

# 6

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# Appendix I: Stakeholder Identification and Communication

Stakeholder identification and communication is the foundation for sustainable corporate development. We communicate with our stakeholders on an ongoing basis through a variety of channels, and regularly report the results of these communications to our Board of Directors (results of 2022 was reported in the meeting on January 11, 2023). We listen to the voices of our stakeholders and adopt their opinions, needs and expectations as reference for operational decisions, hoping to create and share maximum benefits.

## ◆ Stakeholder identification




Through internal discussions with department heads, incorporation of external expert opinions, and reference to industry peers, the Company's Sustainable Development Committee analyzed stakeholder groups that may be positively and negatively impacted by the Company's operational activities, and adopted the AA1000 SES Stakeholder Engagement Standards for assessment and ranking. We identified eight major stakeholder groups, including customers, suppliers, shareholders and other investors, employees and other workers, government, financial institutions, academic and research institutes, and society (including local communities and social welfare organizations).








## ◆ Stakeholder communication

The Company takes a proactive approach to stakeholder communication by using a variety of channels such as annual reports, official websites, relevant meetings, EHR platform (Taiflex Forum), employee suggestion boxes, customer service, ESG questionnaires, emails and official documents to understand the issues and matters of concern to stakeholders. Through coordination and communication among the management team, we decide how to handle the issues and matters received based on their nature, sensitivity, and impact in accordance with our internal processes and past experience with different stakeholders, so that we can respond and handle them immediately and appropriately.

### Stakeholder Communication Channels and Effectiveness in 2022

Stakeholders	Significance of Stakeholders to the Company	Communication Channel	Frequency	Communication Effectiveness
 Customer	The key to business development is to provide customers with value-added products and become a trusted business partner.	Sustainability questionnaire	Annually	<ul style="list-style-type: none"> <li>Scored 88.5 in customer satisfaction in 2022.</li> <li>11 customer audit visits with 31 improvement items in 2022.</li> <li>Over 80 technical exchange meetings.</li> </ul>
		Customer satisfaction survey	Semi-annually	
		Technical exchange meeting	Monthly	
		Business visits	Monthly	
		Customer service hotline	Instantly	
		Email for external parties	When needed	
		Audit visits	When needed	
 Supplier	Our operations depend on stable supply from our suppliers. We place great importance on the quality of raw materials provided by our suppliers and expect to share benefits and achieve sustainable growth with suppliers.	Supplier conference	Annually	<ul style="list-style-type: none"> <li>Eight excellent suppliers were recognized in 2022 supplier conference.</li> <li>E-procurement system and implementation of green procurement management principles.</li> <li>One regular supplier audit in 2022.</li> </ul>
		Sustainability questionnaire	Annually	
		Phone	Instantly	
		Email for external parties	When needed	
		Regular audits	Annually	
 Shareholders and Other Investors	Investors and shareholders are key players in supporting the sustainable operation of Taiflex, and being accountable to them is vital for the Company.	Shareholders' meeting	Annually	<ul style="list-style-type: none"> <li>Voluntarily disclosed monthly consolidated revenue by product types.</li> <li>Held one shareholders' meeting and one investor conference for investors to understand the Company's operations.</li> <li>Released the English version of shareholders' meeting agenda, annual report and minutes of shareholders' meeting as reference materials for investors.</li> </ul>
		Investor Conference	Annually	
		Annual reports / Financial reports	Annually	
		Investor relations website	When needed	
		Sustainability questionnaire	Annually	
		Shareholder hotline	When needed	
		Email for external parties	When needed	

