guidelines, we will continue to build Taiwan into an Asia-Pacific green energy center under the four main axes of energy conservation, energy creation, energy storage and system integration, with active energy conservation, diversified energy creation, smart energy storage, flexible scheduling and sound market as the driving strategy. In response to the government's green energy carbon reduction policy, as the largest solar photovoltaic manufacturing factory in Taiwan, it will continue to devote itself to the improvement of product quality and promote streamlined management, and carry out diversified development in product strategy, from solar power generation, communication applications to energy storage

systems, which will be the main axis of the company's medium and long-term product development strategy. TSEC has set six operational goals for 2023, including marketing, production, procurement, quality, R&D and finance, and will gather the consensus of all colleagues to achieve the goals.



單位：新台幣仟元

project	In 2021	In 2022	In 2023
evenue	6,157,192	9,005,063	8,260,947
Operating costs	5,745,928	8,328,524	6,986,706
Employee Compensation & Benefits	950,802	1,230,023	1,321,188
Payments to contributors	81,712	80,746	122,389
Payments to the government	58,846	56,126	128,225
Community investment	48	48	1,150

Note: The definition of income includes net sales plus income from financial investments and asset sales.

The definition of operating costs includes cash outlays that can be paid outside the organization for the purchase of raw materials, product parts, site facilities and services.

The definition of employee compensation and benefits includes the total salary (including the employee's salary and the amount paid to the government in lieu of the employee) plus the total amount of benefits

(Excludes the cost of education and training, protective equipment or other cost items directly related to the employee's job duties).

The definition of payment to contributors includes dividends paid to all shareholders, plus interest paid to lenders.

The definition of government payments encompasses all taxes and penalties paid by an organization in accordance with international, domestic and local standards. Taxes can include sales tax

, income tax and property

#### Determine benefit obligations and other retirement plans

In accordance with the provisions of the "Labor Pension Regulations", Yuan Jingke allocates 6% on a monthly basis in accordance with the labor pension wage classification table, and stores it in the employee's personal pension account; In addition, employees can

withdraw up to 6% of their retirement pension to the same special account according to their personal wishes to enjoy tax exemption.

When an employee meets the qualifications for retirement, he or she can withdraw it from the Workers' Pension Account.

#### Retirement system and implementation

Pension system	Old	New system
Applicable sources of law	Labor Standards Act	Workers' Pensions Regulations
How to make a transfer	2% of the total monthly salary of employees will be deposited into the special account of Bank of Taiwan (formerly Central Trust Bureau) in the name of the Company.	6% of the employee's insurance level will be allocated to the special individual account of the Labor Insurance Bureau
The amount to be withdrawn	not	The amount allocated in 2023 is \$41,586,223

Unit: New Taiwan Dollar

#### Taken from the government's financial assistance

The financial assistance from the government in 2023 is as follows

Subsidy programs	Subsidized units	Grant Programs	Amount of subsidy	remark
R&D grants	Ministry of Economy-Invested in Taiwan office	Action Plan for Accelerating Investment by Taiwan Enterprises	6.3 million	
Subsidies for education and training	Labor-Workforce Development Agency	Enterprise Human Resource Improvement Plan (Adult Mention)	378,960 yuan passed the audit, The actual write-off was \$186,950	Subsidize the cost of external training courses for colleagues and internal/external lecturer fees, external lecturers' transportation expenses...wait
		Secure Employment Program	A total of \$2,925,000 was written off	Accounting company
		Youth Employment Pilot Programme	A total of \$499,501 was written off	Subsidy for monthly production line instructor "training instruction fee"
Total subsidy: 10,290,411 yuan				

Unit: New Taiwan Dollar

Fourth, green sustainability

4.1. Climate-related financial disclosures

Since 2022, Meta Solar has been acting in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD).The structure of climate-related financial disclosure proposals is divided into governance, strategy, risk management, metrics and targets, etc., and is presented in the sustainability report. It is hoped that stakeholders will understand the impact of the risks and opportunities related to climate change, and how to reduce the risks and countermeasures.

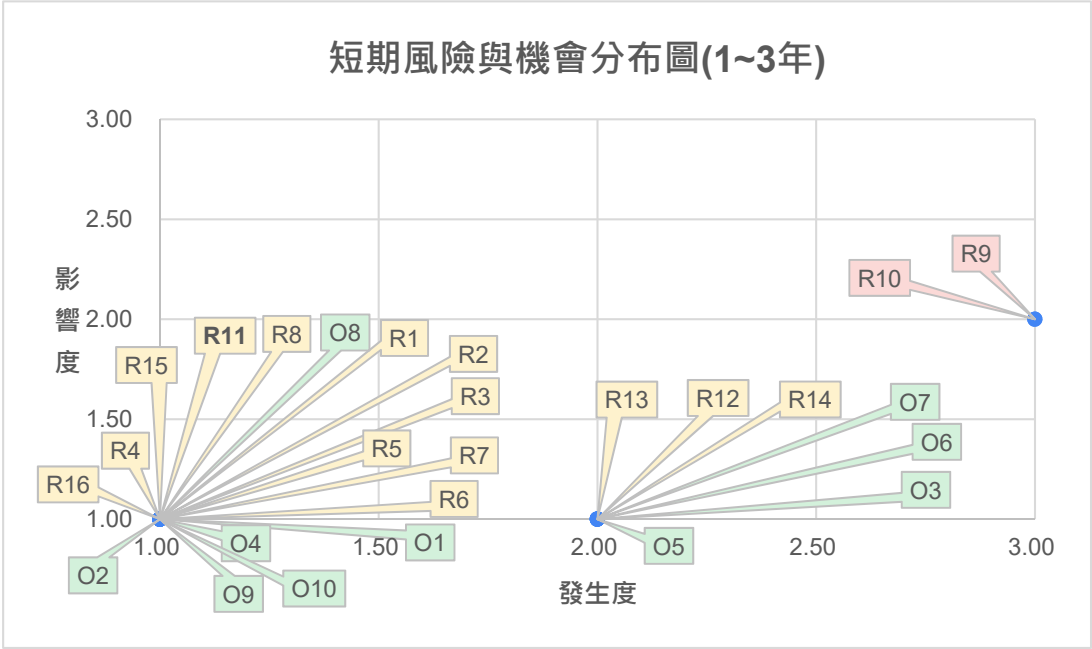
-govern

Yuanjing Solar mainly discusses and evaluates the climate risk management by the sustainability committee, and then reports the results of the climate change resolution to the senior management through the chairman on the implementation performance and suggestions for improvement. In the fourth quarter of each year, the Board of Directors will report the implementation results of the current year and the work plan for the next year, which will be amended according to the opinions of the Board of Directors and include issues related to climate change risks and their management objectives.

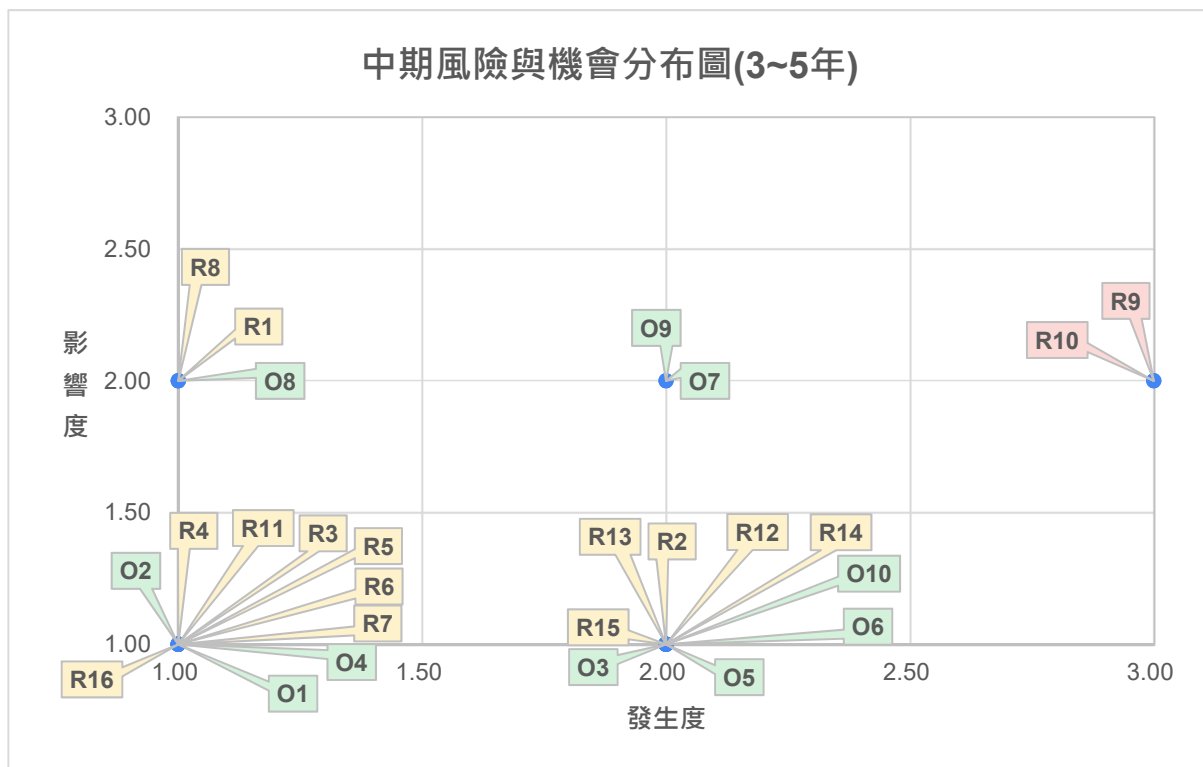
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Yuanjing Solar's 2023 TCFDClimate Risk & Opportunity Matrix

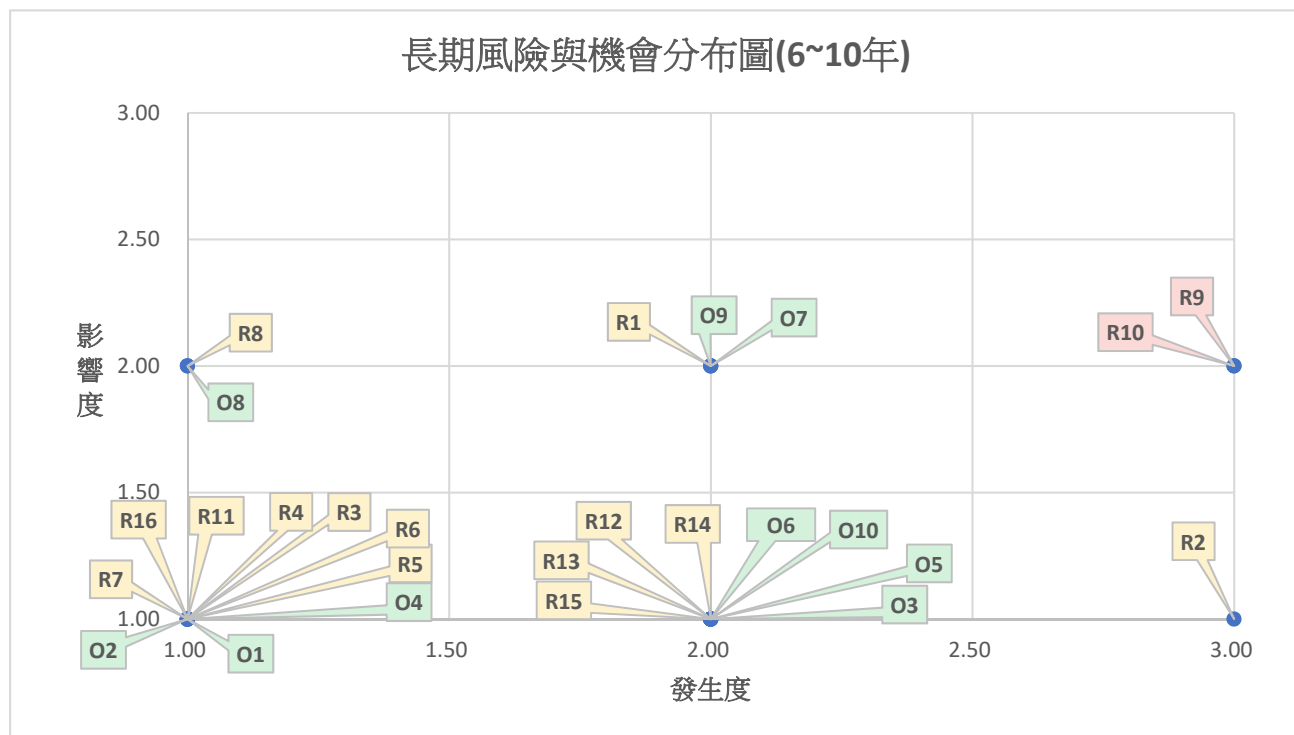


Note: The red background on the matrix chart represents the issues that need to be addressed, the R generation represents the risk issues, and the O represents the opportunity issues.



