



Taiwan Numerical Powers Co., Ltd.



2023

ESG Report

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About this Report

Taiwan Numerical Powers Co., Ltd issued the ESG Report for the first time in 2024 according to the "Operating Measures for Compilation and Reporting of ESG Reports by Listed (OTC) Companies", and will issue it every year in the future. This report is the first published ESG Report of Taiwan Numerical Powers Co., Ltd (abbreviated as "TNP", "the company" and "we" in the report). Through the publication of the report, the Company transparently exposes the company's sustainable actions and performance in three aspects: environment, society and corporate governance, so as to let the stakeholders know TNP's efforts in corporate sustainable development and social responsibility practice and its determination to make continuous progress.

Category and principle

The data and contents disclosed in this report are mainly the information of 2023 (from January 1, 2023 to December 31, 2023), and some data also go back to cases before and after 2022. The bases and information areas disclosed in this report are consistent with the annual report, including Taiwan headquarters, Linkou factory and Xinzhuang factory. If it involves other reporting areas, it will be explained separately in the report. Furthermore, in addition to taking into account GRI's principle of disclosure of materiality, the Company has also compiled it with strict standards, and through continuous improvement, it has examined the process and scope of data collection, thus improving the quality of various data year by year.

The statistical data disclosed in the report come from the results of statistics and adjustments made by various departments of the head office according to their job categories. The sources of relevant financial data are all signed by Deloitte Asia Pacific Services Limited (audit period: January 1, 2023 to June 30, 2023) and Crowe (TW) CPAs (audit period: July 1, 2023 to December 31, 2023). In addition, the performance related to environmental protection, safety and health is presented by international common indicators, and some data are quoted from the publicly published information on the websites of government agencies, and are presented by commonly used numerical description methods. If there is any estimation, it will be indicated in relevant chapters. This ESG Report is issued by TNP for the first time, so there is no matter of information recompilation.

In order to ensure the credibility of the report, all information and data published in this report are verified by British Standards Institute (BSI) according to AA1000AS v3 type 1 moderate assurance level, and at the same time, the GRI framework is verified to ensure that the report conforms to the quality principles of accuracy, balance, clarity, comparability, reliability and timeliness.

As the Company has not set up a dedicated unit for sustainable development at present, all departments shall implement and maintain the operation of sustainable development of the Company according to their duties and scope, and pay attention to the implementation of sustainable development in their daily operation activities. Based on the economic, environmental, social and risk issues related to sustainable operation, this report is provided and compiled by TNP's responsible units, such as management department, finance department, Document Control Center, card business department, Name Plate business department and other relevant departments. It is reviewed by the Director and the Chairman, and then finalized and published by the board of directors.

Compilation compliance

The framework of this report not only follows the universal standards 2021 published by GRI Association in 2021, but also serves as the reference basis for the information disclosure of the report. It also echoes the Code of Practice for the Sustainable Development of Listed OTC Companies, the Task Force on Climate-Related Financial Disclosures (TCFD) and the SASB Sustainability Accounting Standards Board. SASB), and reveal the company's information on the three ESG pillars of "Environment", "Society" and "Governance", so that the stakeholders of the enterprise can know the planning and realization results of the enterprise in sustainable development and operation.

Publication Time

This is the first ESG Report prepared by Taiwan Numerical Powers Co., Ltd. The company will continue to issue the "ESG Report" annually and publish it on its website.



Contact Information

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Message from the Management Operator's words

Since the industrial revolution, human beings have made rapid development through intelligent and innovative technology. However, at the same time, with the rapid depletion of the earth's resources, the damage to the earth's environment is also increasing. With the improvement of knowledge level, mankind has entered a new stage, and started to advocate environmental awareness, and regarded sustainable development as the core issue of social progress. While pursuing a better life, we also pay more attention to how to make the environment and society sustainable. Under this background, the role of enterprises is indispensable. From Corporate Social Responsibility (CSR) to the development of ESG, it highlights the introspection and mobility of enterprises as citizens of the world, and emphasizes that enterprises must put into practical actions and practice social responsibility. Enterprises are composed of many people, and the value chain between enterprises is the basis of social operation. Therefore, the implementation of ESG action enables enterprises to exert their own strength, from the inside out, from top to bottom, deeply rooted in important concepts such as environmental protection, social responsibility, corporate governance, and gradually change the company's internal culture, decision-making mechanism, and operation process, and gradually implement ESG action from the initial heart of protecting the environment and caring for society, thus affecting other enterprises, groups and individuals.

TNP views employees as partner family, we have responsibility to establish safe, healthy working environment. To implement employee care, employee stock trust plan is implemented, providing reward funds equal to employee contributions to trust account, encouraging long-term savings and sharing operational results, assisting colleagues in stable retirement planning, increasing employment opportunities, attracting more talented individuals to join TNP, actively cultivating talent and accelerating experience transfer, providing on-the-job education rewards and birth subsidies for employees to work securely and steadily, accumulating career capital, TNP always considers employees as the cornerstone of sustainable operations.



Climate change impact on Earth, not just countries, but for enterprises, sustainability is a crucial topic. Taiwan set 2050 net-zero emissions goal under global advocacy, TNP also aims for this ultimate goal, set a 3-year 25% carbon reduction target in 2022. TNP actively invests in energy-saving equipment, process improvements, and finding alternative materials to further reduce carbon emissions. CO₂ from electricity is the main carbon source, TNP started replacing old, power-consuming equipment, accelerating green procurement, introducing PLA eco-friendly materials and inks, to effectively lower carbon emissions in operations, achieving green manufacturing. Zero waste production is also a key environmental initiative for TNP, reducing waste during production, recycling resources to regain value, pursuing circular economy through associations, cross-industry cooperation, finding feasible technologies and opportunities, hoping to generate economic benefits, creating a true circular economy.

TNP starts its ESG plan with six aspects: green manufacturing, partnerships, responsible products, governance, social care, and creating a friendly workplace. Upholding integrity, TNP aims for transparent governance to earn trust from stakeholders including shareholders, customers, partners, suppliers, and employees. For disadvantaged and rural groups, TNP will use its resources to contribute through donations and opportunities, helping to solve societal problems and fulfilling corporate citizenship responsibilities.

Chairman LIU, LEE-EN

A handwritten signature in black ink, appearing to be the name 'Liu Lee-En' in a stylized, cursive script.



Sustainability Performance and Highlights

E Environmental Aspect

In 2023, greenhouse gas emissions reduced by **12.04%** compared to 2021, targeting a 25% reduction by 2025.

New plant planning includes solar panels and storage equipment to reduce purchased electricity and carbon emissions through self-generated green power.

Actively developing PLA recycled materials and soybean eco-friendly ink as raw materials, and seeking certified suppliers to recycle PLA to reduce waste volume.

Planning to introduce ISO 50001 energy management system to enhance energy performance, and every year conduct PDCA's effectiveness evaluation targeting ISO 14001 environmental management system and ISO 14064-1 greenhouse gas inventory.

Establishing supplier management methods, requiring raw material suppliers and partners to comply with government regulations banning prohibited substances.

S Social Aspect

In 2023, employee health check-up completion rate reached **100%**.

Diversity and equal opportunity in recruitment, promotion, training, compensation, and benefits are open and transparent.

Emphasis on employee health and safety, with monthly on-site nurse services, achieving **100%** workplace health care participation.

Employment of disabled individuals, exceeding the legal quota of 2, with a hiring rate of **250%**.

G Governance Aspect

Profitability, integrity management policy promotion completion rate: 99%, and annually maintaining the validity of ISO 27001 information security management system and BS 10012 personal information management system certification.

In 2023, **9** new directors signed the integrity management statement.

Implemented insider trading prevention advocacy, with **5** sessions in 2023.

Promoted women and minorities in senior management, achieving a **12.5%** ratio.





1

Enterprise Operation and Management

1.1 About TNP

1.2 Stakeholder Communication

1.3 Major Issue Analysis and Identification

1.1 About TNP

Company introduction:

Taiwan numerical powers co., ltd. (stock code: 6593) belongs to the information service industry in which the company's stocks are listed on the OTC market. It was established in December 1970, with cards, card personalization and Name Plates as its main business projects, occupying an exclusive position in the industry, insisting on high-quality and exquisite products and services, and creating a new pattern in the industry. Since its establishment in 1970, TNP has been standing for half a century. TNP has continuously invested in the research and development capabilities and excellent manufacturing technology of the new generation. Recently, it has been in line with blockchain technology, casting a new business model, breaking through the blending of old and new, and devoting itself to products that combine functionality and aesthetics.

TNP is the first domestic company certified by Visa, MasterCard, JCB, and China UnionPay for professional credit card manufacturing and personalization services. With excellent management system, the company has obtained international certifications such as ISO 9001, ISO 14001, ISO 45001, ISO/IEC 27001, IATF 16949 and BS 10012 to ensure the highest standards of product quality, environmental protection and capital protection. In addition, we are also a leader in the field of environmental protection in the industry, taking the lead in obtaining ISO 14067 and ISO 14064-1 verification, and actively participating in sustainable development.