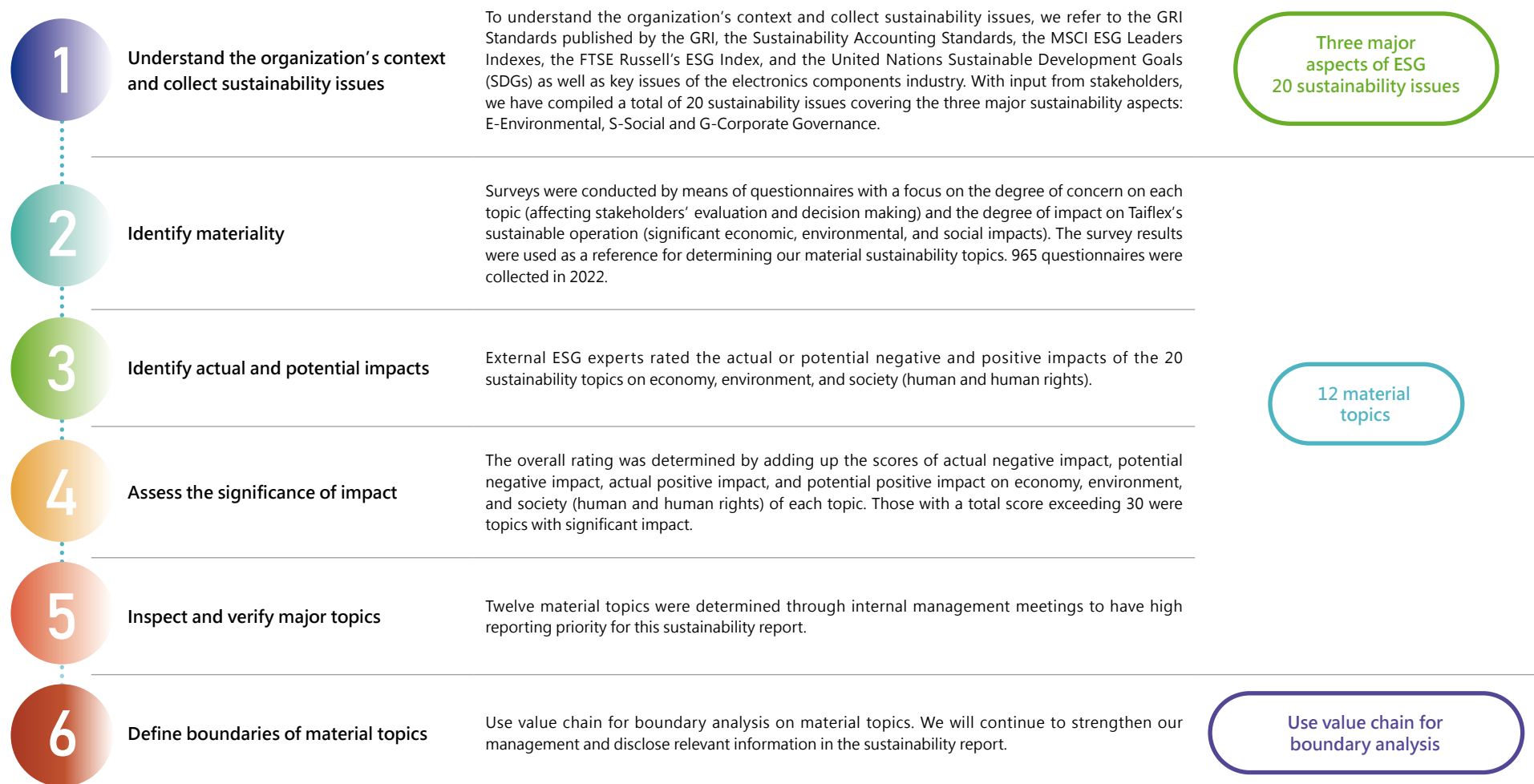
Stakeholders	Significance of Stakeholders to the Company	Communication Channel	Frequency	Communication Effectiveness
 <p>Employees and other workers</p>	<p>Employees are important capital and the key to our core competitiveness. We want to create a challenging, sustainable learning and fun work environment with employees for sustainable growth with our partners.</p>	Ehr platform (Taiflex forum)	Instantly	<ul style="list-style-type: none"> <li>• 19 discussions and responses on the Ehr platform in 2022.</li> <li>• 4 labor-management meetings were held in 2022.</li> <li>• 2 informal meetings with CEO. With 2 sessions in each meeting, there was a total of 4 sessions.</li> <li>• 8 EWC meetings.</li> <li>• 4 OSH Committee meetings in 2022.</li> <li>• 860 employees completed the online information security education and training (including assessment) in 2022 (i.e., completion rate of 100%).</li> </ul>
		Labor-management meetings	3 months	
		Informal meeting with CEO	Semi-annually	
		EWC meetings	Quarterly	
		OSH Committee meetings	Quarterly	
		Employee suggestion mailbox	Instantly	
		Education, training and promotion	When needed	
		Sustainability questionnaire	Annually	
		Internal hotline	Instantly	
		Correspondence	When needed	
 <p>Government</p>	<p>The importance of maintaining two-way communication with the government can be seen from the fact that business operations are based on regulatory compliance and government supervision, and changes in policies affect the operational directions.</p>	Inspections and audits	When needed	<ul style="list-style-type: none"> <li>• 1 time submission of the Code of Conduct for approval.</li> <li>• Over 150 exchanges with competent authorities, including the Taiwan Stock Exchange, the Investment Commission of the Ministry of Economic Affairs, and tax authorities in 2022.</li> <li>• Completed 2 cybersecurity promotional videos designated by the competent authorities.</li> </ul>
		Labor-management meetings	3 Months	
		EWC meetings	Quarterly	
		Public hearings and press conferences	When needed	
		Presentations and seminars	When needed	
		Sustainability questionnaire	Annually	
		Phone	Instantly	
		Email for external parties	Instantly	
 <p>Financial Institutions</p>	<p>Capitals are the lifeblood of business operations, and financial institutions are important providers of capital; therefore, we manage their concerns and maintain close communications.</p>	Correspondence	When needed	<ul style="list-style-type: none"> <li>• Over 1,320 exchanges in 2022.</li> </ul>
		Sustainability questionnaire	Annually	
		Phone	When needed	
		Email for external parties	When needed	

Stakeholders	Significance of Stakeholders to the Company	Communication Channel	Frequency	Communication Effectiveness
 <p>Academic and Research Institutes</p>	<p>We respect academic theory, cultivate professional talents through industry-academia cooperation, accelerate product development and strengthen the Company's overall sustainable development through academic expertise.</p>	<p>Presentation/Forum</p>	<p>When needed</p>	<ul style="list-style-type: none"> <li>Participated in the NCKU Career Coaching Program, with 5 managers coaching a total of 80 to 90 students since 2015.</li> <li>Took part in the 10-year program organized by the "College of Semiconductor &amp; Advanced Technology Research" of National Sun Yat-sen University to nurture talents. We provided two lecturers so far and expect to train 40 young talents.</li> <li>Applied for the industry-academia program of Cheng Shiu University, and expected to recruit 20 students.</li> <li>With assistance from the academic and research institutions, we planned to introduce new quantitative measures of environmental impact and environmental management systems in 2022.</li> <li>Collaborated with National Sun Yat-sen University and National University of Kaohsiung to develop new products and technologies in 2022.</li> </ul>
 <p>Society (including local community and social welfare organizations)</p>	<p>Maintain good interactions with our neighborhood residents and aim to build a better future by contributing to the community and fulfilling our corporate social responsibility.</p>	<p>Welfare, donations, volunteer activities</p>	<p>When needed</p>	
		<p>Correspondence</p>	<p>Instantly</p>	
		<p>Phone</p>	<p>Instantly</p>	
		<p>Email for external parties</p>	<p>Instantly</p>	