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opportunity issu

risk	factor	Climate change risk issues	Potential business, strategic and financial implications	Risk level		
				short term	medium term	long-term
transformation risk	Policies and Regulations	R1: Raise the price of greenhouse gas emissions	A carbon tax is levied, increasing operating costs	low	low	middle
		R2 strengthens emissions reporting obligations	The increase in reporting expenses increased the operating costs	low	low	middle
		R3 Requirements and regulation of existing products and services	Cooperate with relevant control measures to increase operating costs	low	low	low
		R4 is at risk of litigation	Increased costs and/or reduced product demand due to fines and judgments	low	low	low
	technology	R5 replaces existing products and services with low-carbon goods	Lower demand for products and services reduced revenue	low	low	low
		R6's investment in new technology has failed	Capital investment in the development of new technologies, increasing operating costs	low	low	low
		R7 The cost of low-carbon technology transition	The cost of /structuring new practices and processes, increasing operational costs	low	low	low
	market	R8 Changes in customer behavior	Changing consumer preferences lead to a decline in demand for goods and a decrease in revenue	low	low	low
		R9 Market Risk	Affected by competitors, the demand for goods decreased, reducing revenue	high	high	high
		The cost of raw materials for R10 has risen	Increase operating costs and reduce profits.	high	high	high
	reputation	R11 Shift in Consumer Preferences - Industry stigma	This leads to a decline in demand for goods and a decrease in revenue	low	low	low
		R12 stakeholders are increasingly concerned and have negative feedback	This leads to a decline in demand for goods and a decrease in revenue	low	low	low
entity	Immediacy	The severity of extreme weather events such as R13 typhoons and floods has increased	Reduced or disrupted production capacity (e.g., production stoppages, transportation difficulties, supply chain disruptions) that increase operating costs	low	low	low

risk	Long term	R14 Changes in rainfall (water) patterns and extreme changes in climate patterns	impact workforce management and planning (e.g., health, safety, absenteeism),	low	low	low
		The average temperature of R15 is rising	Electricity consumption has increased and operating costs have increased	low	low	low
		R16 Sea level rise	Write-off and early retirement of existing assets and increased operating costs	low	low	low

Note: 1-3 years for the short term, 3-5 years for the medium term, and 6-10 years for the long term

#### -Risk management

Through the Sustainability Committee, TSEC Solar conducts discussions in the "TCFD Climate Change Related Financial Disclosure Discussion Meeting", through which relevant members are convened to discuss and identify climate change risks and opportunities, and the discussion content is introduced into the framework of TCFD recommendations, and the transition risks (policies and regulations, technology, market, reputation) and physical risks (immediate, long-term risks) and opportunities (resource efficiency, energy sources, products/services, markets, resilience) are discussed and identified.

The identified risk and opportunity scenarios and the control measures incorporated into the management system are described below:

1. Transition risk - two major risks were identified: market risk and rising cost of raw materials.

1. Market risk: In line with the government's policies and guidelines, we will continue to build Taiwan into an Asia-Pacific green energy center under the four main axes of energy conservation, energy creation, energy storage and system integration, with active energy conservation, diversified energy creation, intelligent energy storage, flexible scheduling and sound market as the promotion strategy. Based on the continuous commitment to improving product quality and promoting streamlined management, we have diversified the development of product strategies, from solar power generation and communication applications to energy storage systems.
2. Rising prices of raw materials: TSEC Solar will establish cooperative relations with multiple suppliers to reduce its dependence on a single supplier, and establish a long-term mutual trust and cooperation foundation to obtain the support and priority treatment of suppliers, while paying close attention to changes in the market and industry, including raw material price trends and supply. This makes it

possible to anticipate possible problems in advance and, if necessary, to conclude long-term supply contracts with suppliers to ensure stable supply and prices.

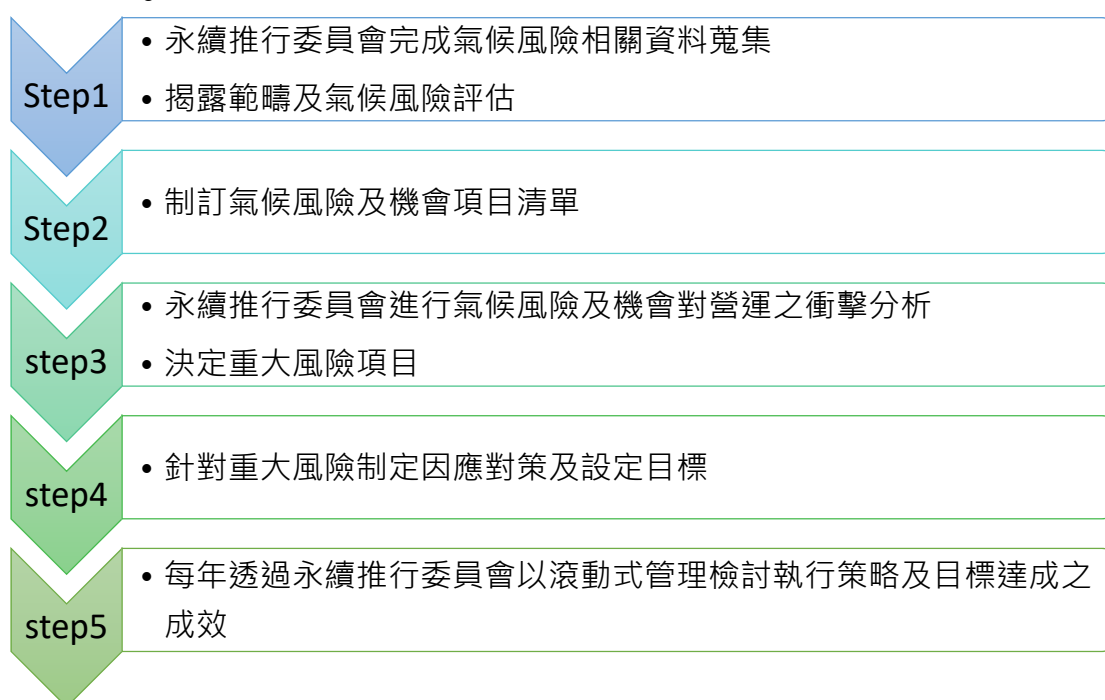
2. Although the following items are not major risk items, the occurrence degree is selected based on the consideration of risk reduction

Improvement work related to projects with relatively high impact

1. Policy and Regulatory - Two transition risks were identified: increased pricing and strengthening of greenhouse gas emissions Emissions reporting obligations.

The Climate Change Response Act will impose a carbon fee on high-emitting products that emit directly or indirectly in fiscal 2024. The possible financial impact of this risk is an increase in operating costs, but at this stage, the Company is not a high-carbon emission industry, so it will not have much impact on the overall operating financial impact. In 2023, we will conduct a comprehensive greenhouse gas inventory.

#### TCFD Risk Management Process



Note: This flow chart illustrates that the Company tracks and monitors climate change risks, collects information and determines the risk level according to the risk matrix, conducts an overall analysis and evaluation by the Sustainability Committee, and then sets strategies and goals, and reviews the performance on a rolling basis year by year.

#### -Metrics & Targets

Based on the TCFD Climate Risks and Opportunities, Meta Solar has further set targets:

1. The average annual power saving rate should be more than 1%.
2. Reduce carbon emissions by more than 1% every year.

#### Implementation plan

- (1) Compare the energy efficiency of the manufacturing process, allocate the optimal operation mode, and apply it to the field to improve the energy efficiency.
- (2) In terms of load management, FAB lighting management was carried out, and old lamps were removed and LED lights were replaced with LED

lights Achieve energy-saving effects.

(3) In terms of energy-saving measures, the pressure of the air compressor has been adjusted to reduce the number of starts and stops and reduce electricity consumption.

(4) When replacing old facilities, priority will be given to purchasing facilities that meet the requirements of energy conservation and power saving to reduce electricity consumption.

3. Implement greenhouse gas management in accordance with ISO 14064-1 and verify annually to maintain effectiveness and ensure management The mechanism works effectively.

#### 4.2 Energy Management (302-1)

Yuanjing believes that solar energy is the best way to solve global warming and global energy shortage, because everything on earth starts from solar energy. As one of the leaders of Taiwan optoelectronics, we are duty-bound to go all out to pursue the sustainable development of the earth. In terms of energy use, TSEC Solar currently uses non-renewable energy. Among them, 99.96% of the purchased electricity will be purchased in 2023, followed by a small amount of diesel. In 2023, the total energy consumption of TSEC Solar will be 389 megajoules, and in 2024, it will actively plan to apply renewable energy to operate.

Taipei + Hsinchu + Pingtung			
annual	2021	2022	2023
Purchased electricity (GJ).	283,399.3	372,076.4	389,802.9
Diesel (GJ).	134.0	145.7	169.5
Total Consumption (GJ).	283,533.3	372,222.1	389,972.4
Electricity intensity (GJ/million RMB)	49.3	44.7	47.2

\*Electricity consumption intensity = purchased electricity (GJ) in the current year / revenue cost ( the current year (million yuan.))

#### ◆ Energy saving measures and performance over the years:

Through the efforts of engineers and the guidance of supervisors, TSEC compared the energy use efficiency, deployed the optimal operation mode, and applied it to the field to improve the energy use efficiency. Over the past three years, we have mainly used energy for plant systems and production equipment, and have been using load management and energy-saving measures to save energy. In total, these measures saved 1,653 kilowatt-hours of electricity, which is equivalent to a reduction of 818 tons of carbon emissions.

Note: In 2023, each kilowatt-hour of electricity will produce 0.495 kg CO<sub>2</sub>e/kWh

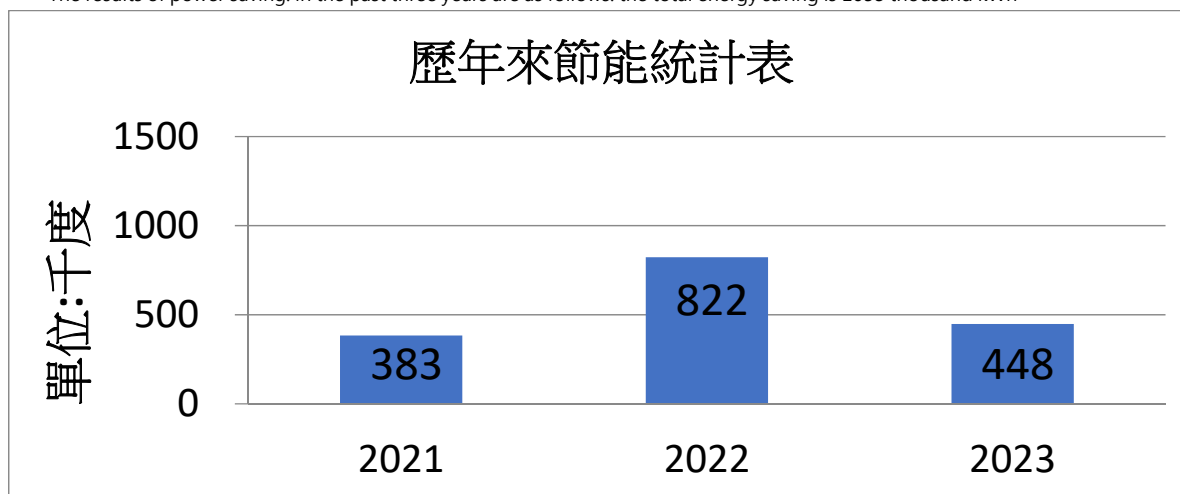
#### Yuanjing Solar's efforts to invest in energy conservation

Yuanjing has taken a variety of energy-saving measures, among which in terms of load management, we have carried out FAB lighting management, removed old lamps, and replaced them with LED lights to achieve energy-saving effects. In terms of energy-saving measures, we have adjusted the pressure of the air compressor to reduce the number of starts and stops and reduce electricity consumption. At the same time, according to the needs of the clean room production line, the air conditioning box was adjusted to further reduce the power consumption. In addition, old capacitors have been eliminated, the power factor has been improved, and the quality of electricity has been improved. The



combination of these energy-saving measures greatly reduces the energy consumption of TSEC and reduces carbon emissions.

- ◆ The results of power saving in the past three years are as follows: the total energy saving is 1653 thousand kWh

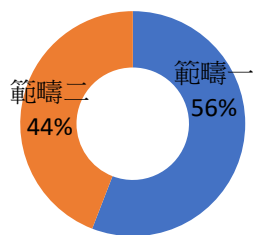


#### 4.3 Greenhouse gas emissions (305-1 · 305-2)

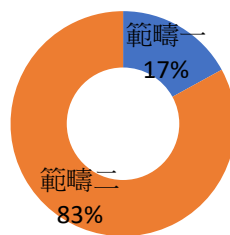
The greenhouse gas emission inventory of the Hsinchu plant and Pingtung plant under the jurisdiction of TSEC Operation Control can be divided into direct emissions (Scope 1) and indirect energy emissions (Scope 2) and the sources of greenhouse gas emissions are mainly from electricity use and process nitrous oxide (N<sub>2</sub>O) use emissions. Direct sources of emissions include the use of greenhouse gases and resources used in the manufacturing process, such as nitrous oxide (N<sub>2</sub>O), diesel fuel for emergency generators, and oil for official vehicles. The source of indirect energy emissions comes entirely from purchased electricity. Since the first inventory of TSEC Hsinchu Plant in 2011, it has conducted a ISO14064-1:2018 inventory in 2022, and the Pingtung Plant has completed the first inventory of ISO14064-1:2018 in 2022, and all of them have passed external verification, and the Taipei company plans to conduct 2023 this year. Conduct the first inventory and arrange for verification; Disclose the Scope 1 and 2 greenhouse gas emissions of the Taipei company, Hsinchu plant and Pingtung plant in the past three years. In 2023, greenhouse gas emissions will increase due to the increase in electricity consumption and N<sub>2</sub>O consumption due to the addition of new production lines.