Company Appearance

TNP Consolidated Financial Report Subsidiaries

Entities disclosed in the report	<ul style="list-style-type: none"> ⊙ Taiwan Numerical Powers Co., Ltd. Head Office: No. 36, Huaya 1st Rd, Guishan District, Taoyuan City Xin Zhuang Plant: No. 15, Lane 206, Xinshu Rd, Xisheng Li, Xin Zhuang District, New Taipei City
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Entities not disclosed in the report	<ul style="list-style-type: none"> ⊙ Cold Fusion Wallet (Taiwan) Co., Ltd. ⊙ Cold Fusion Wallet (Singapore) Pte., Ltd
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Shareholding Structure Table

Closing date: April 2, 2024

Shareholder	Share holdings	Shareholding ratio(%)
Financial institution	724,649	2.94
Other legal persons	9,345,502	37.94
Individual	13,740,084	55.79
Foreign institutions and foreigners	819,033	3.33
Total	24,629,268	100

Product Introduction

The main raw materials for the company's products include chips, PVC, PETG, silver paste, holograms, adhesives, protective films, and aluminum sheets. TNP maintains more than two suppliers for each material to ensure quality, stable delivery times, and to avoid supply concentration risks. Contracts with chip agents ensure delivery and backup supply stability.

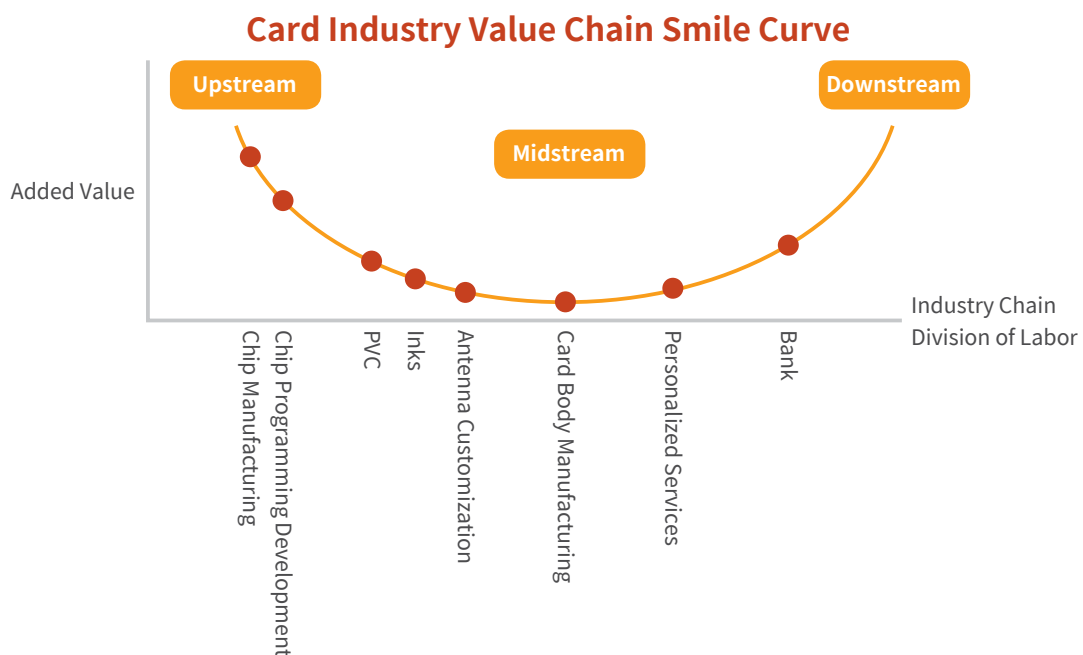
Main business items include:

- ⊙ Cards & Personalization: Contactless chip, contact chip cards, plastic cards, dual-interface chip cards, and shaped cards.
- ⊙ Name Plates: Stainless steel, printed aluminum, anodized aluminum, brushed aluminum, and etched aluminum Name Plates.
- ⊙ Membrane Switches: Capacitive touch circuit boards, printed circuit boards, embossed metal dome circuits.
- ⊙ FortVax Cold Wallet: Own supply chain and card-making technology for secure offline storage of wallet private keys, ensuring digital asset security with high-standard encryption.

2023 Company Products or Services Sales Volume

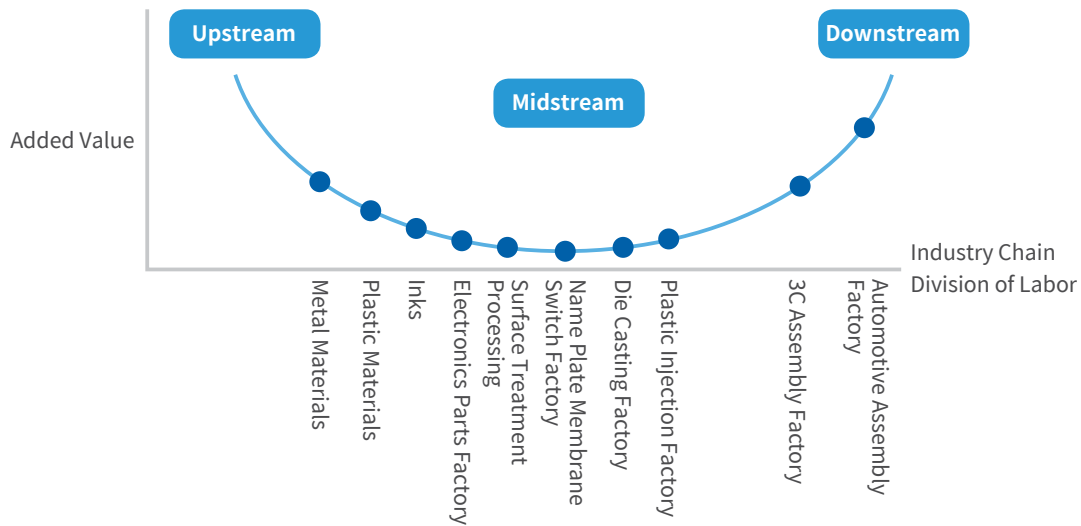
Products or Services	Sales Regions	Customer Types	Sales Volume	Sales Volume Unit
Automotive Name Plates	Europe, Americas	Automotive manufacturers	7,835	Thousand pieces
Membrane switch Name Plates	Taiwan, Japan, Europe, Americas	Industrial equipment manufacturers	332	Thousand pieces
Name Plates and Membrane Switches	Taiwan, Asia, Americas, Europe, Australia	Automotive dealers, machinery manufacturers	9,628	Thousand pieces
Proximity cards	Taiwan	Banks	6,000	Thousand pieces
Card personalization	Taiwan	Banks	6,130	Thousand pieces
Card products and personalization services	Taiwan, Asia	Financial industry, electronic ticket industry	18,240	Thousand pieces

The upstream, midstream, and downstream relationships of the card and card personalization product industry.



The upstream, midstream, and downstream relationships of the Name Plate and Membrane Switch product industry.

Name Plate Membrane Switch Industry Value Chain Smile Curve

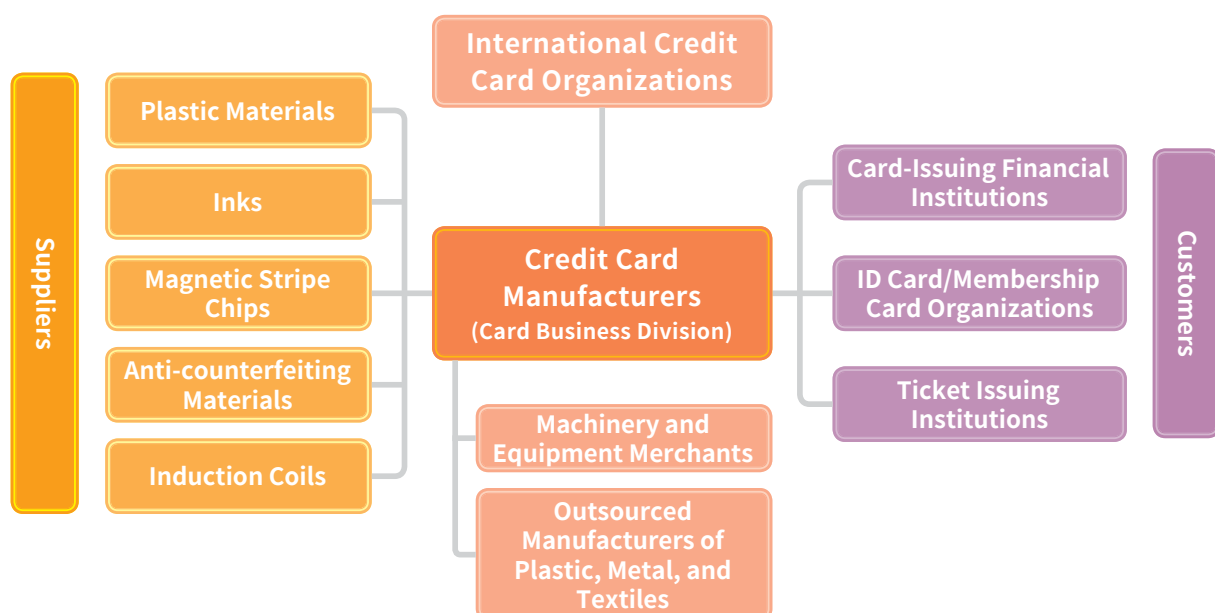


Business Channels

The company's card and card personalization service customers include the financial industry, manufacturing industry, service industry, telecommunications, medical systems, government units, school units, and foundations. Name Plate and Membrane Switch customers include the IT industry, manufacturing, telecommunications, biotechnology, service industry, and medical systems.