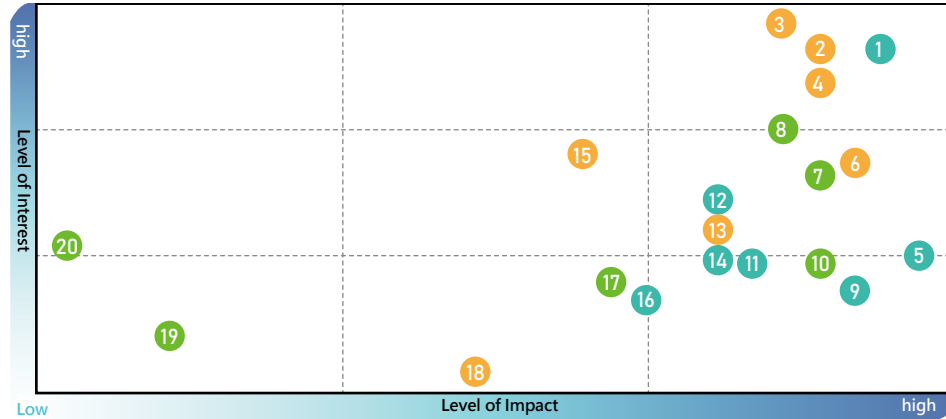
## Appendix II: Material Topics of Sustainable Development

### ◆ Process to Identify Material Topics

To ensure that the information disclosed in the sustainability report is in line with international sustainability trends and closely aligned with stakeholders' expectations, we establish the framework for analyzing the materiality of sustainable issues based on the GRI Standards (2021) Process to identify material topics, which includes six steps: "Understand the organization's context"; "Identify materiality"; "Identify impact"; "Significance assessment"; "Verify material topics" and "Define boundaries of material topics".



### Material Topics Identification



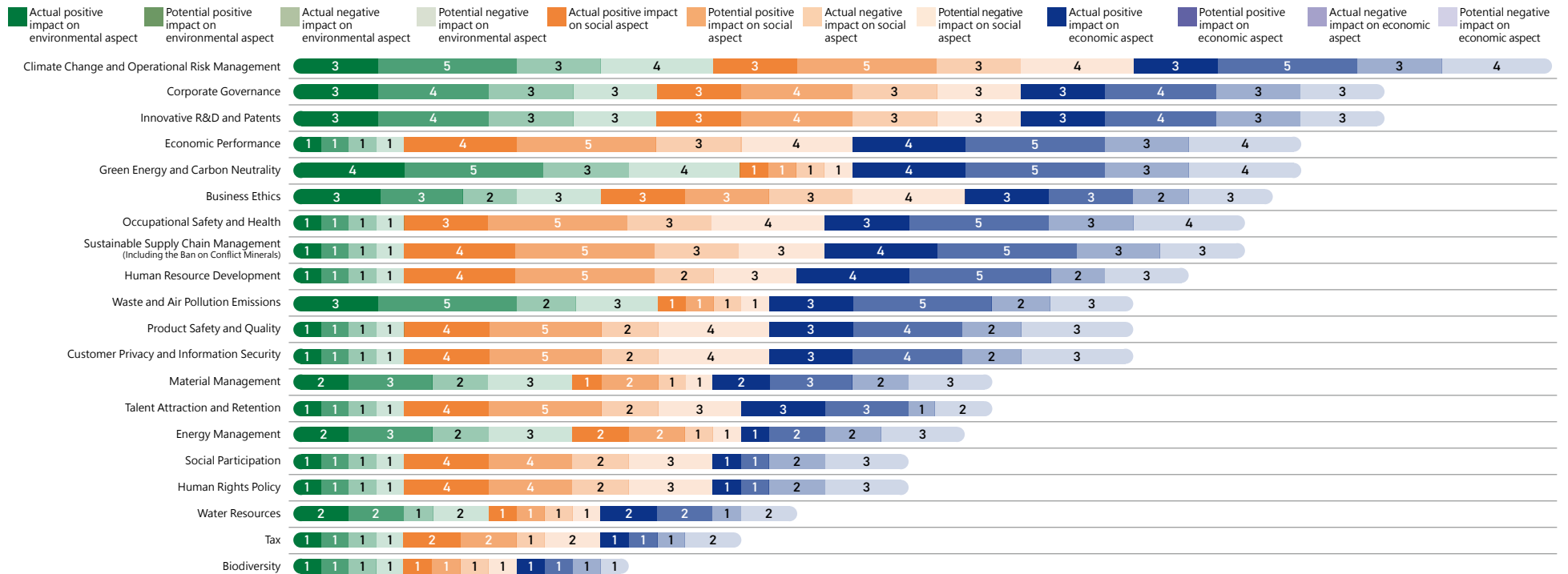
### Results of Materiality Identification

● Environmental Aspect ● Social Aspect ● Corporate Governance Aspect

1 Business Ethics	8 Waste and Air Pollution Emissions	15 Human Rights Policy
2 Product Safety and Quality	9 Corporate Governance	16 Tax
3 Occupational Safety and Health	10 Energy Management	17 Material Management
4 Customer Privacy and Information Security	11 Economic Performance	18 Social Participation
5 Innovative R&D and Patents	12 Sustainable Supply Chain Management (Including the Ban on Conflict Minerals)	19 Biodiversity
6 Human Resource Development	13 Talent Attraction and Retention	20 Water Resources
7 Green Energy and Carbon Neutrality	14 Climate Change and Operational Risk Management	

### Assessment on Significance of Impact

#### Level of Impact of Taiflex's Material Topics



## ◆ List of material topics for the year

Material topics for 2022 sustainability report were identified after materiality analysis, impact assessment, and discussion at internal management meetings using value chain for boundary analysis. They were grouped into five chapters of “Governance and Sustainability” ; “Innovation Development and Quality Management” ; “Green Production and Climate Governance” ; “Human Resource Development and Friendly Workplace” and “Social Facilitation and Positive Impact” , detailing our proactive management on issues of governance, product quality, environmental and social participation, and human resource development. In the future, we will continue to strengthen our sustainability management and disclose relevant information in the sustainability report.