Scope 1+2:	Taipei Company	Hsinchu Plant	Pingtung Plant
Greenhouse gas emissions	(metric tons CO <sub>2</sub> e).	(metric tons CO <sub>2</sub> e).	(metric tons CO <sub>2</sub> e).
2021	未盤查	29893.321	11235.444
2022	未盤查	39799.080	13567.309
2023 (The data have not been verified)	116.862	43920.754	15632.515

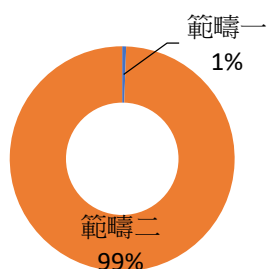
## 2023 年 台北公司



## 2023 年 新竹廠

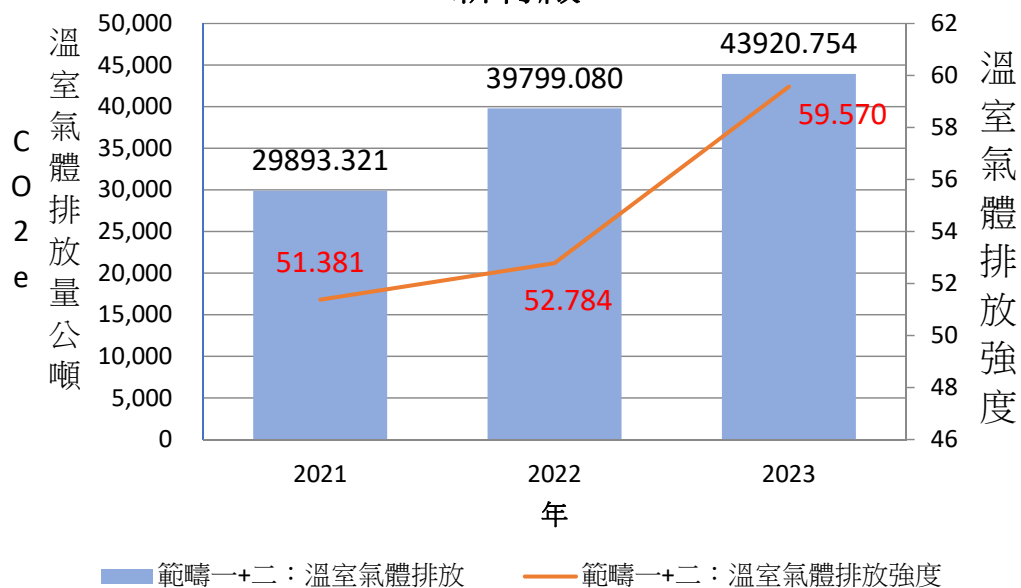


## 2023 年 屏東廠

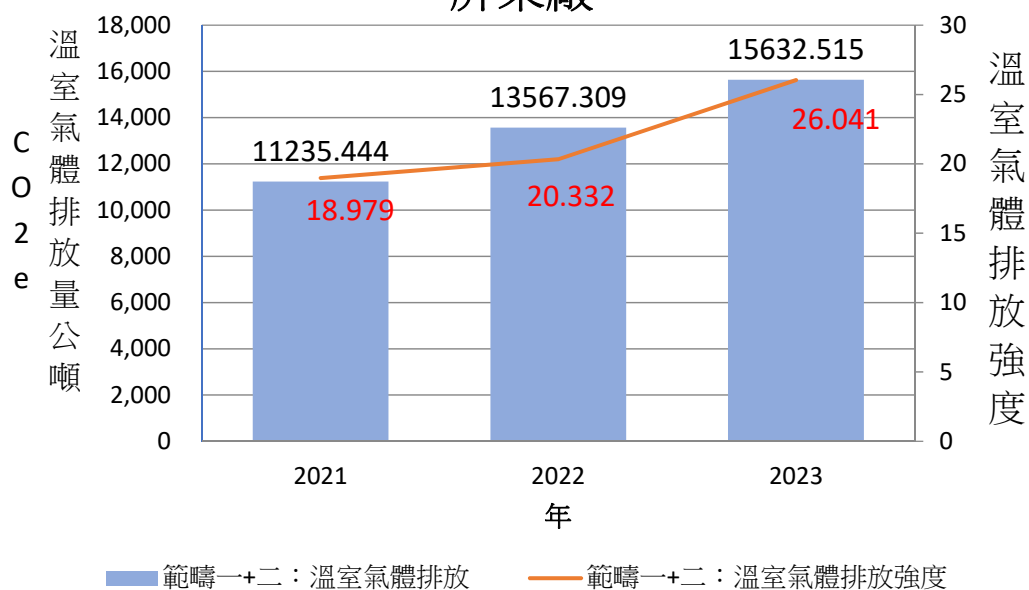


Scope 1 & Scope 2 Greenhouse gas emissions intensity	Hsinchu Plant (Metric tons CO2e/capacity (MW).	Pingtung Plant (Metric tons CO2e/capacity (MW).
2021	51.381	18.979
2022	52.784	20.332
2023 (The data have not been verified))	59.570	26.041

## 新竹廠



## 屏東廠



#### 4.4 Water resources management (303)

At present, the world is facing the uncertainty and unpredictability brought about by climate change, which brings great challenges to the management of water resources. As a result, the protection and management of water resources has become an urgent issue. To address this challenge, companies need to conduct a risk assessment and develop countermeasures. TSEC has taken a series of measures to effectively deal with water management issues, including the introduction of water-saving equipment, improvement of production technology, recycling and reuse of water resources, strengthening monitoring and early warning systems, and raising employees' awareness of water conservation. These measures can reduce water consumption, achieve energy conservation and emission reduction, and contribute to environmental protection and sustainable development.

廠區取用水來源及排放點			
廠區	取用水來源	廢水處理方式	最終排放點
新竹廠區	頭前溪地表水及寶山水庫	廢水經分流後經過污水處理系統處理後排放	新竹工業區納管處理後排茄苳溪
屏東廠區	地下深井	廢水經分流後經過污水處理系統處理後排放	高屏溪

#### ◆ Water withdrawal, water consumption and water consumption rate in the past three years

Taipei + Hsinchu + Pingtung factory			
annual	2021	2022	2023
Water withdrawal (m³).	436,705	564,635	516,555
Water consumption (m³).	46,717	55,301	94,530
Water consumption rate(%)	10.7%	9.8%	18.3
Water intensity (m3/million yuan)	69.83	62.70	73.99

\*Water consumption intensity = total water withdrawal in the current year (m3) / revenue cost ( the current year (million yuan)

#### ◆ saving measures and water recovery rate

- ◆ response to the increasing shortage of water resources and climate change, water-saving measures and recycling are important issues for the factory. After treatment, it is supplied to the air conditioning system to reduce the consumption of tap water, and it is necessary to establish a water management system. By establishing a water management system, enterprises can manage water resources holistically, including supply, use, recycling and discharge, so as to achieve comprehensive management of water resources. At the same time, continuous improvement and improvement of the management mechanism can also make enterprises more economical and efficient in

the use of water resources, reduce the waste of water resources, and further reduce the cost of enterprises. In addition, the establishment of a water management system can also help enterprises better cope with the challenges brought about by factors such as increasing water scarcity and climate change, and achieve sustainable development.

Hsinchu plant			
annual	2021	2022	2023
Water withdrawal (m³)	419,622	517,515	433,109
Recycled water (m³).	101,552	96,075	75,747
recovery(%)	24.20%	18.56%	17.5%
Note: Recovery rate = amount of water recovered/amount of water withdrawn			

#### 4.5 Waste management (306).

In order to pursue sustainable operation, TSEC achieves the win-win goal of reducing environmental pollution and effective use of resources through continuous process optimization and resource recycling, and there is no waste import and export. In 2023, the average recycling rate of general waste entrusted to qualified treatment institutions will reach 82.7%, the average rate of hazardous waste entrusted to qualified treatment institutions will reach 99.5%, and the recycling rate of product packaging materials shipped by TSEC Hsinchu Plant to Pingtung Plant in 2021~2023 will be 86.6% respectively, 79.5%, 70.5%, for the importance of environmental awareness, production management of all those who can recycle or reuse resources, are in the spirit of making the best use of things, according to the characteristics of the waste classification of resource recycling or removal treatment, and the removal of treatment manufacturers are legal and qualified manufacturers, TSEC also implements regular assessment and audit every year, no warning with the car to strengthen the supervision and management of the removal of manufacturers.

project	Waste disposal methods
General Waste	Qualified removal and treatment manufacturers: incineration treatment, physical treatment
Waste from resource projects	Packaging materials: can be recycled and reused in or between plants
	Unable to be reused in the factory: commissioned qualified removal treatment manufacturer: weighing and pricing treatment
Hazardous industrial waste	Qualified removal and treatment manufacturers: identification and analysis of legal harmful components, incineration treatment, stabilization treatment, and reuse treatment
Overseas treatment of industrial waste	not

Factory	year	General Waste (Incineration/physics, etc)	Hazardous industrial waste (Incineration/physics, etc)
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		E-waste	End-of-life products	other	E-waste	End-of-life products	other
新竹廠	2021	0	0	252.0	0	0	2.5
	2022	0	0	112.8	0	0	3.3
	2023	0	0	73.9	0	0	3.6
屏東廠	2021	0	0	291.5	0	22	0
	2022	0	0	379.7	0	0	1.7
	2023	0	0	450.8	0	0	1.7

\*其他廢棄物包含生活垃圾、廢木材(D 類)、廢陶瓷及廢油混合物

\*單位：公噸

Factory	year	General Waste (Reuse/Recycling)			Hazardous industrial waste (Reuse/Recycling)		
		E-waste	End-of-life products	other	E-waste	End-of-life products	other
Hsinchu Plant	2021	0	24.5	988.2	0	0	1185.1
	2022	0	20.9	1310.4	0	0	1241.8
	2023	0	34.0	1243.0	0	0	971.5
Pingtung Plant	2021	0	13.1	1082	0	116.1	1.9
	2022	0	11.3	1389	0	68.7	3.3
	2023	0	21.6	1206	0	51.9	2.7

\*Other wastes include household waste, waste wood (Group D) waste ceramics and waste oil mixtures

\*Unit: metric tons

The percentage of waste that is reused by a qualified disposal organization

Factory	year	General industrial waste (reuse disposal rate)	Hazardous industrial waste (Reuse disposal rate)
Hsinchu Plant	2021	80.1%	99.8%
	2022	92.2%	99.7%
	2023	94.5%	99.6%
Pingtung Plant	2021	79.0%	84.3%
	2022	78.7%	97.7%
	2023	73.1%	97.1%

\*The Pingtung plant produces less hazardous industrial waste, and the reuse percentage from 2020 to 2022 changes greatly

Factory	year	General Waste (Reuse disposal rate)		Hazardous industrial waste (Reuse disposal rate)	
		End-of-life products	other	End-of-life products	other
Hsinchu Plant	2021	1.9%	78.1%	(There is no such waste)	99.8%
	2022	1.4%	90.7%	(There is no such waste)	99.7%
	2023	2.5%	92.0%	(There is no such waste)	99.6%
Pingtung Plant	2021	0.9%	78.0%	83.0%	1.3%
	2022	0.6%	78.0%	93.3%	4.5%
	2023	1.3%	71.9%	92.2%	4.9%

\*Other wastes include household waste, waste wood (Group D) waste ceramics and waste oil mixtures

In 2021, the Hsinchu plant shipped the product packaging materials of the Pingtung plant to the recycling rate

project	name of article	unit	The amount that should be used	Use the amount of recycling	Reutilization
Packaging materials	Body cushioning material	SET	73,578	68,148	92.6%
	carton	EAC	73,578	64,218	87.3%
	pallets	PCS	2,453	1,898	77.4%
	EPE foam	EAC	2,060,171	1,839,711	89.3%
average					86.6%

In 2022, the Hsinchu plant shipped the packaging materials of the Pingtung plant to the recycling rate

project	name of article	unit	The amount that should be used	Use the amount of recycling	Reutilization
Packaging materials	Body cushioning material	SET	91,406	80,916	88.5%
	carton	EAC	91,406	71,363	78.1%
	pallets	PCS	3,047	2,142	70.3%
	EPE foam	EAC	2,559,367	2,079,367	81.2%
average					79.5%