TNP's product service network spans Taiwan, Asia, America, Europe, and Australia. In the fourth quarter of 2023, TNP and partners invested to establish Cold Fusion FinTech Co., Ltd., and a subsidiary in Singapore, offering professional customized software development services.

Industry Connection Diagram



◎ Future Outlook

TNP, a specialist in information security and personal data protection, is also a leader in high-quality customized Name Plates, Membrane Switches, and smart card products. The company provides high-quality, refined products and services that enhance the status and image of customers, making TNP synonymous with excellence in the card, Name Plate, and Membrane Switch industries.

The company utilizes new generation R&D capabilities and excellent manufacturing techniques to produce products that combine functionality and aesthetics, aiming for technological and product innovation. TNP seeks a win-win situation for itself, customers, and suppliers by developing wearable products with mobile payment functions to meet future trends and creating proprietary products, moving beyond pure OEM business models.

Participation in Associations

The company actively participates in industry associations, with membership qualifications and positions as described in the table below:

List of Association Organizations	
Industry associations, other membership associations, and national or international advocacy organizations	Membership qualifications (positions held)
Taipei Computer Association	Member
Taiwan Electrical and Electronic Manufacturers' Association	Member
Taiwan Transportation Vehicle Manufacturers' Association	Member
Taoyuan Industrial Association	Member
Taoyuan Asian Silicon Valley Hwa Ya Technology Park Manufacturers' Promotion Association	Member

1.2 Stakeholder Communication

TNP's deep communication with stakeholders is the foundation of sustainable operations. Through effective communication, we understand stakeholder concerns. We continuously establish channels and respond to issues in company meetings. We aim to gather stakeholder opinions through various channels and plan to create a sustainability section on our website to enhance communication.

Considering that stakeholder identification and communication are the foundation of implementing corporate sustainability, TNP adopts the AA1000 SES Stakeholder Engagement Standards based on the five principles of dependency, responsibility, influence, diverse perspectives, and tension. We reference GRI guidelines and other industries to identify potential stakeholders, including shareholders, banks, government organizations, employees, customers, business partners, suppliers, communities/local groups, NGOs, social welfare organizations, academic and industry-university cooperation units. External experts score the actual negative impact, potential negative impact, actual positive impact, and potential positive impact on stakeholders, ranking them to identify key stakeholders for 2023 whose overall score exceeds 10 points after considering the results of 26 questionnaires completed by senior management.

Based on questionnaire results and meeting discussions, TNP and external experts review and consider GRI guidelines. The Director decides the stakeholder categories, and the results are reported to the board of directors. The five identified stakeholder groups are customers, employees and other workers, shareholders/other investors, suppliers/contractors, and the government.

Stakeholder Communication Channels

Regarding stakeholder identities, concerns, communication channels, and response methods, the details are explained in the table below and are reported to the board of directors annually.

Stakeholder Communication Channels and Effectiveness

Stakeholders	Significance to the Company	Communication Channels	Frequency	Communication Effectiveness
Customer	<ul style="list-style-type: none"> ⊙ Maintain a stable and good relationship, uphold the customer-first policy, understand and meet customer needs, to create mutual benefits and win-win outcomes. 	<ul style="list-style-type: none"> ⊙ Customer Satisfaction Survey 	<ul style="list-style-type: none"> ⊙ Annually 	<ul style="list-style-type: none"> ⊙ Regularly conduct customer satisfaction surveys, and propose improvement plans and suggestions for items that do not meet standards. ⊙ In 2023, Linkou Plant and Xinzhuang Plant each conducted one customer satisfaction survey. The survey results: Linkou Plant scored 90.90, Xinzhuang Plant scored 75.81.
		<ul style="list-style-type: none"> ⊙ Phone ⊙ Email ⊙ Interviews ⊙ Meetings 	<ul style="list-style-type: none"> ⊙ Anytime 	<ul style="list-style-type: none"> ⊙ The company has a dedicated department providing customer service.

Stakeholders	Significance to the Company	Communication Channels	Frequency	Communication Effectiveness
Employees and Other Workers	<ul style="list-style-type: none"> Focus on skill training and quality of work environment safety, matching employees to suitable roles to maximize their abilities and ensure welfare and compensation. Treat with integrity, value labor relations, and foster unity. 	<ul style="list-style-type: none"> Employee complaint hotline Employee suggestion box Company website 	<ul style="list-style-type: none"> Real-time 	<ul style="list-style-type: none"> In 2023, the employee suggestion box received 0 suggestions.
		<ul style="list-style-type: none"> Occupational Safety and Health Committee 	<ul style="list-style-type: none"> Quarterly 	<ul style="list-style-type: none"> Regularly hold Occupational Safety and Health Committee meetings: 4 times annually.
		<ul style="list-style-type: none"> Labor-management meetings 	<ul style="list-style-type: none"> Quarterly 	<ul style="list-style-type: none"> Regularly hold labor-management meetings to establish communication channels: 4 times annually.
		<ul style="list-style-type: none"> Employee satisfaction survey 	<ul style="list-style-type: none"> Annually 	<ul style="list-style-type: none"> 2023 employee satisfaction survey: overall satisfaction 67%.
Shareholders/ Other Investors	<ul style="list-style-type: none"> Implement management policies and operational activities. Aim for sustainable management to protect shareholder rights. 	<ul style="list-style-type: none"> Employee Welfare Committee 	<ul style="list-style-type: none"> Irregular 	<ul style="list-style-type: none"> Employee Welfare Committee handles various welfare matters: amounting to 1,071,637 NT dollars. Provide education and training according to employee job needs and career planning, and implement a multi-skill training program.
		<ul style="list-style-type: none"> Company website Investor section Market Observation Post System Annual shareholder meetings 	<ul style="list-style-type: none"> Anytime 	<ul style="list-style-type: none"> Through the annual general shareholders' meetings, investors are informed of the company's operational overview. In 2023, two shareholder meetings were held.

Stakeholders	Significance to the Company	Communication Channels	Frequency	Communication Effectiveness
Shareholders/ Other Investors	<ul style="list-style-type: none"> ⊙ Treat all shareholders fairly, creating maximum profit and value for all shareholders. 	<ul style="list-style-type: none"> ⊙ Financial report announcements 	<ul style="list-style-type: none"> ⊙ Quarterly 	<ul style="list-style-type: none"> ⊙ Announce the company's financial statements within the stipulated period to inform investors about the company's revenue status.
		<ul style="list-style-type: none"> ⊙ Company annual report issuance 	<ul style="list-style-type: none"> ⊙ Annually 	<ul style="list-style-type: none"> ⊙ Publish the company's shareholder meeting handbook, annual report, and minutes for investor reference.
Suppliers/ Contractors	<ul style="list-style-type: none"> ⊙ Ensure that the raw materials and projects provided by suppliers, contractors, and outsourcing vendors meet the company's standards and satisfy customer requirements, ensuring smooth operations. ⊙ Establish long-term, close relationships with suppliers based on the principle of win-win, aiming for mutual trust, mutual benefits, and sustainable growth together. 	<ul style="list-style-type: none"> ⊙ Email ⊙ Phone ⊙ Video conferences 	<ul style="list-style-type: none"> ⊙ Irregular 	<ul style="list-style-type: none"> ⊙ Comply with the quality management system. ⊙ Evaluate raw material suppliers. ⊙ Evaluate outsourcing vendors.
		<ul style="list-style-type: none"> ⊙ Questionnaire surveys 	<ul style="list-style-type: none"> ⊙ Real-time 	<ul style="list-style-type: none"> ⊙ In the future, conduct regular supplier ESG questionnaire surveys to identify potential ESG collaboration suppliers for priority cooperation. ⊙ TNP implements environmental policies and commitments with suppliers and conducts environmental protection and occupational safety surveys to enforce raw material supplier management mechanisms. Among 150 major raw material suppliers, 87 have signed the "Environmental/Occupational Safety Questionnaire" and 72 have signed the "No Use of Environmentally Hazardous Substances Guarantee."
		<ul style="list-style-type: none"> ⊙ In-person meetings 	<ul style="list-style-type: none"> ⊙ Real-time 	<ul style="list-style-type: none"> ⊙ Regularly assess and evaluate the overall status of suppliers. The average evaluation result: 83.15 points. Suppliers rated A will have their materials prioritized for procurement by the company.

Stakeholders	Significance to the Company	Communication Channels	Frequency	Communication Effectiveness
Government	<ul style="list-style-type: none"> ⊗ TNP complies with regulations and requirements from the government and relevant authorities, promptly adjusting business strategies in response to policy changes, actively cooperating with initiatives like greenhouse gas inventory and industrial transformation and upgrading, and upholding the concept of circular economy and environmental protection to fulfill corporate social responsibility. ⊗ Simultaneously, TNP monitors domestic and international policy developments and regulatory trends, making appropriate adjustments based on the company's operational situation. 	<ul style="list-style-type: none"> ⊗ Through various policy and regulatory seminars, forums, public hearings, and training courses, cooperate with supervision and inspection by authorities. ⊗ Communicate via phone, email, official documents, and letters. ⊗ Regularly report. 	<ul style="list-style-type: none"> ⊗ Irregular 	<ul style="list-style-type: none"> ⊗ Complete various information reporting tasks within the stipulated deadlines.
		<ul style="list-style-type: none"> ⊗ Disclose significant information on the Market Observation Post System. 	<ul style="list-style-type: none"> ⊗ Real-time 	<ul style="list-style-type: none"> ⊗ Disclose significant information promptly according to regulations. In 2023, 50 significant information disclosures were made.