### List of Material Topics

No.	Material topics for 2022	Topics Covered	Impact Boundary by Value Chain	Page Number
1	Business Ethics	GRI 206 Anti-competitive Behavior GRI 205 Anti-corruption	Taiflex (originated)	27
2	Product Safety and Quality	GRI 417 Marketing and Labeling GRI 416 Customer Health and Safety	Taiflex (originated)/Supplier (directly associated)	41
3	Occupational Safety and Health	GRI 403 Occupational Health and Safety	Taiflex (originated)/Supplier (directly associated)	86
4	Customer Privacy and Information Security	GRI 418 Customer Privacy	Taiflex (originated)/Supplier (directly associated)	24
5	Innovative R&D and Patents	Self-defined topics	Taiflex (originated)	38
6	Human Resource Development	GRI 202 Market Presence GRI 401 Employment GRI 404 Training and Education GRI 405 Diversity and Equal Opportunity	Taiflex (originated)	72
7	Green Energy and Carbon Neutrality	GRI 302 Energy GRI 305 Emissions (305-1~5)	Taiflex (caused)/Supplier (contributed)	54
8	Waste and Air Pollution Emissions	GRI 306 Waste GRI 305 Emissions (305-6, 7)	Taiflex (originated)	62
9	Corporate Governance	Self-defined topics	Taiflex (originated)	11
10	Economic Performance	201 Economic Performance	Taiflex (originated)	32
11	Sustainable Supply Chain Management (Including the Ban on Conflict Minerals)	GRI 204 Procurement Practices GRI 308 Supplier Environmental Assessment GRI 414 Supplier Social Assessment	Taiflex (caused)/Supplier (directly associated)	46
12	Climate Change and Operational Risk Management	Self-defined topics Economic Performance (201-2)	Taiflex (caused)/Supplier (directly associated)	52



## Appendix III: Comparison Table of GRI Standards 「 \* 」 : Material Topics

Statement of use	The report is prepared in accordance with the GRI Standards for the period from January 1, 2022 to December 31, 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	None

No.	GRI Standard Disclosures	Corresponding Chapter	Page	Omission/ Note
<b>GRI2: General Disclosures 2021</b>				
<b>Organization and reporting practice</b>				
2-1	Organizational details	1.1 Company Profile	10	
2-2	Entities included in the organization's sustainability reporting	About this Report	4	
2-3	Reporting period, frequency and contact point	About this Report	4	
2-4	Restatements of information	About this Report	4	
2-5	External assurance	About this Report	4	
<b>Activities and workers</b>				
2-6	Activities, value chain and other business relationships	1.1 Company Profile 2.1.1 FPC applications and development trends	10 33	
2-7	Employees	4.1.2 Manpower structure	74	
2-8	Workers who are not employees	4.1.2 Manpower structure	74	
<b>Governance</b>				
2-9	Governance structure and composition	1.2.1 Organization of the Board 1.2.2 Functional committee 1.3 Sustainable Development and ESG Promotion	12 19 21	
2-10	Nomination and selection of the highest governance body	1.2.1 Organization of the Board	12	
2-11	Chair of the highest governance body	1.2.1 Organization of the Board	12	
2-12	Role of the highest governance body in overseeing the management of impacts	1.3 Sustainable Development and ESG Promotion	20	
2-13	Delegation of responsibility for managing impacts	1.2.1 Organization of the Board 1.3 Sustainable Development and ESG Promotion	12 21	
2-14	Role of the highest governance body in sustainability reporting	About this Report 1.3 Sustainable Development and ESG Promotion	4 21	
2-15	Conflicts of interest	1.2.1 Organization of the Board	12	
2-16	Communication of critical concerns	1.2.1 Organization of the Board	12	

No.	GRI Standard Disclosures	Corresponding Chapter	Page	Omission/ Note
2-17	Collective knowledge of the highest governance body	1.2.1 Organization of the Board	12	
2-18	Evaluation of the performance of the highest governance body	1.2.1 Organization of the Board	12	
2-19	Remuneration policies	1.2.2 Functional committee	19	
2-20	Process to determine remuneration	1.2.2 Functional committee	19	
2-21	Annual total compensation ratio	4.2.1 Compensation and Benefits	79	
<b>Strategies, policies and practices</b>				
2-22	Statement on sustainable development strategy	Message from the Chairperson Message from the President	2 3	
2-23	Policy commitments	1.6.1 Business ethics 2.4.2 Supply chain management structure 3.3.1 Green commitment	28 73 48 86 58	
2-24	Embedding policy commitments	1.6.1 Business ethics 2.4.2 Supply chain management structure	28 73 48 86	
2-25	Processes to remediate negative impacts	1.6.1 Business ethics 2.4.2 Supply chain management structure	3.3 Environmental Policy and Investment 48 73	
2-26	Mechanisms for seeking advice and raising concerns	1.6.1 Business ethics 1.6.2 Regulatory compliance	4.1.1 Human rights policy 28 73 28	
2-27	Compliance with laws and regulations	1.6.1 Business ethics 1.6.2 Regulatory complian	4.1.1 Human rights policy 4.4.3 Audit and improvement 28 73 28 96	
2-28	Membership associations	1.1 Company Profile	10	
<b>Stakeholder engagement</b>				
2-29	Approach to stakeholder engagement	Appendix I Stakeholder Identification and Communication	104	
2-30	Collective bargaining agreements	4.2.2 Labor-management communication and employee loyalty	82	
<b>GRI 3: Material Topics 2021</b>				
3-1	Process to determine material topics	Appendix II Material Topics of Sustainable Development	108	
3-2	List of material topics	Sustainable Development Goals and SDGs in Practice Appendix II Material Topics of Sustainable Development	6 108	