In 2023, the Hsinchu plant will ship the packaging materials of the Pingtung plant to the recycling rate

project	name of article	unit	The amount that should be used	Use the amount of recycling	Reutilization
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Packaging materials	Body cushioning material	SET	84,629	59,936	70.8%
	carton	EAC	84,629	61,050	72.1%
	pallets	PCS	2,822	1,588	56.3%
	EPE foam	EAC	3,049,699	2,526,699	82.9%
average					70.5%

#### 4.6 Supplier management

Management policy	
Major topics	Supplier management
Significance for TSEC	As a pioneer in Taiwan's green energy industry, TSEC Solar Energy Co., Ltd. not only grows revenue, but also works with the supply chain to protect the earth, promote the positive cycle of industry and supply chain, and achieve sustainable business goals.
Policy Direction	<ol style="list-style-type: none"> <li>1. Establish socially responsible supplier management procedures to encourage suppliers to understand the spirit of social responsibility and cooperate with the company's social responsibility management requirements, so as to achieve a green and sustainable supply chain.</li> <li>2. Strengthen mineral management by establishing procedures for the non-use of conflict minerals to ensure that there are no illegal conflict minerals in the supply chain.</li> <li>3. Establish a hazardous substance management operation specification, requiring suppliers to provide products that comply with international standards of prohibited substances and environment-related laws and regulations to reduce environmental impact.</li> <li>4. Suppliers shall conduct business activities in a fair and transparent manner based on the principle of honest management, and require suppliers to sign a letter of commitment to conduct honest transactions.</li> </ol>
Core objectives	<ul style="list-style-type: none"> <li>• 100% completion rate of supplier evaluation</li> <li>• 100% completion rate of the supplier's "Honest Trade Commitment".</li> <li>• 100% of suppliers have signed the "Supplier Social Responsibility Commitment Statement".</li> <li>• Supplier zero conflict mineral procurement</li> </ul>
Performance Outcomes	<ol style="list-style-type: none"> <li>1. 100% completion rate of supplier evaluation.</li> <li>2. The completion rate of the supplier's letter of commitment for honest transaction is 99.83%.</li> <li>3. 100% of the Supplier's "Supplier Social Responsibility Commitment Statement" has been signed.</li> <li>4. Suppliers maintain conflict-free mineral procurement.</li> </ol>
Course of action	1. Advocate the RBA Code of Conduct and require the signing of a statement of commitment to social responsibility.

	2. Suppliers are required to self-assess the "Social Responsibility Risk Assessment and Assessment Review Form" and arrange audit confirmation.
How to manage	
Put in the resources	Procurement, quality assurance, industrial safety
Feedback mechanism	Procurement/Violation Report Mailbox 6443@tsecpv.com
Evaluation mechanisms	Supplier Evaluation Form, Supplier Social Responsibility Risk Assessment and Assessment Review Form, CMRT Conflict Minerals Questionnaire
Planning for the future	
2024 target:	The completion rate of supplier evaluation is 100%.
	100% of new suppliers have signed the Social Responsibility Commitment Statement
	Maintain conflict-free mineral procurement

In response to global climate change, global warming and other phenomena, TSEC, as a pioneer in the green energy industry, has not only grown its revenue, but also cooperated with the supply chain to protect the earth and achieve the goal of sustainable operation. TSEC is committed to promoting the positive cycle of the industry and supply chain, and has formulated relevant regulations for socially responsible supplier management, non-use of conflict minerals management and hazardous substance management, and battery factories and module factories have promoted cooperation with direct application material suppliers to invest in supply chain sustainability management to ensure that the supply chain has a safe working environment, dignified labor relations, ethical operations and is committed to promoting environmental protection.

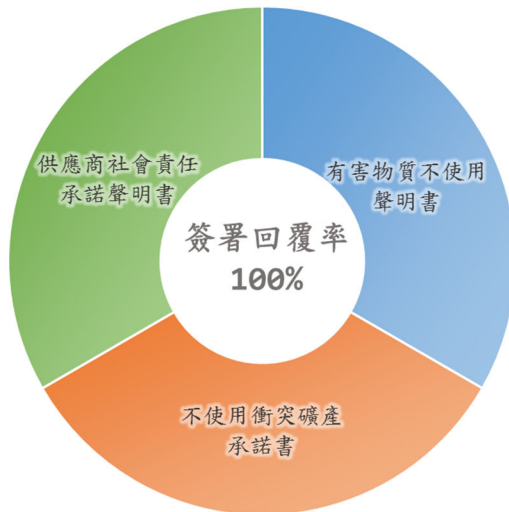
Four major policies for supply chain sustainability management:



Follow guidelines, risk assessments	Implement evaluation and continuous improvement
<p>1. Direct application material suppliers are required to comply with the Supplier Code of Conduct to pass the supplier evaluation and are required to pass the ISO9001, ISO14001 and ISO45001 management system verification.</p> <p>2. Suppliers are required to have no violation of major social responsibility, business ethics, and corporate sustainability.</p> <p>3. Assess the use of conflict minerals and hazardous substances.</p>	<p>The Company sets up an audit team every year to arrange audits from time to time to advocate the Company's sustainable business philosophy and goals. For the direct application of material suppliers in terms of quality technology, labor health and safety, environmental protection, fire safety, ethics, etc., the supplier shall make improvements based on the audit results, and accept relevant guidance or audit review.</p>

#### Follow the guidelines

Yuanjing is based on the Responsible Business Alliance (RBA), formerly known as the Electronic Industry Citizenship Coalition (EICC). Formulate a supplier code of conduct, including labor, health and safety, environment, and ethics, and require suppliers to sign the "Supplier Social Responsibility Commitment Statement", "Commitment to Non-Use of Conflict Minerals", and "Declaration of Non-Use of Hazardous Substances", and require suppliers of direct applied materials with an annual transaction amount of more than 5 million yuan to agree and sign to follow the company's supplier code of conduct, and use it as one of the main evaluation items for procurement decisions.

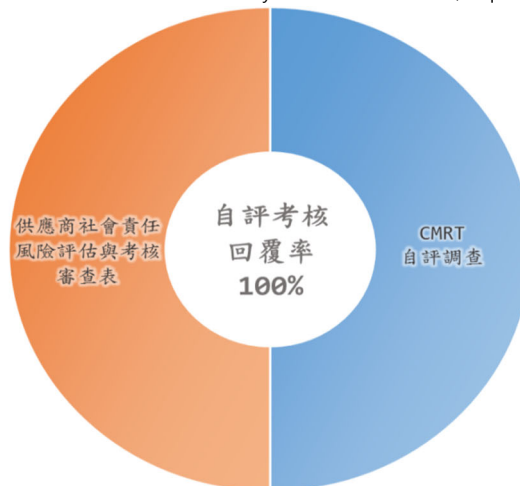


Reference site: <https://www.responsiblebusiness.org/>

#### risk assessment

In order to understand the sustainability risks of the supply chain and grasp the potential risks. First of all, the suppliers of directly applied materials with an annual transaction amount of more than 5 million yuan of battery factories and module factories are inspected, and the suppliers are required to reply to the implementation status of the four major sustainability aspects (labor norms, health and safety, environmental protection, and ethics standards) in the questionnaire of the "Supplier Social Responsibility Risk Assessment and Assessment Review Form", and provide relevant supporting materials, such as legal environmental protection permits or relevant operation documents. The results of the supplier self-assessment will be used as the basis for subsequent sustainability risk management and audit.

In addition, TSEC supports the procurement of conflict-free raw materials, so as to practice the social ethics of humanity and human dignity, and also asks suppliers to conduct a "CMRT self-assessment survey" on conflict minerals, requiring suppliers to purchase conflict-free raw



materials.

### Proportion of local procurement

At present, TSEC Solar's operating production bases are mainly divided into Hsinchu battery factory and Pingtung module factory, and all raw materials purchased in Taiwan are locally purchased. In 2023, the proportion of procurement expenditure from local suppliers was 85.3%; The proportion of procurement expenditure from non-local suppliers was 14.7%. Because more than 90% of the main materials such as silicon wafers, aluminum frames, glass, and junction boxes in the solar energy industry are manufactured in China, the local procurement amount is relatively low.

annual	In 2021	In 2022	In 2023
Proportion of local buyers (%)	84.4%	85.9%	85.3%
Proportion of local procurement value (%)	34.0%	27.8%	34.6%

### New supplier evaluation mechanism

The company formulates supplier management procedures, audits the supplier quality management system and environmental safety and health management system every year, and evaluates the supplier quality, cost, delivery time, service and management as a consideration for procurement decision-making. In 2023, the new suppliers of major materials for battery factories and module factories will reach 100% through the supplier evaluation form

年度	2021 年	2022 年	2023 年
新增供應商家數	0	4	8
符合環境標準家數	0	4	8
符合社會標準家數	0	4	8

\*Explanation of differences : Hsinchu battery factories will add 5 new ones in 2023; Pingtung module factories will add 3 in 2023.

In 2022, the "Procedures for the Management of Socially Responsible Suppliers" was newly formulated to strengthen the promotion and evaluation of social corporate responsibility in the supply chain in terms of labor human rights, health and safety, environmental protection, and ethics.

Yuanjing will continue to communicate with important suppliers, and continue to understand the performance of their environmental and social indicators through the supplier social responsibility risk assessment and assessment review form, and hope to jointly promote the concept of green manufacturing with suppliers and make a contribution to sustainable environmental and social responsibility.

### Implement assessments

In order to confirm and implement supplier sustainability risk management, the audit is arranged and the audit object is selected every year according to the assessment results and the supervisor's resolution (depending on the internal and external concerns of the current year) and the audit results are recorded in the supplier social responsibility risk assessment and assessment review form. The supplier score must meet the requirements of the factory to be qualified, and if it is not reached, it must be continuously improved within a limited period.

Reduce the negative impact of the supply chain on the environment and society:



annual	In 2021	In 2022	In 2023
Hsinchu Battery Factory	19	22	27
Pingtung module factory	17	18	21

\*Explanation of differences : Hsinchu battery factories will add 5 new ones in 2023;Pingtung module factories will add 3 in 2023.

Reduce the negative impact of the supply chain on the environment and society

The company has passed ISO 14001 and ISO 45001 management system certifications, and promotes energy conservation improvement programs, water management, and greenhouse gas inventory. The "Socially Responsible Supplier Management Procedure" incorporates labor, health and safety, environmental protection and ethics into the supplier evaluation program of battery factories, and evaluates the environmental and social performance of suppliers through the "Supplier Evaluation Form" and the "Supplier Social Responsibility Risk Assessment and Assessment Review Form".

In 2023, a total of 27 suppliers of Hsinchu Battery Factory and 21 suppliers of Pingtung Module Factory will be evaluated, all of which meet the requirements and no suppliers with major risks have been found.

face	Issues	Continuous supply chain improvement actions
Labor Norms	Non-discrimination and harassment	<ul style="list-style-type: none"> <li>• Adequate and effective policies and procedures should be implemented for the prohibition of discrimination and harassment.</li> </ul>
Health & Safety	Prevention of occupational injuries and Occupational diseases occur	<ul style="list-style-type: none"> <li>• Contractor suppliers such as engineering and labor (service) shall comply with various safety and health operation standards when operating in the company.</li> <li>• Regularly audit hazardous business waste disposal manufacturers, and require personnel to protect equipment/machinery and equipment/chemicals/environment and properly dispose of hazardous waste.</li> </ul>
environmental protection	Carbon reduction and emission reduction	<ul style="list-style-type: none"> <li>• Promote internal inventory of suppliers' carbon emissions in accordance with ISO 14064-1 standards.</li> <li>• Continuously evaluate suppliers' environmental permits and pollution discharge compliance.</li> <li>• Carbon reduction and emission reduction results are included in the supplier evaluation program.</li> </ul>



ethics	Grievance Communication Channels	<ul style="list-style-type: none"> <li>Suggestion boxes or channels for anonymous grievances should be established..</li> </ul>
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#### 4.7 Green Products

Management policy	
Major topics	Green products
The importance of the metacrystal	In recent years, due to the impact of climate change, the global epidemic and the Ukrainian-Russian war, international energy demand has been valued, and TSEC is a solar-related industry, and continues to provide different products and services in response to market demand to maintain the company's overall competitiveness.
Policy Direction	Actively develop green energy solutions, and invest in the development and application of energy storage and niche products in response to the trend of energy transition in the market.
Core objectives	<p>Short-term goals:</p> <ol style="list-style-type: none"> <li>1. In response to market demand, continue to improve product quality, while taking into account the improvement of conversion efficiency and production yield, to achieve the goal of optimizing process conditions and reducing production costs.</li> <li>2. To meet the needs of low-orbit satellites, develop solar cells for space use.</li> <li>3. Actively invest in the field of energy storage, laying a good foundation for subsequent investment in the field of photovoltaic energy storage and the power industry.</li> <li>4. The introduction of TOPCon technology can increase the battery conversion efficiency by 1% and the module wattage by</li> </ol>