1.3 Major Issue Analysis and Identification

The company's major issues are selected based on GRI standards and the Sustainability Accounting Standards Board (SASB). Identification involves company representatives, department heads, and external experts scoring actual or potential economic, environmental, and social (people and human rights) impacts.

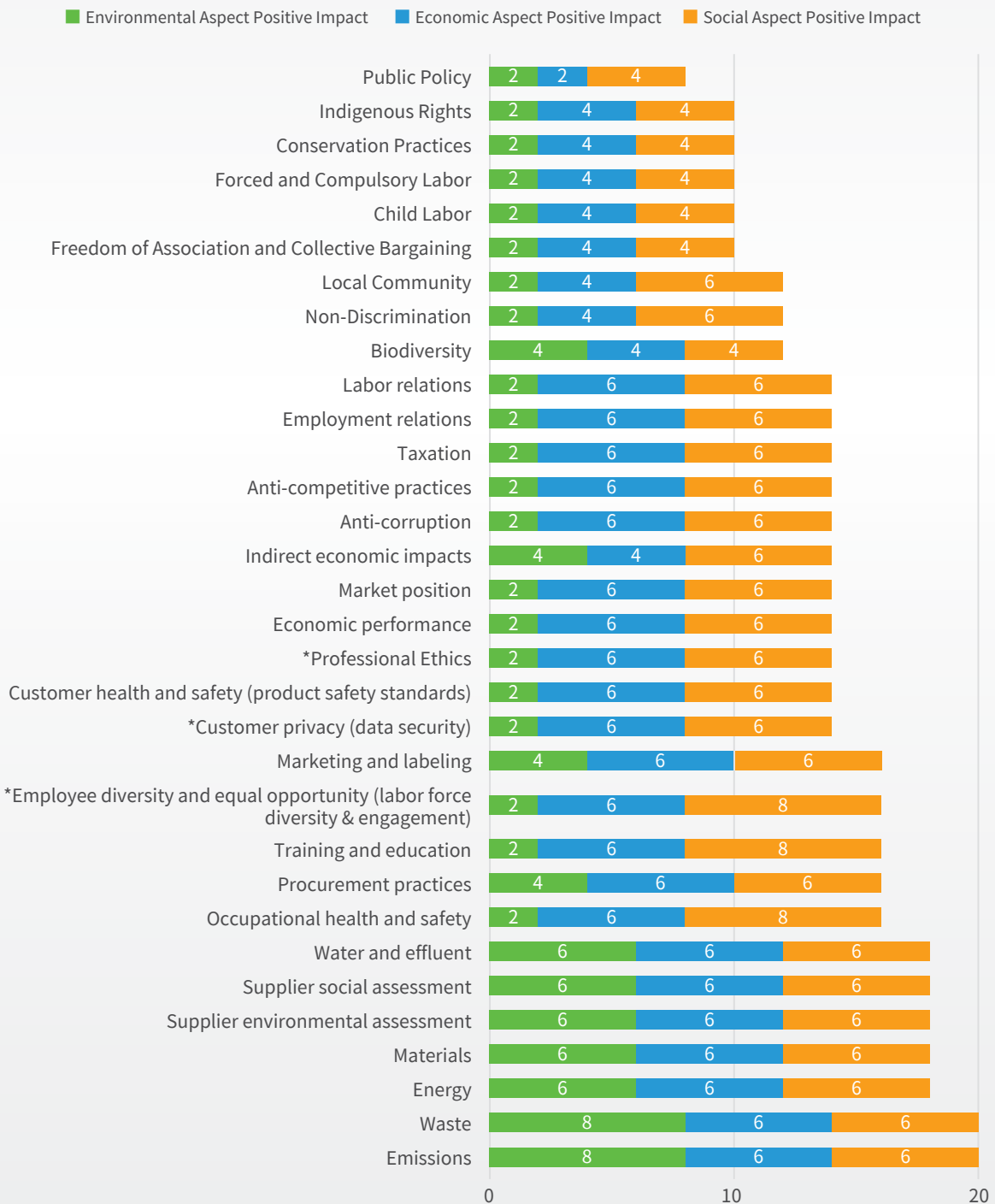
The evaluation process is divided into four stages:



According to the internal major issues provided by the company’s management units and the significant issues collected by each responsible unit corresponding to related stakeholders, a total of 32 issues were listed through a questionnaire scoring method. Based on the scores and discussions with senior management, 8 major issues were identified and listed as the major issues for disclosure in this year's report.

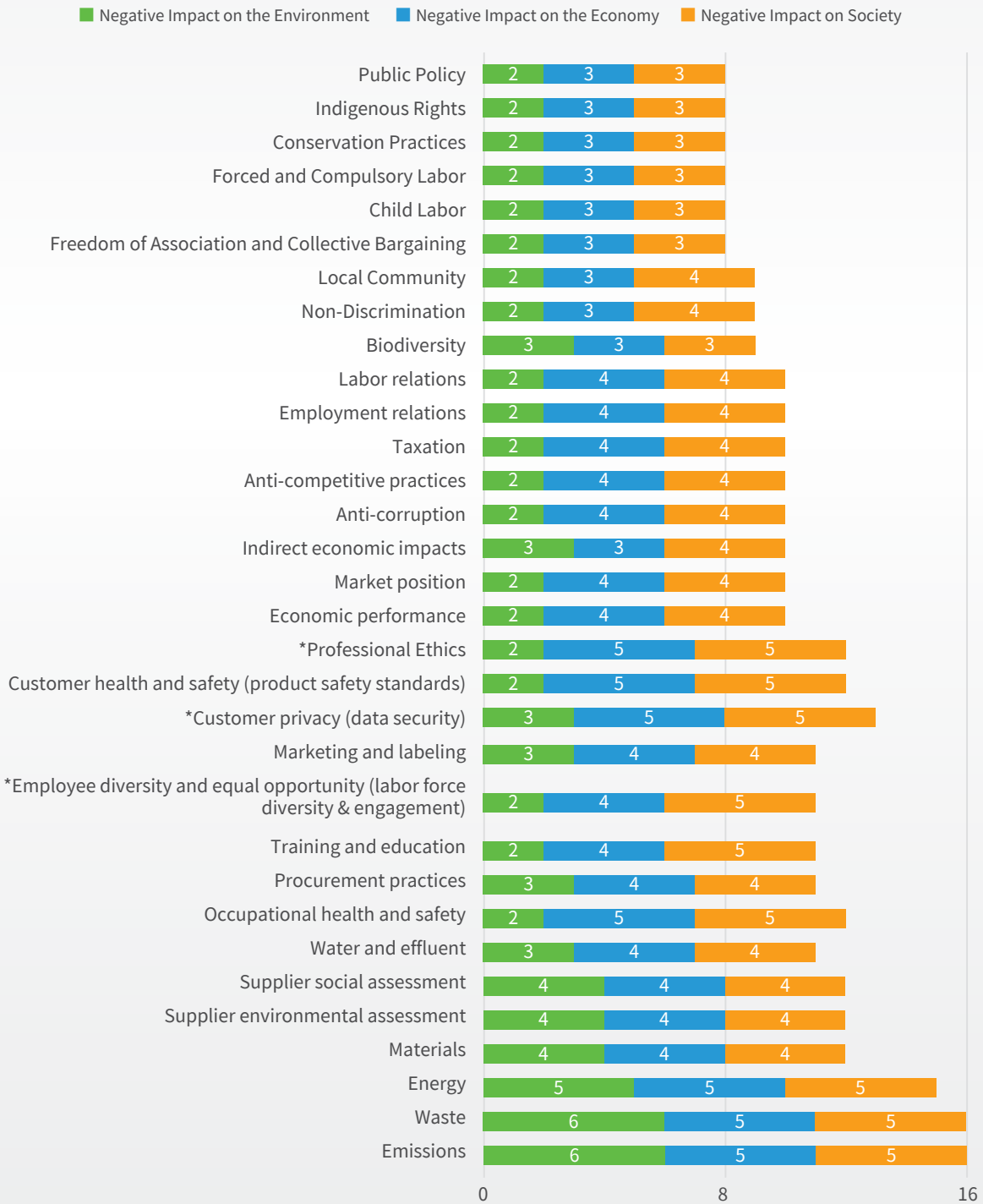
Positive Impact Degree

TNP Major Issues' Positive Impact Extent



Negative Impact Degree

TNP Major Topics' Negative Impact Levels



Major Issue Identification Results

Major Issues			
1 Emission	2 Waste	3 Energy	4 Occupational Safety and Health
5 Training and Education	6 Employee Diversity and Equal Opportunity (Workforce diversity & engagement)	7 Customer Privacy (Data security)	8 Professional ethics

Other Issues			
9 Materials	10 Supplier Environmental Assessment	11 Supplier Social Assessment	12 Water and Effluents
13 Procurement Practices	14 Marketing and Labeling	15 Customer Health and Safety	16 Economic Performance
17 Market Presence	18 Indirect Economic Impacts	19 Anti-corruption	20 Anti-competitive Behavior
21 Tax	22 Employment Relations	23 Labor Relations	23 Labor Relations
25 Non-discrimination	26 Local Communities	27 Freedom of Association and Group Consultation	28 Child Labor
29 Forced or Compulsory Labor	30 Security Practices	31 Rights of Indigenous Peoples	32 Public Policy