GRI Standard Type/Topic	No.	GRI Standard Disclosures	Corresponding Chapter	Page	Omission/ Note
<b>Topic-specific GRI standard: 200 (Economic topics)</b>					
<b>* Economic Performance</b>					
GRI 3 Economic Performance Management Disclosure 2021	3-3	Management of material topics	2.1 Business Overview	32	
	201-1	Direct economic value generated and distributed	2.1.2 Operational performance	35	
GRI 201 Economic Performance Topic Disclosure 2016	201-2	Financial implications and other risks and opportunities due to climate change	3.1 Climate Risk/Opportunity Assessment	52	
	201-3	Defined benefit plan obligations and other retirement plans	4.2.1 Compensation and Benefits	79	
	201-4	Financial assistance received from government	2.1.2 Operational performance	35	
<b>* Market Presence</b>					
GRI 3 Market Presence Management Disclosure 2021	3-3	Management of material topics	4.1 Human Resource Management	72	
GRI 202: Market Presence Topic Disclosure 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4.2.1 Compensation and Benefits	79	
	202-2	Proportion of senior management hired from the local community	4.1.2 Manpower structure	74	
<b>Indirect Economic Impacts</b>					
GRI 203 Indirect Economic Impacts Topic Disclosure 2016	203-1	Infrastructure investments and services supported	5.2 Charity Activities	100	
	203-2	Significant indirect economic impacts	5.1 Cultivation of High-Tech Talents	100	
<b>* Procurement Practices</b>					
GRI 3 Procurement Practices Management Disclosure 2021	3-3	Management of material topics	2.4 Sustainable Supply Chain	46	
GRI 204 Procurement Practices Topic Disclosure 2016	204-1	Proportion of spending on local suppliers	2.4.1 Procurement policy	47	
<b>* Anti-corruption</b>					
GRI 3 Anti-corruption Management Disclosure 2021	3-3	Management of material topics	1.6 Regulatory Compliance and Internal Control	27	
GRI 205 Anti-corruption Topic Disclosure 2016	205-1	Operations assessed for risks related to corruption	1.6.1 Business ethics	28	
	205-2	Communication and training about anti-corruption policies and procedures	1.6.1 Business ethics	28	
	205-3	Confirmed incidents of corruption and actions taken	1.6.1 Business ethics	28	

GRI Standard Type/Topic	No.	GRI Standard Disclosures	Corresponding Chapter	Page	Omission/ Note
<b>* Anti-competitive Behavior</b>					
GRI 3 Anti-competitive Behavior Management Disclosure 2021	3-3	Management of material topics	1.6 Regulatory Compliance and Internal Control	27	
GRI 206 Anti-competitive Behavior Topic Disclosure 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1.6.1 Business ethics	28	
<b>Tax</b>					
	207-1	Approach to tax	2.1.2 Operational performance	35	
GRI 207 Tax Topic Disclosure 2019	207-2	Tax governance, control, and risk management	2.1.2 Operational performance	35	
	207-3	Stakeholder engagement and management of concerns related to tax	2.1.2 Operational performance	35	
<b>Topic-specific GRI standard: 300 (Environmental topics)</b>					
<b>Materials</b>					
GRI 301 Materials Topic Disclosure 2016	301-2	Recycled input materials used	3.3.2 Build a green industry chain 3.4.1 Source reduction	59 63	
	301-3	Reclaimed products and their packaging materials	3.3.2 Build a green industry chain	59	
<b>* Energy</b>					
GRI 3 Energy Management Disclosure 2021	3-3	Management of material topics	3.2 Green Energy and Carbon Neutrality	54	
	302-1	Energy consumption within the organization	3.2.1 Energy structure and carbon emission management	55	
GRI 302 Energy Topic Disclosure 2016	302-3	Energy intensity	3.2.1 Energy structure and carbon emission management	55	
	302-4	Reduction of energy consumption	3.2.1 Energy structure and carbon emission management	55	
<b>* Water and Effluents</b>					
	303-1	Interactions with water as a shared resource	3.4.1 Source reduction	63	
	303-2	Management of water discharge-related impacts	3.4.2 Pollution control	65	
GRI 303 Water and Effluents Topic Disclosure 2018	303-3	Water withdrawal	3.4.1 Source reduction	63	
	303-4	Water discharge	3.4.1 Source reduction	63	
	303-5	Water consumption	3.4.1 Source reduction	63	
<b>* Emissions</b>					
GRI 3 Emissions Management Disclosure 2021	3-3	Management of material topics	3.2 Green Energy and Carbon Neutrality 3.4 Waste Reduction Actions	54 62	