	<p>more than 20 watts.</p> <p><b>Medium-term goals:</b></p> <ol style="list-style-type: none"> <li>1. Evaluation and introduction of advanced process technology and materials to effectively increase the utilization rate of optoelectronics</li> <li>2. Evaluate the development of G12 size battery technology to increase the total wattage, as well as other innovative technology research and other new battery structures</li> <li>3. Develop solar products with additional functions for special purposes or environments, including electric vehicles, offshore applications, etc</li> </ol> <p><b>Long-term goals:</b></p> <ol style="list-style-type: none"> <li>1. Research and development of new cell perovskite stack structure (Perovskite Tandem) structure and mass production application of modules</li> <li>1. 2. The development of the intelligent photovoltaic platform transforms the traditional PV maintenance and operation (O&amp;M) program into an automated, flexible, concise, easy-to-understand, data-oriented solar tandem monitoring mechanism and system to ensure that the overall power generation of the power plant can maximize the benefits and reduce labor costs</li> </ol>
<b>Performance Outcomes</b>	<ol style="list-style-type: none"> <li>1. The plan is issued through the Industrial Upgrading and Innovation Platform Mentoring Program of the Industrial Development Agency of the Ministry of Economic Affairs</li> <li>2. Won the 112th annual high-quality solar photovoltaic products (batteries, modules) of the Energy Bureau of the Ministry of Economic Affairs</li> <li>3. Obtained Taiwan high-performance solar photovoltaic module certificate for voluntary product verification by the Bureau of Standards, Inspection and Inspection of the Ministry of Economic Affairs</li> </ol>

	<ol style="list-style-type: none"> <li>4. Completed the Level 17 wind tunnel test of the M10 module of the Wind and Rain Wind Tunnel Laboratory of the Institute of Architecture of the Ministry of the Interior</li> </ol>
<b>Course of action</b>	The M10 production line has been purchased one after another, and it is the first domestic manufacturer to introduce M10 for Taiwan's photovoltaic cell and module manufacturing, and is also preparing to introduce a new generation of TOPCon production line in 2023.
<b>How to manage</b>	
<b>Put in the resources</b>	<ol style="list-style-type: none"> <li>Continue to improve and upgrade the current manufacturing process of the product</li> <li>Draw up a phased R&amp;D plan and invest corresponding R&amp;D resources (equipment, funds)</li> <li>3. Multi-oriented development and design of products</li> </ol>
<b>Feedback mechanism</b>	<ol style="list-style-type: none"> <li>R&amp;D department meeting/expansion supervisor meeting, etc</li> <li>2. Customer feedback</li> </ol>
<b>Evaluation mechanisms</b>	<ol style="list-style-type: none"> <li>Achievement rate of R&amp;D KPIs</li> <li>The results of the development of new processes and new products</li> <li>Certificates and awards for product verification</li> </ol>
<b>Planning for the future</b>	
<b>2024 target:</b>	<ol style="list-style-type: none"> <li>Completed the development of TOPCon product technology and introduced it into mass production.</li> </ol>

2. Acquired MIT certification for TOPCon batteries.
3. Obtained IEC, UL and VPC certifications for TOPCon modules.

In this volatile and challenging environment, TSEC's business tentacles in the solar energy industry have extended from solar cells, modules, to photovoltaic cases and engaged in maintenance and operation management, and at the same time, in response to the trend of energy transition, TSEC has invested in the development and application of energy storage fields and niche products, looking for new opportunities and sales channels for future business.

While G1/M6 products have been eliminated by M10/G12 large-size chips, N-type (TOPCon) and P-type (PERC) will also have another elimination match. The market's pursuit of photovoltaic products with higher CP value has driven manufacturers to improve the technology of the upstream and downstream of the industrial chain, and the existing P-type PERC technology, which has dominated solar photovoltaic for many years, will also be replaced by N-type TOPCon. TSEC began to purchase M10 production lines in the second half of 2022, becoming the first domestic manufacturer to introduce M10 in Taiwan's photoelectric cell/module manufacturing, and while the industry is still dominated by G1/M6 production lines, TSEC completes the most novel M10 at the fastest speed. Three production line layouts. TSEC has also placed an order in the third quarter of 2023 to prepare for the introduction of a new generation of TOPCon production line.

Yuanjing has been holding the high-quality solar photovoltaic product (Golden Energy Award) selection activity since 102 years of the Energy Bureau of the Ministry of Economic Affairs, and the company ) award for nine consecutive years (103~111 years).

#### **R&D objectives**

##### **1. Near-range research and development plan**

In response to the demand of the domestic market and VPCs, and in line with the government's 2050 net-zero carbon emission policy goal, TSEC expects to develop high-efficiency N-type tunneling oxide passivation (TOPCon) solar cells, and continue to improve the mass production quality of monocrystalline PERC cells, while taking into account the improvement of conversion efficiency and production yield. To achieve the goal of optimizing process conditions and reducing production costs, we developed multi-busbar (SMBB) cell technology to improve the overall cell efficiency. TSEC is actively developing a variety of niche solar cell products, including the introduction of large-size N-type cell technology and equipment and the development of M10-size cells to increase the total wattage of cells. For 108, 120, 132 and 144 M10 module, the introduction of new module materials, to achieve the module packaging process conditions optimization, and then improve the output wattage of the module. In addition, in response to the needs of low-orbit satellites, in addition to the development of solar cells for space, and for the space environment, the development of solar cell technology with passivation layer technology that resists high radiation, and the development of spectral dispersion research, the development of solar cell products with low visual irritation appearance.

#### **Energy storage field:**

TSEC is actively involved in the field of energy storage, and the layout and development of automatic frequency control (AFC), as well as other functions of energy storage, such as peak elimination and valley filling, power smoothing, and regional microgrids, will provide a good foundation for TSEC's subsequent investment in the field of optical storage and the power industry

##### **2. Medium-range research and development plan**

The goal of medium-range R&D is to evaluate and introduce high-end process technologies and materials, effectively increase the

utilization rate of photoelectric products, including the introduction of new machines, resistance reduction and the application of new electrode materials. Evaluate the development of G12 size battery technology to increase the total wattage; Other innovative technologies include the development of new cell structures (heterogeneous junction solar cells (HJT), back-contact solar cells (IBC), etc.) and next-generation module packaging processes (e.g. patch modules, shingled modules, high-density modules, 0BB).technology and so on). In addition to developing solar module materials suitable for future electric vehicles or special environmental areas, such as offshore applications,TSEC also develops solar module materials for space environments, which will help the company become a leading manufacturer in technology development and cost control of solar cells and modules. In the subsequent development of power generation and energy storage, in addition to actively looking for partners in different fields and quickly entering the electricity sales industry, because solar energy only generates power during the day, it is also necessary to study different types of power generation and energy storage methods, such as small hydropower generation, geothermal power generation, flow batteries, etc., which will helpTSEC develop into a more comprehensive power company.

#### **Distance research and development program**

The long-term R&D goal is to mass produce and apply new cell perovskite stack structures and modules, which will help the company become a leading manufacturer in the solar cell industry in terms of innovative technology development and cost control.TSEC Solar also pays attention to the development and application of module circular economy, which also helps the company to assist more customers in the issue of carbon rightsCoupled with the integrated development of energy storage systems, and assist the company to improve maintenance efficiency and reduce labor costs in future power operations, it will help to become a new type of power operation company to create, store, develop and apply green electricity, and use upstream, midstream and downstream integration capabilities to develop small and medium-sized regional power dispatching planning systems and energy management systems.

5.1 Labor Human Rights	
<b>Major topics</b>	Labor human rights
<b>Significance for TSEC</b>	In today's society, awareness of human rights is rising, and people are increasingly demanding quality of life. In line with the current international trend, TSEC Solar evaluates human rights issues such as sexual harassment, working hours, workplace safety and health, discrimination, hindrance of free choice of occupation and freedom of association, so that TSEC can provide employees with a co-prosperous environment
<b>Policy Direction</b>	<ol style="list-style-type: none"> <li>1. Establish the "Anti-Discrimination and Anti-Harassment Management Measures" to ensure that the Company's employees will not discriminate in hiring, working and living, salary and promotion, and strictly prohibit discrimination and prevent any harassment.</li> <li>2. Establish the "Measures for the Management of Freedom of Association" to ensure the freedom of association of employees and respect the rights of all employees to belief, freedom of association, participation in associations, participation in trade unions and collective bargaining.</li> <li>3. Establish remedial management measures for the prohibition of child labor and misuse, and formulate policies, procedures and remedial measures to effectively control the non-employment and non-support of child labor.</li> <li>4. Enact the "Measures for the Administration of Anti-Punishment, Forced Labor, and Prison Labor" to ensure free forms of labor and prohibit the use</li> </ol>

	of any coerced, bonded (including debt) or indentured labor, involuntary or exploitative prison labor, and slavery or trafficking in persons.
<b>Core objectives</b>	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> <li>• Related grievances = 0</li> <li>• Cases of misuse of child labor = 0</li> </ul>
<b>Performance Outcomes</b>	<ol style="list-style-type: none"> <li>1. There has been no violation of relevant anti-policies and laws and regulations over the years</li> <li>2. Related appeal cases in previous years = 0</li> </ol>
<b>Course of action</b>	<ol style="list-style-type: none"> <li>1. Newcomer training and on-the-job education and training.</li> <li>2. Hold regular and irregular labor-management meetings, especially the implementation of new policies or major issues, through labor-management meetings or trade union consultations to understand the ideas of colleagues, and only implement them after they are passed.</li> <li>3. The minutes of the previous labor meetings are clear and open, and every colleague can consult them at any time</li> </ol>
<b>How to manage</b>	
<b>Put in the resources</b>	Department of Human Resource Development
<b>Feedback mechanism</b>	Workplace Illegal Assault and Sexual Harassment Prevention Committee, Employee Suggestion Box
<b>Evaluation mechanisms</b>	<ol style="list-style-type: none"> <li>1. Human resources complaint channels</li> <li>2. 6443 Grievance Channels</li> </ol>
<b>Planning for the future</b>	
<b>2024 target:</b>	Compliance with laws and regulations
	Maintain zero grievances

- Diversity & Inclusion & Equal Opportunity

We do not discriminate against employees in recruitment or work on the basis of race, color, age, gender, sexual orientation, gender identity and expression, race or nationality, disability, pregnancy, beliefs, political affiliation, group background, veteran status, protected genetic information, or marital status, such as wages, promotions, incentives, and training opportunities.

Provide an effective and appropriate grievance mechanism to avoid and respond to situations that endanger the rights and interests of employees

- Freedom of association

The right of all employees to organize and participate in trade unions of their choice, to bargain collectively and to participate in peaceful assemblies should be respected, as well as the right of employees to refrain from such activities.

Employees and/or their representatives are able to openly communicate with management and share their thoughts and concerns about working conditions and management practices without fear of discrimination, retaliation, threats or harassment.

- Prohibition of child labor

We will comply with the Labor Standards Act, do not employ children under the age of 16, and immediately suspend the work of children under the age of 16 if they are found to have



been wrongly recruited. The human resources unit should quickly send someone to verify it, conduct a physical examination, settle all its salaries and take remedial measures

- Prohibition of forced labor

Laborers shall not be forced to work by coercion, detention, or other illegal means. Labor wages shall not be withheld as liquidated damages or compensation expenses. Employees may exercise their right to terminate the contract in accordance with the provisions of the Labor Standards Act.

### Staff structure

The perfect human resource structure is conducive to the sustainable development of the company, TSEC has set up an office in Taipei, and its factories are set up in Hsinchu and Pingtung, of which the number of employees is 12/31, and the total number of full-time employees is 1,643 (Taipei: 44, Hsinchu: 718, Pingtung: 881)

In order to protect the legitimate rights and interests of employees, the company signs a labor contract with each employee, and prevents the company from dismissing workers at will

Yuanjing Solar's 2021-2023 employee statistics

/annual	In 2021	In 2022	In 2023
Total number of employees (Note 1)	1366	1886	1669

Employment contract (Note 2).		Non-fixed	fixed	Non-fixed	fixed	Non-fixed	fixed
gender	man	845	5	1135	3	1013	9
	woman	514	2	748	0	644	3
region	Taipei	44	1	45	0	44	0
	Hsinchu	731	1	820	3	752	2
	Pingtung	584	5	1018	0	861	10
Type of employment (Note 3).		Full-time	Part-time	Full-time	Part-time	Full-time	Part-tim
gender	man	842	8	697	51	1014	8
	woman	486	30	1120	18	618	29
region	Taipei	44	1	44	1	44	0
	Hsinchu	589	0	823	0	749	5
	Pingtung	695	37	950	68	839	32

Yuanjing Solar's non-employee statistics from 2021 to 2023

/annual		In 2021		In 2022		In 2023	
Total number of workers (Note 1).		20		1		0	
The type of contract		dispatch	Other types	dispatch	Other types	dispatch	Other types
gender	man	17	0	0	0	0	0
	woman	3	0	1	0	0	0
region	Taiwan	20	0	1	0	0	0
	overseas	0	0	0	0	0	0
Type of work		Technician/Operator	Technical Advisors	Technician/Operator	Technical Advisors	Technician/Operator	Technical Advisors
gender	man	17	0	0	0	0	0
	woman	3	0	1	0	0	0
region	Taiwan	20	0	1	0	0	0
	overseas	0	0	0	0	0	0

#### Employee diversity and equal opportunity

In terms of talent recruitment,TSEC focuses on the evaluation of job ability and professional qualifications in the recruitment advertisement and interview process, rather than personality characteristics and personal privacy, and does not over-collect information from applicants.