Major Issue List

The company will address the 8 identified major issues, detailing their policies and actual/potential/positive/negative impacts on economic, environmental, and human rights aspects, as well as the primary affected parties, as follows:

Major Issue Management Content

Major Issue List	Corresponding GRI Indicators	Description of Policies or Commitments Related to the Organization and Major Issues	Impact (Economic, Environmental, People (including Human Rights)) Actual/Potential Positive/Negative	Primary Affected Parties
Emission	305-1 305-2 305-3 305-4	In line with the government's 2050 net-zero carbon emission goal, greenhouse gas inventory and emissions have been listed as major issues.	<ul style="list-style-type: none"> ⊙ Economic Potential Negative Impacts: <ol style="list-style-type: none"> 1. To align with the government's net-zero carbon goal, implementing low-carbon investments, such as replacing energy-consuming equipment or introducing a circular economy, will increase operating expenses and raise product prices. 2. Due to the company's products being exported to Europe and the United States, the implementation of carbon tax systems at export destinations will increase production costs. ⊙ Corporate Image Potential Positive Impact: Reducing carbon emissions can lower the carbon footprint of products, enhancing the company's market competitiveness. ⊙ Environmental Potential Positive Impact: Reducing greenhouse gas emissions and being environmentally friendly. 	<ul style="list-style-type: none"> ⊙ Customers, employees: Violations of emissions can damage the company's image, leading to a lack of consumer support. ⊙ Community: Likely to incite protests. ⊙ Suppliers, energy providers: Creating a green supply chain by involving both large and small upstream and downstream suppliers. ⊙ Government units, regulatory bodies, verification units: Must comply with policies and regulations. ⊙ Investors: Focus on the company's carbon emission strategies and targets.

Major Issue List	Corresponding GRI Indicators	Description of Policies or Commitments Related to the Organization and Major Issues	Impact (Economic, Environmental, People (including Human Rights)) Actual/Potential Positive/Negative	Primary Affected Parties
Waste	306-2 306-3 306-4 306-5	The company's plants produce hazardous industrial waste and general industrial waste. Due to increasingly stringent environmental regulations on waste, waste management is considered a major issue to comply with legal requirements.	<ul style="list-style-type: none"> ⊙ Economic Potential Negative Impact: Stricter environmental regulations increase costs for more detailed resource recycling and processing equipment and services. ⊙ Economic Actual Positive Impact: Complying with regulations by using qualified waste management vendors reduces the likelihood of environmental fines. ⊙ Environmental Actual Positive Impact: Selecting compliant waste management vendors ensures environmental sanitation. ⊙ Human Rights Potential Negative Impact: Hazardous waste leaks can harm stakeholders' health. ⊙ Human Rights Actual Positive Impact: Proper resource recycling and regulatory compliance for waste storage prevent environmental pollution and protect stakeholders' health. 	<ul style="list-style-type: none"> ⊙ Customers, employees: Violations of waste disposal regulations can damage the company's image and result in a loss of consumer support. ⊙ Community: Can incite protests from residents, affecting company operations. ⊙ Suppliers, energy providers: Seek qualified suppliers. ⊙ Government units, regulatory bodies, verification units: Must comply with policies and regulations. ⊙ Investors: Emphasize the company's environmental protection policies and practices.

Major Issue List	Corresponding GRI Indicators	Description of Policies or Commitments Related to the Organization and Major Issues	Impact (Economic, Environmental, People (including Human Rights)) Actual/Potential Positive/Negative	Primary Affected Parties
Energy	302-1 302-3 302-4	After the ISO 14064-1 greenhouse gas inventory, it was found that indirect emissions from energy, specifically the purchased electricity for the entire plant, account for over 90% of the total emissions in categories one and two. Therefore, the company places great emphasis on energy usage.	<p>⊙ Economic Potential Negative Impact:</p> <ol style="list-style-type: none"> 1. Nationwide high electricity consumption, insufficient power supply, leading to increased electricity costs, raising production costs. 2. To achieve the policy of 2050 net-zero emission goal requires replacing energy-consuming equipment, using eco-friendly raw materials to reduce carbon emissions; this green investment increases operating costs and expenses. <p>⊙ Environmental Potential Positive Impact: Using energy-saving equipment and green investments can effectively reduce electricity costs and greenhouse gas emissions, achieving an eco-friendly environment.</p> <p>⊙ Human/Human Rights Actual Positive Impact: All raw material suppliers and cooperating manufacturers must comply with regulations banning the use of prohibited substances, adhering to legal requirements.</p>	<p>⊙ Employees: Comply with the company's energy-saving regulations.</p> <p>⊙ Customers, community: Reduce emissions, create a friendly community environment.</p> <p>⊙ Suppliers, energy providers: Green supply chain, provide low-carbon equipment.</p> <p>⊙ Government units, regulatory bodies, verification units: Must comply with policies and regulations.</p> <p>⊙ Investors: Emphasize the company's low-carbon investments.</p>

Major Issue List	Corresponding GRI Indicators	Description of Policies or Commitments Related to the Organization and Major Issues	Impact (Economic, Environmental, People (including Human Rights)) Actual/Potential Positive/Negative	Primary Affected Parties
Occupational Safety and Health	403-1 403-2 403-3 403-4 403-5 403-6 403-7 403-8 403-9 403-10	To ensure a company operates smoothly, aside from the boss and investors, employees are the most important. Therefore, our company places great emphasis on the safety and suitability of the working environment to prevent injuries or other occupational diseases during work.	<ul style="list-style-type: none"> ⊕ Economic Potential Negative Impact: Not implementing occupational safety and health regulations could lead to reputational damage, production stoppages, and potential legal violations. ⊕ Economic Potential Positive Impact: Implementing occupational safety and health regulations can enhance reputation, ensuring suppliers understand they are protected when working with our company. ⊕ Environmental Potential Negative Impact: Potential air pollution (affecting air quality), water pollution, soil contamination, health hazards, and regulatory violations. ⊕ Environmental Potential Positive Impact: Continuous improvement ensures employees work in a safe and hygienic environment. ⊕ Human/Human Rights Potential Negative Impact: Reputational damage and potential legal violations. ⊕ Human/Human Rights Potential Positive Impact: The company emphasizes the prevention of occupational accidents, workplace bullying, sexual harassment, and racial discrimination, maintaining a zero-tolerance stance and enhancing human rights protection. 	<ul style="list-style-type: none"> ⊕ Customers, employees, community: Damage to the company's image and reputation could lead to talent loss or reduced business revenue. ⊕ Government units, regulatory bodies, verification units: Violations could result in work stoppages or fines. ⊕ Investors: Operational losses. ⊕ Suppliers, energy providers: Occupational safety incidents could lead to work stoppages or contract disruptions.

Major Issue List	Corresponding GRI Indicators	Description of Policies or Commitments Related to the Organization and Major Issues	Impact (Economic, Environmental, People (including Human Rights)) Actual/Potential Positive/Negative	Primary Affected Parties
Training and Education	404-1 404-2 404-3	"Training and education" play an important role in TNP's management practices. They help shape the company's social image, enhance employee quality, meet human rights standards, achieve environmental sustainability, and demonstrate effective governance. These aspects positively impact the company's long-term value and sustainability.	<ul style="list-style-type: none"> ⊙ Social Actual Positive Impact: Corporate training and education can be seen as part of the company's social responsibility. By providing skills training, diversity training, and anti-discrimination education, the company actively addresses social issues and enhances its social image. ⊙ Human/Human Rights Actual Positive Impact: Good training and education ensure that employees receive proper support and training in the workplace, enhancing their skills. This aligns with ESG requirements on human rights and labor conditions, ensuring employee rights, good working conditions, and transparency. ⊙ Environmental Actual Positive Impact: TNP emphasizes environmental knowledge and practices in training and education to reduce the company's environmental footprint. This reflects the company's efforts in sustainable development and reducing environmental impact as part of ESG. ⊙ Corporate Governance Actual Positive Impact: Providing training and education reflects effective corporate governance. Good governance includes the development and management of internal talent through training and education, positively impacting the company's operational efficiency and agility. 	<ul style="list-style-type: none"> ⊙ Internal Employees: Training and education directly impact employees' skills, knowledge, and values. ⊙ Regulatory Bodies: Meeting ESG commitments requires the company to fully comply with regulatory bodies' requirements, including reporting and transparency. ⊙ Investors: Investors increasingly focus on the company's ESG performance, valuing training and education as an important social aspect.