GRI Standard Type/Topic	No.	GRI Standard Disclosures	Corresponding Chapter	Page	Omission/ Note
GRI 305 Emissions Topic Disclosure 2016	305-1	Direct (Scope 1) GHG emissions	3.2.1 Energy structure and carbon emission management	55	
	305-2	Energy indirect (Scope 2) GHG emissions	3.2.1 Energy structure and carbon emission management	55	
	305-3	Other indirect (Scope 3) GHG emissions	3.2.1 Energy structure and carbon emission management	55	
	305-4	GHG emissions intensity	3.2.1 Energy structure and carbon emission management	55	
	305-5	Reduction of GHG emissions	3.2.1 Energy structure and carbon emission management	55	
	305-6	Emissions of ozone-depleting substances (ODS)	3.4.2 Pollution control	65	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.4.2 Pollution control	65	
<b>* Waste</b>					
GRI 3 Waste Management Disclosure 2021	3-3	Management of material topics	3.4 Waste Reduction Actions	62	
GRI 306 Waste Topic Disclosure 2020	306-1	Waste generation and significant waste-related impacts	3.4.2 Pollution control	65	
	306-2	Management of significant waste-related impacts	3.4.2 Pollution control	65	
	306-3	Waste generated	3.4.2 Pollution control	65	
	306-4	Waste diverted from disposal	3.4.2 Pollution control	65	
	306-5	Waste directed to disposal	3.4.2 Pollution control	65	
<b>* Supplier Environmental Assessment</b>					
GRI 3 Supplier Environmental Assessment Management Disclosure 2021	3-3	Management of material topics	2.4 Sustainable Supply Chain	46	
GRI 308 Supplier Environmental Assessment Topic Disclosure 2016	308-1	New suppliers that were screened using environmental criteria	2.4.2 Supply chain management structure	48	
	308-2	Negative environmental impacts in the supply chain and actions	2.4.2 Supply chain management structure	48	
<b>Topic-specific GRI standard: 400 (Social topics)</b>					
<b>* Employment</b>					
GRI 3 Employment Management Disclosure 2021	3-3	Management of material topics	4.1 Human Resource Management	72	

GRI Standard Type/Topic	No.	GRI Standard Disclosures	Corresponding Chapter	Page	Omission/ Note	
GRI 401 Employment Topic Disclosure 2016	401-1	New employee hires and employee turnover	4.1.2 Manpower structure	74		
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2.1 Compensation and Benefits	79		
	401-3	Parental leave	4.2.1 Compensation and Benefits	79		
<b>Labor/Management Relations</b>						
GRI 402 Labor/Management Relations Topic Disclosure 2016	402-1	Minimum notice periods regarding operational changes	4.1.1 Human rights policy	73		
<b>* Occupational Health and Safety</b>						
GRI 3 Occupational Safety and Health Management Disclosure 2021	3-3	Management of material topics	4.4 Safe Workplace	86		
	GRI 403 Occupational Health and Safety Topic Disclosure 2018	403-1	Occupational health and safety management system	4.4.1 Risk management system for occupational safety	88	
		403-2	Hazard identification, risk assessment, and incident investigation	4.4.1 Risk management system for occupational safety	88	
		403-3	Occupational health services	4.4.2 Occupational accident prevention	91	
		403-4	Worker participation, consultation, and communication on occupational health and safety	4.4.2 Occupational accident prevention	91	
		403-5	Worker training on occupational health and safety	4.4.2 Occupational accident prevention	91	
		403-6	Promotion of worker health	4.4.2 Occupational accident prevention	91	
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4.2 Occupational accident prevention	91	
		403-8	Workers covered by an occupational health and safety management system	4.4.1 Risk management system for occupational safety	88	
		403-9	Work-related injuries	4.4.3 Audit and improvement	96	
403-10		Work-related ill health	4.4.2 Occupational accident prevention	91		
<b>* Training and Education</b>						
GRI 3 Training and Education Management Disclosure 2021	3-3	Management of material topics	4.1 Human Resource Management	72		
GRI 404 Training and Education Topic Disclosure 2016	404-1	Average hours of training Yearly per employee	4.3 Employee Suitability and Diversified Development	84		
	404-2	Programs for upgrading employee skills and transition assistance programs	4.3 Employee Suitability and Diversified Development	84		
	404-3	Percentage of employees receiving regular performance and career development reviews	4.3 Employee Suitability and Diversified Development	84		

GRI Standard Type/Topic	No.	GRI Standard Disclosures	Corresponding Chapter	Page	Omission/ Note
<b>* Diversity and Equal Opportunity</b>					
GRI 3 Diversity and Equal Opportunity Management Disclosure 2021	3-3	Management of material topics	4.1 Human Resource Management	72	
GRI 405 Diversity and Equal Opportunity Topic Disclosure 2016	405-1	Diversity of governance bodies and employees	1.2.1 Organization of the Board 4.1.2 Manpower structure	12 74	
	405-2	Ratio of basic salary and remuneration of women to men	4.2.1 Compensation and Benefits	79	
<b>Non-discrimination</b>					
GRI 406 Non-discrimination Topic Disclosure 2016	406-1	Incidents of discrimination and corrective actions taken	4.1.1 Human rights policy	73	
<b>Freedom of Association and Collective Bargaining</b>					
GRI 407 Freedom of Association and Collective Bargaining Topic Disclosure 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4.2.2 Labor-management communication and employee loyalty	82	
<b>Child Labor</b>					
GRI 408 Child Labor Topic Disclosure 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	4.1.1 Human rights policy	73	
<b>Forced or Compulsory Labor</b>					
GRI 409 Forced or Compulsory Labor Topic Disclosure 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.1.1 Human rights policy	73	
<b>Security Practices</b>					
GRI 410 Security Practices Topic Disclosure 2016	410-1	Security personnel trained in human rights policies or procedures	4.1.1 Human rights policy	73	
<b>Rights of Indigenous Peoples</b>					
GRI 411 Rights of Indigenous Peoples Topic Disclosure 2016	411-1	Incidents of violations involving rights of indigenous peoples	4.1.1 Human rights policy	73	
<b>* Supplier Social Assessment</b>					
GRI 3 Supplier Social Assessment Management Disclosure 2021	3-3	Management of material topics	2.4 Sustainable Supply Chain	46	
GRI 414 Supplier Social Assessment Topic Disclosure 2016	414-2	Negative social impacts in the supply chain and actions taken	2.4.2 Supply chain management structure	48	
<b>Public Policy</b>					
GRI 415 Public Policy Topic Disclosure 2016	415-1	Political contributions	2.1.2 Operational performance	35	