We will not discriminate against any race, social class, nationality, religion, disability, health status, gender, gender orientation and identity, age, military status (and military service status), union membership, labor representatives, employee grievances, political affiliation, zodiac sign, place of origin, blood type, etc., in hiring, training, salary, promotion, dismissal, or retirement, and we will respect the differences and values of each individual and create a friendly, diverse and inclusive work environment

For special workers (e.g., foreigners, students, women, people with disabilities, etc.), in accordance with the principle of protection of relevant laws and regulations, TSEC provides flexible working schedules, allowing employees to adjust their work schedules according to their personal needs and personal commitments, such as: flexible working hours, working from home and reduced working hours, or arranging work according to the requirements of employees' status, technical ability, physical condition, etc., and there should be no discrimination or harassment in employee management and daily interactions.

employee	direct	gender	man	736	63%	1013	61%	905	62%
			woman	432	37%	658	39%	557	38%
		age	Under 30	344	29%	647	39%	469	30%
			Over 30 and under 50	806	69%	1004	60%	960	67%
			50 or more	18	2%	20	1%	30	2%
		Degree	institute	45	4%	55	3%	52	4%
			Tertiary institutions	652	56%	979	59%	848	57%
			other	471	40%	637	38%	559	39%
	indirect	gender	man	114	58%	125	58%	120	57%
			woman	84	42%	90	42%	90	43%
		age	Under 30	23	12%	32	15%	28	13%
			Over 30 and under 50	157	79%	163	76%	151	72%
			50 or more	18	9%	20	9%	31	15%
		Degree	institute	55	28%	57	27%	51	24%
			Tertiary institutions	134	68%	148	69%	147	70%
			other	9	5%	10	5%	12	6%

The company provides relatively competitive salary and career development, and coordinates the construction of a reasonable internal and external competitive salary system. The salary assessment takes into account the company's financial status, professional seniority, education and personality traits, and the starting point is relatively fair, and at the same time, in order to motivate employees to stay in their positions and create better value, the annual performance appraisal is combined with the annual promotion and salary adjustment, and the adjustment is adjusted by an average of 2-3%. In accordance with the provisions of the company's articles of association, no less than 5% of the operating profit

performance will be allocated as the distribution of employee remuneration surplus, hoping to attract more outstanding talents and reward employees who have contributed to the creation of the company, so as to motivate morale and improve work efficiency.

The ratio of base salary to compensation			ratio					
			In 2021		In 2022		In 2023	
An important base of operations	man	woman	man	woman	man	woman	man	woman
Taiwan	direct	Base salary	1.26	1	1.26	1	1.18	1
		pay	1.19	1	1.19	1	1.17	1
	indirect	Base salary	1.53	1	1.53	1	1.47	1
		pay	1.71	1	1.71	1	1.55	1

Explain the differences

category	illustrate	Implementation
Anti-discrimination	In order to ensure that the company's employees do not discriminate in employment, work and life, salary and promotion, and strictly prohibit discrimination, and prevent any harassment	1. There have been no violations of relevant policies and laws and regulations over the years 2. Newcomer training Buda 3. There are 0 related grievances in previous years
Freedom of Association Groups	In order to protect the freedom of association of employees, the Company shall respect the rights of all employees to freedom of belief, association, participation in associations, membership in trade unions, and collective bargaining	1. There have been no violations of relevant policies and laws and regulations over the years 2. Newcomer training Buda 3..Regular and irregular labor-

		<p>management meetings, especially for the implementation of new policies or major issues, are implemented only after the implementation of labor-management meetings or labor union consultations to understand the ideas of colleagues.</p> <p>4. The minutes of the past collective management meetings are clear and open, and can be consulted by every employee at any time</p> <p>5. There are 0 related grievances in previous years</p>
child labour	Effectively control the non-employment and non-support of child labor	<p>1. There have been no violations of relevant policies and laws and regulations over the years</p> <p>2. Newcomer training Buda</p> <p>3. There are 0 related grievances in previous years</p>
Forced or compulsory labor	To prohibit the use of any coerced, bonded (including bonded) or indentured labour, involuntary or exploitative prison labour, slavery or trafficking in persons. This includes the use of intimidation, coercion, threats, kidnapping, or fraud to transport,	<p>1. There have been no violations of relevant policies and laws and regulations over the years</p>

	harbour, recruit, deploy or receive labour or services obtained, or to require work,	2. Newcomer training Buda 3. There are 0 related grievances in previous years
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Yuanjing continues to employ employees with disabilities, and despite the rapid growth of the number of employees, it still tries its best to comply with the employment ratio of laws and regulations, and at the same time implements "job redesign" to create a good office environment for the hearing-impaired and visually impaired, so that they can give full play to their talents, and the promotion and salary adjustment ratio of the company's employees with disabilities is no different from that of ordinary colleagues.

During the 112 years, the company was invited by the New Taipei City Government twice to serve as a lecturer of the "Publicity Meeting on Assisting Enterprises to Use the - Sharing of Successful Employers" to share TSEC's friendly and inclusive workplace environment with the industry.

### **Foreign colleagues take care of foreign colleagues**

In addition to their own nationality, TSEC's current colleagues also have Filipino, Viet Nam, and Indonesian nationals, and they have migrant workers, professionals who have studied in Taiwan, and international students, and they are responsible for taking care of their lives.

- Provide hometown meals, such as: Indonesian pork-free meals, Filipino flavored meals and seasonings, etc.

their religious beliefs, such as prayer times: , Ramadan customs, and Muslim

facilities such as prayer rooms, foot-washing areas, etc.

- In-house announcements, documents in the native language.
- Provide internship opportunities for foreign students, and provide free accommodation and free transportation to and from the school and the company.
- Careful care during the epidemic, assisting in meal delivery, medical treatment, isolation measures, and expressing the company's concern through condolences and fruits for confirmed colleagues.

In addition to the company being selected as the "Excellent Employer" of the Pingtung County Government in 112, the two foreign migrant workers submitted by the company were also selected as "Excellent Migrant Workers" and were commended by the Pingtung County Mayor on Labor Day on May 112.

#### **Labor communication and grievance channels**

Yuanjing has trade union organizations, namely the enterprise trade union of TSEC Solar Technology Co., Ltd. and the enterprise trade union of Pingtung Plant of TSEC Solar Technology (Co., Ltd.), which signs a group agreement with the company and holds regular meetings, and has guaranteed seats in labor-management meetings and employee welfare

committees to jointly solve problems such as employee labor incidents, working environment health and safety, and employee welfare.

In order to protect the labor conditions of employees, TSEC fully abides by the provisions of the Labor Standards Act and other relevant labor laws and regulations, and at the same time minimizes the impact, attaches great importance to labor-management communication, and has set up multiple channels for reflecting problems, as listed in the following table:

he name of the pipeline	How it works	illustrate
Workplace Wrongful Assault and Sexual Harassment Complaint Handling Committee	<ul style="list-style-type: none"> <li>• In case of illegal infringement in the workplace (e.g., sexual harassment, bullying...): etc) they may appeal to the members</li> <li>• After the complaint is filed, the Committee shall meet within one month to deal with it</li> </ul>	<ul style="list-style-type: none"> <li>• There are 15 members from different units, most of whom are supervisors and related professional managers.</li> <li>• The contact information of each committee member is displayed on the company's bulletin board, and you can seek assistance from the nearest or trusted committee member</li> <li>• After the acceptance of the case, the committee must meet</li> </ul>



		<p>within 1 month to deal with it</p> <ul style="list-style-type: none"> <li>• Protect the parties concerned and maintain complete confidentiality</li> <li>• Require committee members and all supervisors of the company to be trained to establish correct concepts and understand the handling mechanism.</li> </ul>
Labor-management meetings	<ul style="list-style-type: none"> <li>• Maintain smooth communication between labor and management</li> <li>• Hold a regular labor-management meeting on a quarterly basis</li> </ul>	<p>The minutes and files of the previous meetings are placed in the announcement area of the company's intranet, and colleagues can check it at any time In 2023,TSEC had a labor dispute, although the mediation result was not established, but the company still tried its best to provide assistance to the colleagues.</p>
Employee Welfare Committee	<ul style="list-style-type: none"> <li>• Regularly review the status of benefit implementation</li> <li>• Meetings shall be convened every three months, with the possibility of ad hoc meetings if necessary</li> </ul>	<p>If you have any comments on welfare matters, you can reflect them through this committee</p>
Catering Committee	<ul style="list-style-type: none"> <li>• Regularly review the operation of the meal</li> <li>• Meetings are held at the beginning of each month and, if necessary, ad hoc meetings</li> </ul>	<p>An online satisfaction survey will be distributed to all colleagues every six months, and colleagues are encouraged to actively express their opinions in the open field.</p>

	<ul style="list-style-type: none"> <li>• There is a physical "Employee Suggestion Box" and an online feedback channel (LINE Official Account) in the staff cafeteria</li> </ul>	
Community: FB fan page and Line platform	<ul style="list-style-type: none"> <li>• Provide an easier way to talk directly to your peers</li> <li>• Usually reply within 1 day and reply to colleagues within 3 days at the latest</li> </ul>	From time to time, small activities such as lucky draws will be held to let colleagues know more about this channel.

## 5.2 Safe Workplace (403-9, 403-10).

Yuanjing has passed the ISO 45001 Occupational Safety and Health Management System, the Ministry of Health and Welfare's "Healthy Workplace - Health Promotion Label", the Health Bureau's "Good Nursing Nursing Room Excellent Workplace", etc., to reduce workplace hazards, provide employees with a safe and healthy workplace environment, and meet the requirements of customers and regulations, and pursue corporate sustainable development.

In the spirit of corporate social responsibility, TSEC provides a safe working environment and high-quality safety culture, and strives to achieve the goal of zero accidents in the workplace in the company's operation and product production process. In the implementation of the risk management mechanism, identify the potential hazards of environmental safety and health caused by the company's various activities, and evaluate and deal with the control risks, and according to the environmental safety and health proposal to improve, review and improve after the incident, regularly review and communicate with stakeholders and

regulations, etc., to ensure the applicability and appropriateness of the environmental safety and health management system, so as to prevent the occurrence of occupational injuries and diseases. In 2023, the number of occupational accidents will still account for the majority of traffic accidents, and the two serious occupational injuries are also traffic accidents on and off work. In addition to the existing training for newcomers and traffic safety seminars, in order to further enhance the traffic safety awareness and defensive driving concept of employees, 17 additional traffic safety training activities for all employees will be held at the Pingtung Plant from August to September 2023. A total of 868 participants participated in the training, which aimed to reduce the incidence of commuting traffic accidents by deepening employees' awareness of traffic safety and cultivating the concept of defensive driving

project	2023 Important Occupational Safety and Health Performance Description
Environmental, safety and health risk and opportunity assessment	A. The work content of employees and contractors and the work environment hazard identification, safety and health proposal action plan, all risk identification to hierarchical management, implementation of tracking control and control, prevention or reduction of hazard risks, a total of 1,281 risk identification and assessment
	B. Employee health assessment and analysisA total of 1,701 musculoskeletal symptom assessments and employee stress assessments, 203 workplace wrongful assault supervisor self-audits, and 42 maternal health assessments after pregnancy and childbirth were completed

Safety and health education and training	A. Attach importance to and continue to promote occupational safety and health education and training, and completed a total of 160 six-hour safety and health and chemical hazard education and training for new employees, 302 on-the-job training for various occupational safety and health, 166 respiratory protective gear wearing training and testing, and 34 occupational safety and health hazard identification training and internal audit training
	B. Strengthen the skills of employees and emergency response personnel, and complete a total of 3,213 employee fire skills and evacuation training, 203 emergency response personnel skills training and multiple emergency response accident comprehensive drills
Change management	A. In response to the expansion of production lines and the addition of new machines and equipment, the Hsinchu plant completed the submission of Class A hazardous workplace process changes for review and reference, and the two plants completed the safety inspection procedures before the commissioning of 63 new machines B. Chemicals are required to pass a safety review process before entering the factory, and 27 new chemicals are audited and evaluated
Contractor management	A total of 931 inbound safety education and training, 52 pre-operation safety coordination meetings, and 8 regular contractor agreement group meetings were completed under the contractor management
Implementation checks	A total of 85 deficiencies were identified in the internal audit and inspection, and all deficiencies have been corrected within the standard time limit