Major Issue List	Corresponding GRI Indicators	Description of Policies or Commitments Related to the Organization and Major Issues	Impact (Economic, Environmental, People (including Human Rights)) Actual/Potential Positive/Negative	Primary Affected Parties
Employee Diversity and Equal Opportunity (Workforce diversity & engagement)	405-1 405-2	For TNP, a publicly listed company, workforce diversity and equal opportunity are not only about complying with regulatory requirements but also contribute to sustainable development, enhancing social image, and strengthening risk management.	<p>⦿ Human/Human Rights</p> <p>Potential Positive Impact:</p> <ol style="list-style-type: none"> 1. Social Responsibility and Corporate Image: Diversity and equal opportunity align with corporate social responsibility principles, showcasing the company's positive social contribution. Achieving in this area enhances the company's image and reputation, reflecting positively in the ESG social aspect. 2. Talent Attraction and Retention: Providing equal opportunities and a diverse work environment helps attract and retain top talent. Diverse teams offer varied perspectives and innovative thinking, aiding in adaptation and product/service innovation. 3. Social Equity and Human Rights: Workforce diversity and equal opportunity reflect the company's respect for human rights and pursuit of social equity. This aligns with the human rights aspect of ESG, promoting equality and justice in the social sphere. 	<p>⦿ Employees: The most directly affected are all company employees, particularly vulnerable groups such as women, ethnic minorities, and people with disabilities.</p>

Major Issue List	Corresponding GRI Indicators	Description of Policies or Commitments Related to the Organization and Major Issues	Impact (Economic, Environmental, People (including Human Rights)) Actual/Potential Positive/Negative	Primary Affected Parties
Employee Diversity and Equal Opportunity (Workforce diversity & engagement)	405-1 405-2		<p>⊕ Corporate Governance Potential Positive Impact:</p> <ol style="list-style-type: none"> 1. Risk Management: Focusing on workforce diversity helps mitigate labor market risks. A diverse workforce reduces dependence on a specific talent group, lowering potential talent loss risks. 2. Shareholder and Investor Expectations: Increasingly, investors incorporate ESG factors into investment decisions. Implementing workforce diversity and equal opportunity is seen as an indicator of good ESG risk management and social responsibility, meeting investor expectations for sustainable investment. <p>⊖ Corporate Governance Potential Negative Impact:</p> <p>Laws and regulations regarding diversity and equal opportunities are becoming increasingly strict in many countries and regions. The company must comply with these legal requirements to avoid fines or legal actions, which could negatively impact its governance performance.</p>	<p>⊕ Investors:</p> <p>Investors increasingly focus on the company's ESG performance, particularly in workforce diversity and equal opportunity, which may impact the company's investment value.</p>

Major Issue List	Corresponding GRI Indicators	Description of Policies or Commitments Related to the Organization and Major Issues	Impact (Economic, Environmental, People (including Human Rights)) Actual/Potential Positive/Negative	Primary Affected Parties
Professional Ethics	Customized Major Issue	<p>Company management is people-oriented, and ethical standards are the cornerstone of sustainability. Any unethical behavior can cause economic or reputational damage to the company and stakeholders, making professional ethics crucial.</p>	<ul style="list-style-type: none"> ⊗ Human/Human Rights Potential Negative Impact: Any unethical behavior can cause economic or reputational damage to the company and stakeholders. The company has established a code of ethical conduct to prevent such incidents. 	<ul style="list-style-type: none"> ⊗ Shareholders and Other Investors: Value the company's governance professionalism and ethical conduct. ⊗ Employees: Must adhere to the employee code of conduct. ⊗ Suppliers and Contractors/ Customers/ Business Partners: Prevent the direct or indirect offering, promising, requesting, or receiving of any form of improper benefits during business activities. ⊗ Financial Institutions/ Government Agencies: Comply with regulations and ethical standards. ⊗ Local Community: Emphasize corporate social responsibility.

Major Issue List	Corresponding GRI Indicators	Description of Policies or Commitments Related to the Organization and Major Issues	Impact (Economic, Environmental, People (including Human Rights)) Actual/Potential Positive/Negative	Primary Affected Parties
Customer Privacy (Data Security)	418-1	Protecting customer privacy and ensuring the proper storage of customer data have become critical issues for global business operations. Violations not only severely damage a company's reputation but also can lead to criminal and civil liabilities.	<ul style="list-style-type: none"> ⊙ Economic Actual Positive Impact: <ol style="list-style-type: none"> 1. Properly handling customer privacy and establishing robust privacy protection mechanisms can increase customer trust and promote long-term customer loyalty. 2. Compliance with privacy laws and standards can reduce legal risks, maintain the company's reputation, and contribute to stable operations. ⊙ Economic Potential Negative Impact: <ol style="list-style-type: none"> 1. Non-compliant privacy handling and breaches can lead to legal fines, increasing the company's economic costs. 2. Privacy violations can cause customer concerns, leading to customer loss and affecting company revenue. ⊙ Corporate Image Potential Negative Impact: <ol style="list-style-type: none"> 1. Privacy breaches may lead to data misuse, impacting environmental sustainability. 2. Privacy incidents can erode social trust in the company, causing long-term damage to the company's image. 	<ul style="list-style-type: none"> ⊙ TNP: Data security breaches could impact the company's image and directly affect the pursuit of sustainable operations. ⊙ Customers: Leakage of personal data may diminish customers' trust in the company, hindering future business expansion and causing commercial impacts. ⊙ Raw Material Suppliers: Suppliers might cease providing raw materials to clients who fail to ensure data security, leading to commercial disruptions.

Major Issue List	Corresponding GRI Indicators	Description of Policies or Commitments Related to the Organization and Major Issues	Impact (Economic, Environmental, People (including Human Rights)) Actual/Potential Positive/Negative	Primary Affected Parties
Customer Privacy (Data Security)	418-1		<ul style="list-style-type: none"> ⦿ Corporate Image Potential Positive Impact: <ol style="list-style-type: none"> 1. Effective privacy protection measures help reduce the risk of information leaks, minimizing the negative impact of data breaches on the company's environment. 2. Adhering to privacy protection principles enables the company to better adapt to sustainable development practices. ◦ ⦿ Human Rights Actual Positive Impact: <ol style="list-style-type: none"> 1. Actively protecting customer privacy demonstrates respect for individual privacy rights and helps uphold human rights. 2. Providing transparency in privacy information helps customers understand the company's data handling practices, contributing to the protection of human rights. ⦿ Human Rights Potential Negative Impact: <ol style="list-style-type: none"> 1. Improper data collection and usage may exacerbate information asymmetry in society, undermining individuals' information autonomy. 2. Data misuse may lead to discrimination against specific groups, affecting the principle of human rights equality. 	



2

Integrity Management

- 2.1 Management Policy**
- 2.2 Governance Methods**
- 2.3 Operational Performance**
- 2.4 Climate Change-Related Financial Disclosure**
- 2.5 Risk Management and Compliance with Regulations**

2.1 Management Policy

Professional Ethics

Major Issue	Professional Ethics
<p>Reason for the Issue's Importance</p>	<p>Company management is people-oriented, and ethical standards are the cornerstone of sustainability, making professional ethics crucial. Any unethical behavior can cause economic or reputational damage to the company and stakeholders.</p>
<p>Impact and Influence</p>	<p>Human/Human Rights Potential Negative Impact: Any unethical behavior can cause economic or reputational damage to the company and stakeholders. The company has established a code of ethical conduct to prevent such incidents.</p>
<p>Policy/Strategy</p>	<p>The company's directors, managers, and employees must not directly or indirectly offer, promise, request, or accept any improper benefits or engage in other dishonest behaviors during business activities. On October 21, 2016, the Board of Directors approved the establishment of a code of ethical conduct. This guides directors, managers, and other authorized signatories to adhere to ethical standards. The code includes eight principles: preventing conflicts of interest, avoiding opportunities for personal gain, maintaining confidentiality, fair dealing, protecting and properly using company assets, complying with laws and regulations, encouraging reporting of illegal or unethical behavior, and disciplinary measures.</p>
<p>Goals and Targets</p>	<p>Short-term Goals:</p> <ol style="list-style-type: none"> 1. Achieve 95% completion in promoting operational profitability and integrity management policies. 2. Ensure a 0% incidence rate of receiving commissions or engaging in joint monopolies. 3. Maintain the validity of ISO 27001: Information security management systems and BS 10012: Personal Information Management System certification. <p>Mid-term Goals:</p> <ol style="list-style-type: none"> 1. Achieve 97% completion in promoting operational profitability and integrity management policies. 2. Ensure a 0% incidence rate of receiving commissions or engaging in joint monopolies. 3. Maintain the validity of ISO 27001: Information security management systems and BS 10012: Personal Information Management System certification. <p>Long-term Goals:</p> <ol style="list-style-type: none"> 1. Achieve 99% completion in promoting operational profitability and integrity management policies. 2. Ensure a 0% incidence rate of receiving commissions or engaging in joint monopolies. 3. Maintain the validity of ISO 27001: Information security management systems and BS 10012: Personal Information Management System certification.

Major Issue	Professional Ethics
<p>Management Evaluation Mechanism</p>	<ul style="list-style-type: none"> ⦿ Promotion of Internal Major Information Handling Procedures: Irregularly educate directors, managers, and other key supervisors on preventing insider trading to ensure awareness of legal regulations. ⦿ Future Actions: Publish specific practices and implementation results on the company website or annual report to enhance corporate governance evaluation scores.
<p>Performance and Adjustments</p>	<ul style="list-style-type: none"> ⦿ In 2023, nine new directors completed the signing of the Integrity Management Declaration. ⦿ Promoted integrity management, prohibiting the acceptance of commissions or engaging in joint monopolies, with one promotion session conducted in 2023. ⦿ Conducted five sessions on preventing insider trading in 2023.
<p>Preventive or Remedial Measures</p>	<p>The company strengthens the internal promotion of ethical concepts and encourages employees to report illegal activities. Specific whistleblowing systems are in place to protect the safety of those who report.</p>

On October 21, 2016, the Board of Directors approved the establishment of a code of ethical conduct to ensure sound integrity management. Adhering to the principles of integrity management guidelines, operating procedures, and behavioral guidelines, the company formulated policies based on integrity. This aims to establish good corporate governance and risk control mechanisms. For more information on anti-corruption policies, the code of ethical conduct for directors and managers, and integrity management guidelines, please visit the corporate governance section on the company’s official website.