GRI Standard Type/Topic	No.	GRI Standard Disclosures	Corresponding Chapter	Page	Omission/ Note
<b>* Customer Health and Safety</b>					
GRI 3 Customer Health and Safety Management Disclosure 2021	3-3	Management of material topics	2.3 Customer Demand and Quality Management	41	
GRI 416 Customer Health and Safety Topic Disclosure 2016	416-1	Assessment of the health and safety impacts of product and service categories	2.3.2 Quality control	44	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.3.2 Quality control	44	
<b>* Marketing and Labeling</b>					
GRI 3 Marketing and Labeling Management Disclosure 2021	3-3	Management of material topics	2.3 Customer Demand and Quality Management	41	
GRI 417 Marketing and Labeling Topic Disclosure 2016	417-1	Requirements for product and service information and labeling	2.3.2 Quality control	44	
	417-2	Incidents of non-compliance concerning product and service information and labeling	2.3.2 Quality control	44	
	417-3	Incidents of non-compliance concerning marketing communications	2.3.2 Quality control	44	
<b>* Customer Privacy</b>					
GRI 3 Customer Privacy Management Disclosure 2021	3-3	Management of material topics	1.5 Information Security and Customer Privacy	24	
GRI 418 Customer Privacy Topic Disclosure 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	1.5 Information Security and Customer Privacy	24	
<b>Self-defined topics</b>					
<b>* Innovative R&amp;D and Patents</b>					
GRI 3 Innovative R&D and Patents Management Disclosure 2021	3-3	Management of material topics	2.2 Product R&D and Innovation	38	
<b>* Corporate Governance</b>					
GRI 3 Corporate Governance Management Disclosure 2021	3-3	Management of material topics	1.2 Governance Framework	11	
<b>* Climate Change and Operational Risk Management</b>					
GRI 3 Climate Change and Operational Risk Management Management Disclosure 2021	3-3	Management of material topics	3.1 Climate Risk/Opportunity Assessment	52	



## Appendix IV: Comparison Table for SASB Sustainability Accounting Standards - Industrial Machinery & Goods

	Accounting Metric					
	Topic	Code	Accounting Metric	Category	Unit of Measure	Response
Accounting Metric	Energy Management	RT-IG-130a.1	Overall energy consumption	Quantitative	Gigajoules (GJ)	206,982.54 GJ
			Percentage of grid electricity	Quantitative	Percentage (%)	100%
			Percentage of renewables	Quantitative	Percentage (%)	0%
	Employee Health & Safety	RT-IG-320a.1	Total recordable incident rate (TRIR)	Quantitative	Rate	1.82
			Fatality rate	Quantitative	Rate	0
			Near miss frequency rate (NMFR)	Quantitative	Rate	2.43
	Fuel Economy & Emissions in Use-phase	RT-IG-410a.1	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Quantitative	Fuel consumption per 1,000 ton-miles (Gallons per 1,000 Ton-miles)	N/A (The Company does not sell medium and heavy-duty vehicles)
			Sales-weighted fuel efficiency for non-road equipment	Quantitative	Fuel consumption per hour (Gallons per hour)	N/A (The Company does not sell non-road equipment)
			Sales-weighted fuel efficiency for stationary generators	Quantitative	Power generated per gallon (Watts per gallon)	N/A (The Company does not sell stationary generators)
			Average sales-weighted nitrogen oxide (NOx) and suspended particulate (PM) emission rates for marine diesel engines, train diesel engines, on-road medium and heavy-duty vehicles, and off- road diesel engines	Quantitative	Air pollution per kWh (Grams per Kilowatt-hour)	N/A (The Company does not sell stationary generators)
	Materials Sourcing	RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	--	Some key materials for FCCL are oligopolistic in nature, so supply chain management and securing material sources are also sources of significant competitive advantage in this industry. As one of the industry leaders, we have competitive advantages in terms of procurement scale and customer bases, and have therefore established long term strategic alliances with key raw material suppliers to enjoy dominating advantage in materials sourcing.
	Remanufacturing Design & Services	RT-IG-440b.1	Revenue from remanufactured products and remanufacturing services	Quantitative	Amount	The Company sells these products.
	Activity Index	Code	Activity Index		Category	Response
RT-IG-000.A		Number of Units Produced by Product Category		Quantitative	Electronic materials: 38,470 thousand m <sup>2</sup> Others: 5,464 thousand m <sup>2</sup>	
RT-IG-000.B		Number of Employees		Quantitative	856 employees	

## Appendix V: Comparison Table of Sustainability Disclosure Indicators - Electronic Parts and Components Industry of the Taiwan Stock Exchange Corporation “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies”