Statistical year		In 2021		In 2022		In 2023	
Factory		Hsinchu Plant	Pingtung Plant	Hsinchu Plant	Pingtung Plant	Hsinchu Plant	Pingtung Plant
Total experience hours (employee)		1,259,958	1,442,091	1,646,618	1,840,554	1,613,075	1,772,674
Total hours worked (non-employee)		21674	0	34284	0	128	0
Fatal accidents	Number	0	0	0	0	0	1

caused by occupational injuries	proportion	0	0	0	0	0	0.56
Serious occupational injuries	Number	0	0	0	0	0	1
	proportion	0	0	0	0	0	0.56
Recordable occupational injuries	Number	7	18	5	26	11	30
	proportion	5.56	12.48	3.04	14.13	6.82	16.92
Recordable occupational diseases	Number	0	0	0	0	0	0
	proportion	0	0	0	0	0	0

\*The number of occupational injuries includes traffic accidents involving employees commuting to and from work

#### 2023 Employee/Non-Employee Occupational Injury Type Statistics

type	Number of pieces	cause	Description of hazards and improvements
------	------------------	-------	---

sprain	4	Sprained foot due to failure to stand still or stepping on the air	Safety advocacy
Bumps	4	Injured by the transmission device of the equipment or the mechanical arm	1.Adjust the detection position of the existing safety sensor interlocking device 2.Added protective partition and safety sensor interlocking device 3.Conduct work safety and defensive safety education and training on the job
	2	Failure to pay attention to the object or the panel	Safety advocacy
Pinch wounds	3	Injuries from machinery or objects	1.Adjust the operation mode , mechanism fixing mode 2Conduct work safety and defensive safety education and training on the job
Cuts	1	Utility knife cuts	Safety advocacy

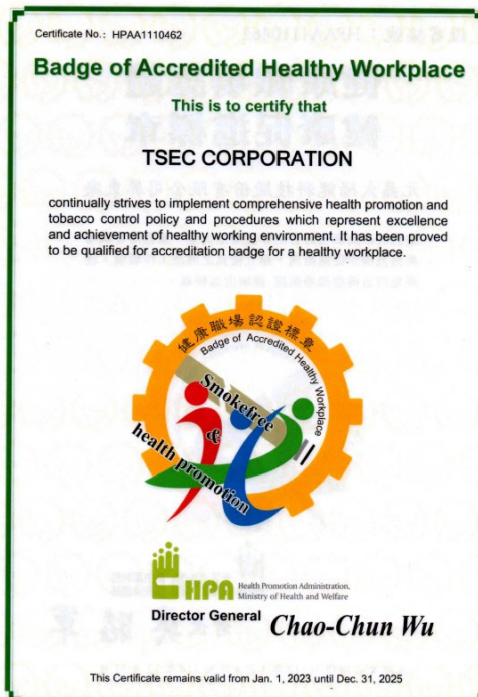
scald	1	Accidentally touching the heat source of the machine	Safety advocacy
Burns	1	The work was accidentally splashed with chemicals	1.Adjust the operation mode and increase on-site safety supervision 2.Documentation of operation methods, production of training materials, and on-site safety checkk list before operation
Transportation to and from work	6	Failure to pay attention to road conditions leads to self-falling	1.Advocate and sign safe and defensive driving concept teaching materials for accident driving 2.Conduct monthly and themed safety promotions with traffic theme month
	6	Failure to pay attention to the condition in front of the vehicle while driving	

	1	Passing through the intersection without slowing down
	12	Being chased or collided with by other drivers' vehicles



ISO 45001 certificate





ISO 45001 certificate



Healthy Workplace (Hsinchu Factory)



Workplace Friendly Nursing Nursing Room (Hsinchu, Pingtung Factory)

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Appendix 1: GRI Sustainability Reporting Standards Correspondence Table

Statement	Yuanjing Solar Technology Co., Ltd. has been Reporting in Accordance with the GRI Standards for the period from January 1 to December 31, 2023.				
Using GRI 1 applicable GRI sector standards	GRI 1: Foundation 2021				
Remarks	Our company belongs to the optoelectronics industry, and there are no GRI sector standards.				
	Topics marked with * are Material Topics.				
Topics	Items	Description of items	Chapter	Page	Omission/Remarks
GRI 2: General Disclosures 2021					
The organization and Its Reporting Practices	2-1	Organization Details	2.1 Company Overview	19	
	2-2	Entities Included in the Organization’s Sustainability Reporting	Editorial Guidelines	03	
	2-3	Reporting Period, Frequency and Contact Point	Editorial Guidelines	03	
	2-4	Restatements of Information	Editorial Guidelines	03	
Activities and Workers	2-5	External Assurance	Editorial Guidelines	03	
	2-6	Activities, Value Chain and Other Business Relationships	2.1 Company Overview	19	
	2-7	Employees	5.1 Labor Human Rights	66	
Governance	2-8	Workers Who are Not Employees	5.1 Labor Human Rights	66	
	2-9	Governance Structure and Composition	3.1 Corporate Governance	25	
	2-10	Nomination and Selection of the Highest Governance Body	3.1 Corporate Governance	25	
	2-11	Chair of the Highest Governance Body	3.1 Corporate Governance	25	
	2-12	Role of the Highest Governance Body in Overseeing the Management of Impacts	3.1 Corporate Governance	25	
	2-13	Delegation of Responsibility for Managing Impacts	3.1 Corporate Governance	25	
	2-14	Role of the Highest Governance Body in Sustainability Reporting	1.1 Sustainable Development Committee	07	
	2-15	Conflicts of Interest	3.1 Corporate Governance	25	
	2-16	Communication of Critical Concerns	3.1 Corporate Governance	25	
	2-17	Collective Knowledge of the Highest Governance Body	3.1 Corporate Governance	25	
	2-18	Evaluation of the Performance of the Highest Governance Body	3.1 Corporate Governance	25	
	2-19	Remuneration Policies	3.1.2 Functional Committee	29	
	2-20	Process to Determine Remuneration	3.1.3 Functional Committee	30	
	2-21	Annual Total Compensation Percentage		--	Confidentiality regulations / The maximum individual Annual Total Compensation is company confidential information.

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Strategy, Policies and Practices	2-22		Statement on Sustainable Development Strategy	Words from the Operator	02	
	2-23		Policy Commitments	3.3 Risk Management	34	
				5.1 Labor Human Rights	66	
				3.3 Risk Management	34	
	2-24		Embedding Policy Commitments	5.1 Labor Human Rights	66	
Stakeholder Engagement	2-25		Processes to Remediate Negative Impacts	3.1 Corporate Governance	25	
	2-26		Mechanisms for Seeking Advice and Raising Concerns	3.1 Corporate Governance	25	
	2-27		Compliance with Laws and Regulations	3.2 Integrity Management	31	
	2-28		Membership Associations	2.4 Participation in External Organizations	22	
	2-29		Approach to Stakeholder Engagement	1.2 Identify Stakeholders	08	
	2-30		Collective Bargaining Agreements	5.1 Labor Human Rights	66	
Material Topics	3-1		Process to Determine Material topics	1.4 Identify Material Topics	12	
	3-2		List of Material Topics	1.3 Stakeholder Communication Channels and Issues of Concern	08	
*Integrity Management						
GRI 3: Material Topics 2021	3-3		Management of Material Topics	3.2 Integrity Management	31	
*Economic Performance						
GRI 3: Material Topics 2021	3-3		Management of Material Topics	3.4 Operational Performance	39	
*Corporate Governance						
GRI 3: Material Topics 2021	3-3		Management of Material Topics	3.1 Corporate Governance	25	
*Risk Management						
GRI 3: Material Topics 2021	3-3		Management of Material Topics	3.3 Risk Management	34	
*Supplier Management						
GRI 3: Material Topics 2021	3-3		Management of Material Topics	4.6 Supplier Management	56	
*Labor Human Rights						
GRI 3: Material Topics 2021	3-3		Management of Material Topics	5.1 Labor Human Rights	66	
*Green Products						
GRI 3: Material Topics 2021	3-3		Management of Material Topics	4.7 Green Products	61	



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GRI 3: Material Topics 2021

Topic	Items	Description of items	Chapter	Page	Omission/Remarks
Economic Aspects					
Financial Performance					
*GRI 201: Economic Performance 2016	201-1	Direct Economic Value Generated and Distributed	3.4 Operational Performance	39	
	201-2	Financial Implications and Other Risks and Opportunities Due to Climate Change	4.1 Climate-related Financial Disclosures	43	
	201-3	Defined Benefit Plan Obligations and Other Retirement Plans	3.4 Operational Performance	39	
	201-4	Financial Assistance Received from Government	3.4 Operational Performance	39	
*Corporate Governance					
Custom Topics			3.1 Corporate Governance	31	
*Risk Management Control					
Custom Topics			3.3 Risk Management	34	
*Integrity Management					
Custom Topics			3.2 Integrity Management	31	
Environmental Aspect					
*Green Products					
Custom Topics		Custom Topics	4.7 *Green Products	61	
Energy Management					
GRI 302: Energy 2016	302-1	Energy Consumption Within the Organization	4.2 Energy Management	50	
	302-4	Reduction of Energy Consumption	4.2 Energy Management	50	
Water Stewardship					
Management approach for GRI 303: Water and Effluents 2018	303-1	Interactions with Water as a Shared Resource	4.4 Water Stewardship	53	
	303-2	Management of Water Discharge-Related Impacts	4.4 Water Stewardship	53	
	303-3	Water Withdrawal	4.4 Water Stewardship	53	
	303-4	Water Discharge	4.4 Water Stewardship	53	
	303-5	Water Consumption	4.4 Water Stewardship	53	
GHG Emissions					
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG Emissions	4.3 GHG Emissions	51	
	305-2	Energy Indirect (Scope 2) GHG Emissions	4.3 GHG Emissions	51	

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Topic	Items	Description of items	Chapter	Page	Omission/Remarks
GHG Emissions					
GRI 306: Effluents and Waste 2016	306-1	Waste Generation and Significant Waste-Related Impacts	4.5 Waste Management	54	
	306-2	Management of Significant Waste-Related Impacts	4.5 Waste Management	54	
	306-3	Waste Generated	4.5 Waste Management	54	
	306-4	Waste Diverted from Disposal	4.5 Waste Management	54	
	306-5	Waste Directed to Disposal	4.5 Waste Management	54	
*Supply Chain Environmental and Social Assessment					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	4.6 Supplier Management	56	
GRI 308: Supplier Environmental Assessment 2016	308-1	New Suppliers that were Screened Using Environmental Criteria	4.6 Supplier Management	56	
	308-2	Negative Environmental Impacts on the Supply Chain and Actions Taken	4.6 Supplier Management	56	
GRI 3: Material Topics 2021		actions taken			
GRI 414: Supplier Social Assessment 2016	3-3	Management of Material Topics	4.6 Supplier Management	56	
	414-1	New Suppliers Screened Using Social Criteria	4.6 Supplier Management	56	
	414-2	Negative Social Impacts in the Supply Chain and Actions Taken	4.6 Supplier Management	56	
Social Aspect					
Occupational Health and Safety					
GRI 403: Occupational Health and Safety 2018	403-1	Occupational Health and Safety Management System	5.2 Safe Workplace	73	
	403-2	Hazard Identification, Risk Assessment, and Incident Investigation	5.2 Safe Workplace	73	
	403-3	Occupational Health Service	5.2 Safe Workplace	73	
	403-5	Worker Training in Occupational Health and Safety	5.2 Safe Workplace	73	
	403-6	Promotion of Worker Health	5.2 Safe Workplace	73	
	403-7	Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	5.2 Safe Workplace	73	
		Impact of Occupational Health and Safety			
	403-9	Work-Related Injuries	5.2 Safe Workplace	73	
	403-10	Work-Related Ill Health	5.2 Safe Workplace	73	
Diversity and Equal Opportunity					
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of Governance Bodies and Employees	5.1 Labor Human Rights	66	
	405-2	Ratio of Basic Salary and Remuneration of Women to Men	5.1 Labor Human Rights	66	
Labor Human Rights					
Custom Topics		Custom Topic	5.1 Labor Human Rights	66	

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## Appendix 2: Verification Statement



### 元晶太陽能科技股份有限公司 2023 年永續報告書之獨立保證意見聲明書

聲明書編號:2405014

元晶太陽能科技股份有限公司(以下簡稱元晶)與格瑞國際驗證有限公司(以下簡稱格瑞驗證)為相互獨立的公司及組織。格瑞驗證除了針對企業 2023 年永續報告書進行評估和查證外,與元晶並無任何財務上的關係。

本獨立保證意見聲明書(以下簡稱聲明書)的目的,僅作為對下列有關元晶之永續報告書所界定範圍內的相關事項進行保證之結論,而不作為其他之用途。除對查證事實提出獨立保證意見聲明書外,對於其他目的之使用,或閱讀此獨立保證意見聲明書的任何人,格瑞驗證並不負有或承擔任何相關法律或其他之責任。

本獨立保證意見聲明書係基於元晶提供予格瑞驗證之相關資訊所作查證之結論。因此查證範圍乃基於並局限在這些提供的資訊內容之內,格瑞驗證認為這些信息內容都是完整且準確的。對於這份獨立保證意見聲明書所載內容或相關事項之任何疑問,將全部由元晶回覆。