⦿ Preventive Measures

TNP conducts integrity management promotion for all employees twice a year. Employees must not directly or indirectly offer, promise, request, or accept any improper benefits or engage in other dishonest behaviors during business activities. They sign a commitment to comply with related regulations. A risk assessment mechanism is also in place to analyze and evaluate business activities with high risks of unethical behavior regularly. Preventive plans are formulated and reviewed for effectiveness. Measures include:

1. Bribery and corruption.
2. Providing illegal political donations.
3. Improper charitable donations or sponsorships.
4. Offering or accepting unreasonable gifts or benefits.
5. Infringing on trade secrets, trademarks, patents, copyrights, and other intellectual property rights.

6. Engaging in unfair competition.
7. Directly or indirectly harming the rights, health, and safety of consumers or other stakeholders in the R&D, procurement, manufacturing, provision, or sale of products and services. °

⊙ **Supervisory Mechanism**

In addition to establishing preventive measures, the company has implemented supervisory mechanisms within its organizational structure and responsibilities, as follows:

1. Regularly promote integrity policy training, conveying the importance of integrity to directors, employees, and appointees.
2. When establishing business relationships and conducting business activities, adhere to the principle of integrity management. Before establishing business relationships, assess the legality, integrity management policies, and past records of agents, suppliers, customers, or other business counterparts to ensure their business practices are fair, transparent, and free from bribery.
3. Promote TNP's integrity management policy to partners, clearly and firmly rejecting any form of improper benefits in business activities.
4. Company personnel should avoid transactions with business counterparts involved in unethical behavior. In addition to thoroughly understanding the counterpart's integrity management status before transactions, include integrity management clauses in contracts. If any party is involved in unethical behavior during business activities, the other party can unconditionally terminate or dissolve the contract immediately to implement the company's integrity management policy.

⊙ **Policy Advocacy**

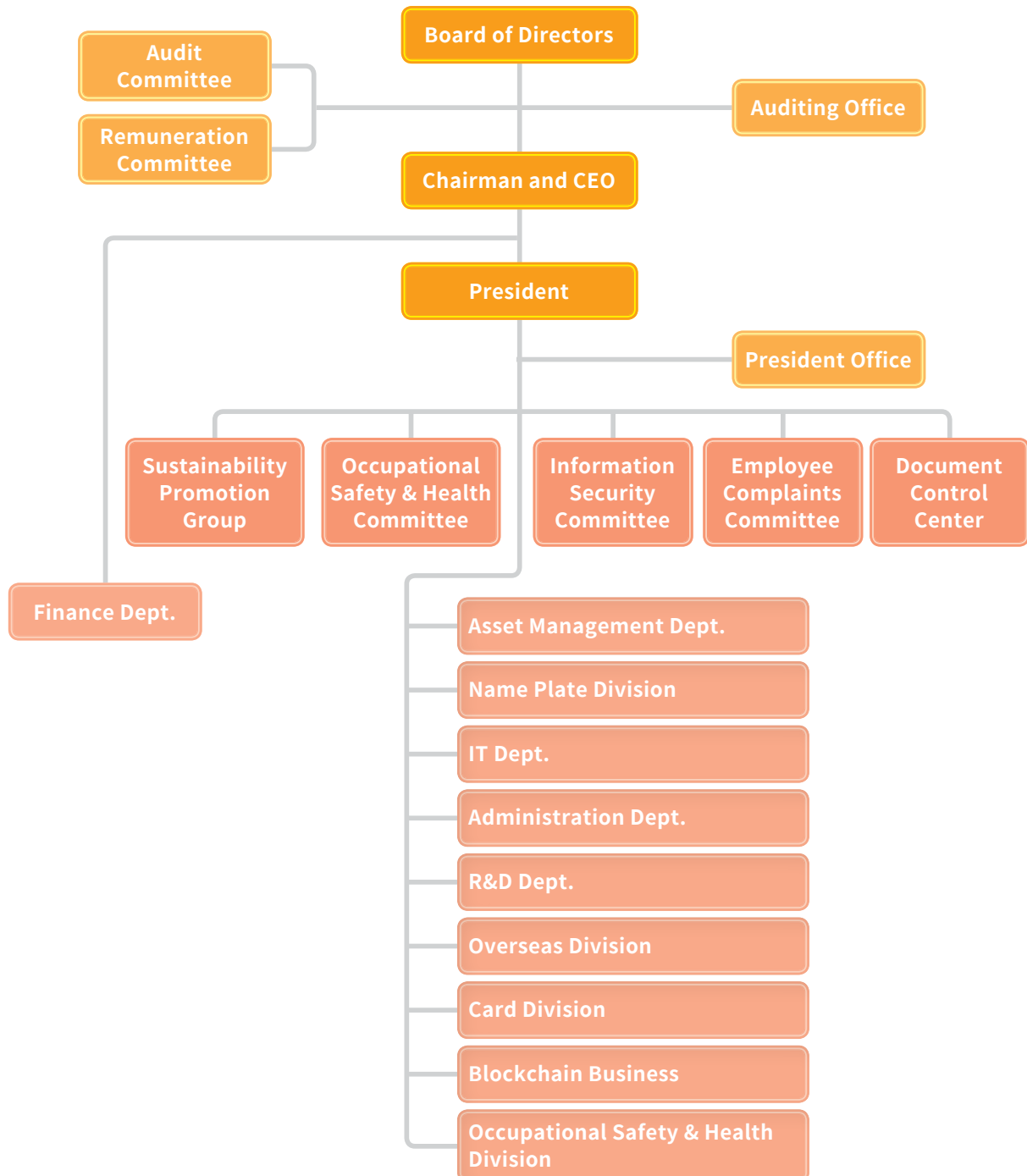
The company is committed to integrating integrity and ethical values into its business strategy, regularly analyzing and assessing the risks of unethical behavior within its business scope. The company also evaluates the internal organization's supervisory capabilities and periodically promotes integrity policy training. It stays abreast of domestic and international developments in integrity management regulations and encourages directors, managers, and employees to provide suggestions to review and improve the company's integrity management policies and initiatives. This enhances the implementation of integrity management, demonstrating the company's commitment to integrity. For details on integrity management policies, please refer to the company's website (Investor Section → Important Company Regulations). The company also has a supplier management policy, reminding suppliers of integrity and ethics before cooperation through policy promotion.

2.2 Governance Methods

Company Organization Chart

The company's organization chart is as follows: Under the Director, there are the Occupational Safety and Health Management Committee, Information Security Committee, Employee Complaint Committee, and Document Control Center. Additionally, as per the company's articles of association and board resolutions, the company has established the Compensation Committee and Audit Committee.

Company Organization Chart



Board Structure and Diversity

The following table provides information on each board member and supervisor of Taiwan Numerical Powers Co., Ltd. Due to the board re-election on September 6, 2023, both newly elected and dismissed board members are listed.

Title	Name	Gender	Age	Date of First Appointment (Election)	Education and Major Professional Experiences	Current Part-time Positions in the Company and other Companies
Chairman, Investment Chief Executive Officer	Tai Ming Co., Ltd. Representative: LIU, LEE-EN	Male	Over 51 years old	2023 03.17	LL.B., National Taiwan University	Legal Representative, Tai Ming Investment Co., Ltd. Managing Partner, eCounsel Group Chairman, Muzik Creative Digital Ltd. Chairman, eCounsel Chairman, Surasia Ltd. Chairman, GoldAlles Inc., Ltd. Chairman, Resnly Corp. Chairman, Paganini Plus (HK) Ltd. Chairman, Paganini Plus (B.V.I) Ltd.
Deputy Chairman	Tai Ming Investment Co., Ltd. Representative: HSU, CHIA-CHUN	Male	30-50 years old	2023 09.06	College of Communication Engineering, Yuan Ze University	Chairman, Chess Winner Automobile Company Chairman, Li Ding International Co., Ltd. Chairman, Chairman, QI SHI INVESTMENT CO., LTD. Chairman, APEX International Financial Engineering Res.
Director, Consultant	Muzik Creative Digital Ltd. Representative: WANG, TING-RONG	Male	Over 51 years old	2005 06.18	Dept. of Industrial Engineering, National Taipei Institute of Technology Chairman, Taiwan Name Plate (B.V.I) Ltd. Chairman, Taiwan Name Plate (B.V.I) Ltd. HK BR. Chairman, Taiwan Name Plate Co., Ltd	-

Title	Name	Gender	Age	Date of First Appointment (Election)	Education and Major Professional Experiences	Current Part-time Positions in the Company and other Companies
Director	HU, CHIA-LIN	Male	30-50 years old	2023 09.06	Master of Public Administration, University of Southern California Finance Supervisor, Microelectronics Technology Inc. Soochow University, Graduate Institute of Law Chief Executive Officer/Vice Chairman/Director/Spokesperson, United Fiber Optic Communication Inc. Chairman/General Manager/Director, Advanced Communication Technology & Solutions Corporation Corp. Chief Consultant, AboCom Systems Inc. Vice Chairman/Director/Spokesperson, Unitel Groups. Vice Chairman/Director/Spokesperson, YuanSheng Scientific and Industrial Co., Ltd. Chairman/Director, Jiangsu Jan Chen Building Material Trading Co. Independent Director/Remuneration Committee Member,	Director, Hu Tian Deng Lumber Company Director, DBX Real Estate Development Group
Independent Director	LIU, CHAO-SHENG	Male	30-50 years old	2023 09.06	Chairman/Director, Jiangsu Jan Chen Building Material Trading Co. Independent Director/Remuneration Committee Member,	Convener of the Audit Committee Convener of the Remuneration Committee Chairman and Director, G.T. Internet Information Co., Ltd. Chairman, Chao Shen Management Consulting Co., Ltd Chairman, Eaglerise Co., Ltd.