No.	Indicator	Response
1	Total energy consumption, percentage of purchased electricity and renewable energy usage (Quantitative/GJ, %)	206,982.54 GJ Percentage of purchased power: 100% Renewable energy use rate: 0%
2	Total water withdrawal and total water consumption (Quantitative/m <sup>3</sup> )	Total water withdrawal: 91.546 m <sup>3</sup> Total water consumption: 36.536 m <sup>3</sup>
3	Weight of hazardous waste generated and percentage of recovery (Quantitative/MT, %)	Weight: 280 MT of waste adhesive + 6 MT of waste copper sludge + 37.1 MT of non-hazardous mixture containers + (459.83 MT of MEK + NMP recovery) = 782.93 MT Recovery percentage: (459.83/782.93)*100=58.73%
4	Explain the type, number and rate of occupational disasters (Quantitative/%, Quantity)	No. of fatality: 0; Fatality rate: 0 No. of recordable occupational injuries: 3; Rate of recordable occupational injury: 1.82%
5	Product lifecycle management disclosure: including the weight of scrapped products and electronic waste and the percentage of recycling <sup>Note</sup> (Quantitative/MT, %)	Total waste: 1,933 MT Recycled rate: 59%
6	Description of risk management related to the use of critical materials (Qualitative description)	Some key materials for FCCL are oligopolistic in nature, so supply chain management and securing material sources are also sources of significant competitive advantage in this industry. As one of the industry leaders, we have competitive advantages in terms of procurement scale and customer bases, and have therefore established long term strategic alliances with key raw material suppliers to enjoy dominating advantage in materials sourcing.
7	Total monetary loss resulting from legal proceedings related to anti-competitive regulations (Quantitative/NT\$)	There was no such incident and the total monetary loss resulting from legal proceedings related to anti-competitive regulations was NT\$0.
8	Production volume of major product by category (Quantitative/Depend on product category)	Electronic materials: 38,470 thousand m <sup>2</sup> Others: 5,464 thousand m <sup>2</sup>

Note: Including sale of scraps or other recycling treatment. Details shall be provided.

# Appendix VI: Climate-related Information of TWSE/ TPEX-listed Companies of the Taiwan Stock Exchange Corporation “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies”

Climate-related Risks and Opportunities and Action Plans	Corresponding Chapter
<p>1. Describe the oversight and governance of the Board and management on climate-related risks and opportunities.</p>	<p>① The Board assesses the effectiveness of climate response strategies based on the project outcome of functional teams summarized by the Sustainable Development Committee at least once every year.                      ② The Sustainable Development Committee formulates policies and improvement targets based on the discussion results or resolutions of the Board and passes on to each functional team for execution.</p>
<p>2. Describe how the identified climate-related risks and opportunities would affect the business, strategy, and finance of the entity (short, medium, and long-term).</p>	<p><b>Short-term:</b>                      Risk: Uncertainties regarding the demand for 100% renewables from end customers and relevant specifications as well as insufficient domestic supply of renewables increase the complexity and risk of renewable investments.                      Opportunity: By improving internal processes, we can increase the recycling and reuse rates of resources (i.e., 100% recycling and reuse of solvents), thereby significantly reducing Scope 1 emissions, enhancing corporate image and enjoying a competitive edge when competing for customer orders.</p> <p><b>Medium to long-term:</b>                      Risk: Carbon neutrality and the corresponding trend of 100% renewables will add on to the costs and investment requirements for businesses. Companies need to increase their investments on process improvement and installation of renewable systems. In the long run, failing to satisfy the net zero requirements of customers or the governments would affect a company's ability to continue as a going concern.                      Opportunity: Green product research and development, process improvement and the use of renewables would boost the customers' willingness to buy. In addition to expanding market shares, this would be an intangible competitive advantage to companies. Therefore, we will start our transition early in pursuing net zero emission. By being the leading company among peers, we can attract more customers to collaborate with us, thereby compensating the costs and expenses of climate risks. We can even seize relevant business opportunities and expand our market shares to drive our sustainable developments.</p>
<p>3. Describe the financial impact of extreme weather events and transition activities.</p>	<p>Extreme weather events may result in temporary suspension of operation or decreasing efficiency of the entire supply chain, leading to financial and business losses. The key impact of transition is topics associated with carbon neutrality, which will push us to increase capital expenditure, bringing about a higher cost of operation. If we fail to outperform our competitors where carbon neutrality is concerned, end customers may cut down their purchases with us which would then affect our financial performance.</p>
<p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p>	<p>Based on the climate risk analysis of the Corporate Governance and Risk Management Team, the Sustainable Development Committee would take inventory on existing resources and the financial impact of changes in the external environment to draw up climate response strategies and various projects.</p>
<p>5. If scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used shall be described.</p>	<p>--</p>
<p>6. If there is a transition plan for managing climate-related risks, describe the plan details, and the indicators and targets used to identify and manage physical risks and transition risks.</p>	<p>--</p>
<p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated</p>	<p>--</p>
<p>8. If climate-related targets have been set, the activities covered, the scope of GHG emissions, the planning horizon, and the progress achieved each year shall be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or the quantity of RECs to be offset shall be specified.</p>	<p>--</p>
<p>9. GHG inventory and assurance status</p>	<p>The Company has completed the 2021 parent company only GHG inventory pursuant to ISO 14064:2018 version with a verification statement issued by the SGS Taiwan Limited. Please refer to 3.2.1 Energy structure and carbon emission management for details.</p>

## Appendix VII: Comparison Table of SDGs

Goals	Sustainable Development Goals	Corresponding Chapter	Page No.
Goals 1	End poverty in all its forms everywhere	5.2 Charity Activities	100
Goals 3	Ensure healthy lives and promote well-being for all at all ages	Sustainable Development Goals and SDGs in Practice	6
Goals 7	Ensure access to affordable, reliable, sustainable and modern energy for all	Sustainable Development Goals and SDGs in Practice	6
Goals 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Sustainable Development Goals and SDGs in Practice	6
Goals 9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Sustainable Development Goals and SDGs in Practice	6
Goals 12	Ensure sustainable consumption and production patterns	Sustainable Development Goals and SDGs in Practice	6
Goals 13	Take urgent action to combat climate change and its impacts	Sustainable Development Goals and SDGs in Practice	6
Goals 16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Sustainable Development Goals and SDGs in Practice	6
Goals 17	Strengthen the means of implementation and revitalize the global partnership for sustainable development	Sustainable Development Goals and SDGs in Practice	6