#### 保證範圍

- 元晶與格瑞驗證協議的查證範圍包括:
1. 整份永續報告書內容及元晶在 2023 年 1 月 1 日至 2023 年 12 月 31 日的所有營運績效。
  2. 依照 AA1000 保證標準 v3 的第 1 應用類型評估元晶遵循 AA1000 當責性原則標準(2018)的本質和程度,不包括對於報告書揭露的資訊/數據之可信賴度的查證。
  3. 本聲明書以中文作成,並翻譯成英文以供參考。

#### 意見聲明

我們總結元晶之永續報告書內容,對於元晶的相關運作與績效則提供一個公平的觀點。我們相信有關元晶 2023 年的經濟、社會、環境及公司治理等特定績效指標是被正確無誤地展現。報告書所揭露的績效指標展現了元晶對鑑別及滿足利害關係人的期望與努力。

我們的查證工作是由一組具有依據 AA1000 保證標準 v3 查證能力之團隊執行,以及規劃和執行這部分的工作,以獲得必要的資訊數據及說明。我們認為元晶所提供的證據足夠以表明其依據 AA1000 保證標準 v3 及其 2018 年附錄的報告方法與自我聲明符合 GRI 永續性報導準則。

#### 查證方法

- 為了收集與作成結論有關的證據,我們執行了以下工作:
- 對來自外部團體相關於元晶之公司政策的議題,進行高階管理的審查,以確認本報告中聲明書的合適性;
  - 與元晶管理者討論有關利害關係人參與的方式,且並未直接接觸外部利害關係人;
  - 訪談與永續報告書編制及資訊提供有關的員工;
  - 在抽樣基礎上稽核元晶之績效數據;
  - 審查報告中所作宣告的支持性證據;
  - 針對公司報告及其相關 AA1000 當責性原則(2018)中描述有關包容性、重大性、回應性及衝擊性原則的流程管理進行審查。

#### 結論

第一頁(共二頁)



針對 AA1000 當責性原則(2018)之包容性、重大性、回應性、衝擊性與 GRI 永續性報導準則的詳細審查結果如下:

#### 包容性

元晶已建立與主要利害關係人合作的過程,包含股東、客戶、員工、供應商、政府機關、銀行等,並於 2023 年展開一系列利害關係人活動,涉及經濟、社會和環境等一系列重大主題。以我們專業意見而言,這份報告書涵蓋了元晶的包容性議題。

#### 重大性

報告書已載明元晶所關注經濟、環境與社會等主題,並鑑別出了項重大主題包括誠信經營、經濟績效、公司治理、風險管理、供應商管理、綠色產品及勞工人權等。以我們的專業意見而言,這份報告書適切地涵蓋了元晶的重大性議題。

#### 回應性

元晶執行來自利害關係人的要求與看法之回應,實行方法包括公開資訊觀測站、公司網站投資人關係專區、客戶滿意度調查、勞資會議、員工信箱/申訴專線、供應商稽核、政府座談會/研討會等眾多的內部和外部利害關係人的溝通機制,作為提供進一步回應利害關係人的機會,並能對利害關係人所關切議題及時回應。以我們的專業意見而言,這份報告書涵蓋了元晶的回應性議題。

#### 衝擊性

元晶已鑑別,並以平衡且有效之量測及揭露方式公正地展現其衝擊。元晶已建立監督、量測、評估及管理衝擊之流程,有助於組織內實現更有效之決策與成果管理。就我們的專業意見而言,本報告涵蓋了元晶的衝擊性議題。

#### GRI 永續性報導準則

元晶提供有關依據 GRI 永續性報導準則之自我宣告與相關資料。基於審查的結果,我們確認報告書依照 GRI 永續性報導準則的社會責任與永續發展的相關揭露項目已被揭露,部分揭露或省略。以我們的專業意見而言,此自我宣告涵蓋了元晶的社會責任與永續性主題。

#### 保證等級

依據 AA1000 保證標準 v3 及其 2018 年附錄,我們的查證與本聲明書為中度保證等級,如同本聲明書中所描述的範圍與方法。

#### 責任

本獨立保證聲明書的意見聲明供元晶使用。我們的責任僅基於所描述的範圍與方法,提供專業意見並提供利害關係人一個獨立的保證意見聲明書。

#### 能力與獨立性

格瑞驗證為由各管理系統領域的專家組成。本查證團隊係由其專業背景,並接受過如 AA1000AS v3、ISO 9001、ISO 14001 與 ISO 45001 之一系列永續發展、環境及社會等管理標準的訓練,具有主導稽核員資格之成員組成。

基於保證團隊之查證行為,並由

格瑞國際驗證有限公司(中華民國,台灣)於 2024 年 06 月 06 日簽署發行

簽證  
陳文豐 總經理



第二頁(共二頁)

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Appendix 3: Sustainability Accounting Standards Board (SASB) Correspondence Table

Topics	Indicator code	Disclosure indicators	Nature	Response
Energy Management in the Manufacturing Industry	RR-ST-130a.1	<div><div>1</div>Total Energy Consumption</div> <div><div>2</div>Percentage of electricity from the grid</div> <div><div>3</div>Percentage of Renewable Energy Source</div>	Quantified (GJ, %)	4.2 Energy Management
Water Management in the Manufacturing Industry	RR-ST-140a.1	<div><div>1</div>Total Water Withdrawal</div> <div><div>2</div>Percentage of water consumption in areas of water stress</div>	Quantified (m3, %)	4.4 Water Stewardship
	RR-ST-140a.2	Describe water management risks and discuss strategies and practices to mitigate these risks.	Discussion and analysis	4.4 Water Stewardship
Management of Hazardous Waste from Business Activities	RR-ST-150a.1	The amount of hazardous waste generated from business activities and the recovery percentage	Quantified (t, %)	4.5 Waste Management
	RR-ST-150a.2	The amount leaked and total amount and recovery amount	Quantified (amount, kg)	No such incident occurred.
Ecological impact of project development	RR-ST-160a.1	Number and duration of project delays due to ecological impact	Quantified (amount, days)	4.5 Waste Management
	RR-ST-160a.2	Efforts to address community and ecological impact in solar system project development	Discussion and analysis	It will not affect the existing ecological environment.
Integration management and related regulations of energy infrastructure	RR-ST-410a.1	Please describe the risks associated with incorporating solar energy into existing energy infrastructure and discuss efforts to manage these risks.	Discussion and analysis	4.2 Energy Management
	RR-ST-410a.2	Please describe the risks and opportunities related to energy policies and their impact on incorporating solar energy into existing energy infrastructure.	Discussion and analysis	4.2 Energy Management
Product Disposal Management	RR-ST-410b.1	Percentage of Sold Products That Are Recyclable or Reusable	Quantified (%)	4.6 Supply Chain Sustainability Management
	RR-ST-410b.2	The weight of scrap materials recovered and the recovery percentage	Quantified (t, %)	4.6 Supply Chain Sustainability Management
	RR-ST-410b.3	Percentage of income from products containing IEC62474 declarable substances, arsenic compounds, antimony compounds, or beryllium compounds	Quantified (%)	4.6 Supply Chain Sustainability Management
	RR-ST-410b.4	Please describe the methods and strategies for designing high-value recovery products.	Discussion and analysis	4.6 Supply Chain Sustainability Management
Materials procurement	RR-ST-440a.1	Please describe risk management related to the use of critical materials.	Discussion and analysis	4.6 Supply Chain Sustainability Management
	RR-ST-440a.2	Please describe environmental risk management related to the polysilicon supply chain.	Discussion and analysis	4.6 Supply Chain Sustainability Management

Indicator code	Disclosure indicators		Nature	Response	Omission/Remarks
RR-ST-000.A	The total capacity of photovoltaic (PV) solar modules produced		Quantified (MW)	3.4 Operational Performance	
RR-ST-000.B	The total capacity of solar systems built		Quantified (MW)	3.4 Operational Performance	
RR-ST-000.C	Total assets of project development		Quantified (MW)	3.4 Operational Performance	



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Appendix 4: TCFD Disclosure Items Correspondence Table

Aspect	TCFD Disclosure Items		Corresponding Chapter
Governance	The board's oversight of climate-related risks and opportunities.		4.1 Climate-related Financial Disclosures
	The role of management in assessing and managing climate-related risks and opportunities.		4.1 Climate-related Financial Disclosures
Strategy	The short, medium, and long-term climate-related risks and opportunities identified by the organization.		4.1 Climate-related Financial Disclosures
	Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.		4.1 Climate-related Financial Disclosures
	The resilience of the organization in its strategy, taking into consideration different climate-related scenarios.		4.1 Climate-related Financial Disclosures
Risk Management	The processes for identifying and assessing climate-related risks within the organization.		4.1 Climate-related Financial Disclosures
	The processes for identifying and assessing climate-related risks within the organization.		4.1 Climate-related Financial Disclosures
	How are the processes for identifying, assessing, and managing climate-related risks integrated into the organization's overall Risk Management system?		4.1 Climate-related Financial Disclosures
Indicators and targets	The metrics used by the organization to evaluate climate-related risks and opportunities following the strategy and Risk Management processes.		4.1 Climate-related Financial Disclosures
	Disclose Scope 1, Scope 2, and Scope 3 (if applicable) GHG Emissions and related risks.		4.1 Climate-related Financial Disclosures
	The targets used by the organization in managing climate-related risks and opportunities, and the performance in achieving these targets.		4.1 Climate-related Financial Disclosures

Indicators	Corresponding GRI Chapter	Yuanjing Solar Technology's Annual Disclosure Situation
<sup>1</sup> Total Energy Consumption (GJ) <sup>2</sup> Percentage of electricity purchased (%) <sup>3</sup> Usage rate of Renewable Energy Source (%)	302	4.2 Energy Management The usage rate of Renewable Energy Source was 0% from 2021 to 2023.
<sup>1</sup> Total Water Withdrawal (thousand cubic meters m^3) <sup>2</sup> Total Water Consumption (thousand cubic meters m^3)	303	4.4 Water Stewardship
<sup>1</sup> The weight of hazardous waste generated (tons) <sup>2</sup> the recovery percentage (%)	06	4.5 Waste Management
Description of types, numbers, and rate (%) of work-related incidents.	403	5.2 Safe Workplace
Disclosure of Product Life Cycle Management: <sup>1</sup> The weight of scrapped products and electronic waste (tons) <sup>2</sup> The recycling percentage (%) Note 1	306	4.5 Waste Management
Description of risk management related to the use of critical materials.	301	Yuanjing Solar Technology requires suppliers to provide relevant documentation for raw materials containing harmful substances.
The total monetary loss is due to legal actions related to anti-competitive behavior regulations.	2-27, 205	Not applicable/No related cases occurred in 2023.
Production Volume of Main Products by Product Category	2-6	2.1 Company Overview

Note: Include selling scrap or other recovery processes and provide relevant explanations.

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02 關於元晶

03 誠信治理









04 綠色永續

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Appendix 6: Climate-related Information for Listed and Over-the-Counter Companies

The risks and opportunities posed by climate change to the company and the related response measures taken by the company

Items				Disclosure Chapter in the report
	Explain the board's oversight and governance of climate-related risks and opportunities by the board and management.			4.1 Climate-related Financial Disclosures
	Explain how identified climate risks and opportunities impact the business, strategy, and financials (short-term, medium-term, long-term).			4.1 Climate-related Financial Disclosures
	Explain the financial impact of extreme weather events and transition actions.			4.1 Climate-related Financial Disclosures
	Explain how the processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall Risk Management system.			4.1 Climate-related Financial Disclosures
	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analytical factors, and key financial implications used should be explained.			4.1 Climate-related Financial Disclosures
	If there are transition plans for managing climate-related risks, explain the contents of these plans, as well as the indicators and targets used to identify and manage physical risks and transition risks.			4.1 Climate-related Financial Disclosures
	If internal carbon pricing is used as a planning tool, the foundation for price setting should be explained.			4.1 Climate-related Financial Disclosures
	If climate-related targets are set, they should include information on the activities covered, Scope of GHG Emissions, planning timeframe, and annual progress towards achieving these targets. If offsetting or Renewable Energy Certificates (RECs) are used to achieve related targets, the source and quantity of the carbon offset or the number of Renewable Energy Certificates (RECs) should be specified.			Internal carbon pricing has not yet been implemented.
	9 Greenhouse Gas Inventory and Assurance Status			Refer to the table below
Scope 1	Total Emissions (tons CO2e)	Intensity (tons CO2e/million)	Verification body	Description of Assurance Status
Headquarters	65.4427	0.0079	TUV	Reasonable Assurance Level
Hsinchu Plant	7,466.5282	0.9038	TUV	Reasonable Assurance Level
Pingtung Plant	156.3252	0.0189	TUV	Reasonable Assurance Level
Scope 2	Total Emissions (tons CO2e)	Intensity (tons CO2e/million)	Verification body	Description of Assurance Status
Headquarters	51.4193	0.006	TUV	Reasonable Assurance Level
Hsinchu Plant	36,454.2258	4.4128	TUV	Reasonable Assurance Level
Pingtung Plant	15,476.1899	1.8734	TUV	Reasonable Assurance Level



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