Title	Name	Gender	Age	Date of First Appointment (Election)	Education and Major Professional Experiences	Current Part-time Positions in the Company and other Companies
Independent Director	LIU, CHAO-SHENG	Male	30-50 years old	2023 09.06	ATW Technology co., Ltd. Chief Consultant/ Director, GTMC Chairman/Director, Fortune Investment Corp. General Manager/Director/ Spokesperson, Astral Epoch Co., Ltd. Chairman/Director, JH Investment Corp.	
Independent Director	CHANG, JIH-CHENG	Male	Over 51 years old	2023 09.06	Institute of Industrial Engineering, National Taiwan University Director, King's Town Bank	Audit Committee Member Remuneration Committee Member
Independent Director	CHANG, PEI-HAO	Male	30-50 years old	2023 09.06	Master of Accounting, National Taiwan University Deputy Leader and Manager, Deloitte Touche Tohmatsu Limited	Audit Committee Member Remuneration Committee Member Financial Accounting Manager, HuruLab Inc. Certified Public Accountant, Wealth CPA Firm Independent Director, iSentek Inc.

Note:

1. There are a total of 7 board members, 4 aged 30-50 and 3 aged 51 or above.
2. On March 17, 2023, Tai Ming Investment Co., Ltd. reassigned Liu Lee-En as its representative. Following the resignation of Wang Ting-Rong, who served as both chairman and CEO, a new chairman and CEO was elected by all directors on September 6, 2023.
3. Wang Ting-Rong resigned as chairman and CEO on March 17, 2023, retaining only a director position. He was appointed as the representative by MUZIK ONLINE, and currently serves as a consultant to the company.
4. A complete re-election of directors took place on September 6, 2023.
5. The chairman and the president or equivalent (CEO) are the same person, are spouses, or are first-degree relatives. The rationale, necessity, and measures taken to address this are explained: The chairman also serves as CEO to ensure alignment on business objectives and enhance decision-making efficiency. The company currently has three independent directors who form the audit committee, and over half of the directors are not employees or managers, aligning with corporate governance standards. Adjustments may be made in the future based on business operations and legal changes.

Core of Diversity Title/Name	Professional Knowledge and Skills							
	Business Management	Legal Expertise	Information Management	Technology Industry	Technical Research	Financial Accounting	Strategic Planning	Logistics Management
Chairman LIU, LEE-EN	✓	✓		✓	✓		✓	
Deputy Chairman HSU, CHIA-CHUN	✓		✓	✓			✓	
Director WANG, TING-RONG	✓			✓			✓	
Director HU, CHIA-LIN	✓			✓		✓	✓	
Independent Director LIU, CHAO-SHENG	✓	✓		✓			✓	
Independent Director CHANG, JIH-CHENG	✓	✓		✓			✓	
Independent Director CHANG, PEI-HAO	✓			✓		✓	✓	

The election of the company's directors follows the candidate nomination system stipulated by the Company Law, with shareholders selecting directors from the candidate list. The board consists of five to nine directors with a three-year term, re-electable. At least three must be independent directors, not less than one-fifth of the total board seats. The cumulative voting system is used; each share has votes equal to the number of directors to be elected, which can be concentrated on one candidate or split among multiple candidates. Those with the most votes win.

After the 2023 re-election, the current board has seven members, including three independent directors and two employee directors. The board members come from various industries and possess diverse academic, business, and professional experience, allowing them to provide professional insights from different perspectives, which greatly helps in enhancing the company's operations and performance.

Chairman Liu Li-En, also the CEO, aligns business goals with decision execution. The board includes three independent directors on the audit committee and a majority of non-employee directors, meeting governance standards and adapting to operational needs and regulatory changes. Future adjustments will be made as needed based on the company's operations and changes in laws and regulations.

Independence and Conflict of Interest of Directors

No members of the board violate Article 26-3, Paragraph 3 (more than half of the seats having spousal or second-degree kinship relationships) or Paragraph 4 (supervisors or between supervisors and directors not having spousal or second-degree kinship relationships) of the Securities and Exchange Act. For director shareholding information, refer to pages 11-17 of the 2023 annual report. Information on directors' abstention from conflict of interest issues, including names, proposal content, reasons for abstention, and voting participation, can be found on pages 29-31 of the 2023 annual report.

Date/Session	Director Name	Proposal Content	Reasons for Conflict of Interest Avoidance and Participation in Voting
2023/01/18, 20th Term, 7th Session	Representative, Tai Ming Investment Co., Ltd. WANG, TING-RONG and Wang, Lin Chen	2022 Second Half-Year Managers' Profit Bonus and Year-End Bonus Review	Except for the aforementioned directors who abstained from the discussion due to personal interest conflicts, the remaining directors unanimously passed the resolution without objection
2023/03/27, 20th Term, 9th Session	Representative, Tai Ming Investment Co., Ltd. WANG, TING-RONG	Current Managers' Compensation Review	Except for the aforementioned directors who abstained from the discussion due to personal interest conflicts, the remaining directors unanimously passed the resolution without objection
2023/08/07, 20th Term, 13th Session	Representative, Tai Ming Investment Co., Ltd. WANG, TING-RONG	2022 Managers and Directors Compensation Distribution Review	In this meeting, Director Wang Ting-Rong delegated Director Liu Lee-En to attend without participating in the discussion, and the remaining attending directors unanimously passed the resolution as proposed.
	WANG, TING-RONG	2023 First Half-Year Managers' Profit Bonus Review	In this meeting, Director Wang Ting-Rong delegated Director Liu Lee-En to attend without participating in the discussion, and the remaining attending directors unanimously passed the resolution as proposed.

Communication of Key Issues

The Board of Directors meets quarterly, with 11 meetings held in 2023. Economic, environmental, and social issues arising from operational activities are handled by senior management with reporting to the board as necessary. For board resolutions, follow-up items are reported at each subsequent meeting until resolved, with quarterly updates provided. TNP adheres to FSC requirements, establishing a sustainable governance framework, supervision and control system, and planning risk management policies and strategies.

Attendance Statistics of Board Members

Title/Name	Actual Attendance	Proxy Attendance	Actual Attendance Rate (%)	Remarks
Chairman LIU, LEE-EN	10	0	100	Note1
Deputy Chairman HSU, CHIA-CHUN	3	0	75	Note2
Director WANG, TING-RONG	3	1	75	Note3
Director HU, CHIA-LIN	4	0	100	Note2
Director WANG, TING-RONG	6	1	86	Note3
Director Wang, Lin Chen	1	0	100	Note4
Independent Director LIU, CHAO-SHENG	3	3	50	Note2
Independent Director CHANG, JIH-CHENG	6	0	100	Note2
Independent Director CHANG, PEI-HAO	6	0	100	Note2

Notes:

1. On March 17, 2023, Tai Ming Investment Co., Ltd. appointed a new representative who was elected as Chairman and CEO by all directors; re-elected on September 6, 2023, with an expected attendance of 10 times.
2. Newly appointed on September 6, 2023, with an expected attendance of 6 times.
3. WANG, TING-RONG resigned as Chairman and CEO on March 17, 2023, but remained as a director, with an expected attendance of 7 times; reappointed by Himan Technology Co., Ltd. on September 6, 2023, with an expected attendance of 4 times.
4. Tai Ming Investment Co., Ltd. replaced its representative on March 17, 2023, with an expected attendance of 1 time.
5. Actual Attendance Rate = Actual Attendance / Board Meetings.

All major proposals of the company are communicated with directors via phone or in person beforehand. When necessary, the dedicated unit provides detailed explanations. Directors fully communicate with each other to ensure the Board can comprehensively supervise the progress of sustainable development. Below are the sustainable development-related events reported to the Board during this reporting period, categorized based on E (Environmental), S (Social), and G (Governance) aspects:

Nature	Agenda Category	Description
Environmental aspect	0	Authorized by the Board for senior management to handle, with reports to the Board as needed. For Board resolutions, follow-up on unresolved items is reported quarterly.
Economic aspect	1	Discussion of the budget for constructing a new Name Plate factory, evaluated and reported by senior management to the Board for approval.
Social aspect	8	Adjustments of directors' and managers' remuneration, employee compensation, and profit bonuses are submitted to the Board for approval.

Director Training

To enhance the functions and operations of the Board, our company requires Board members to undergo at least six hours of training annually. This aims to improve their governance expertise, aligning their capabilities with the company's future development needs. The course titles and attendance list are detailed as follows:

Board Training Overview

Title/Name	Training Date	Organizer	Course Title	Training Hours	Total Hours
Chairman LIU, LEE-EN	2023/11/10	Taiwan Digital Governance Association	Emerging Opportunities for Enterprises: How to Establish Mindset and Grasp Trends in the Web3 Wave	3	6
	2023/11/10		Anti-Money Laundering and Counter-Terrorism Financing Measures for Virtual Currency Platforms and Trading Businesses	3	

Title/Name	Training Date	Organizer	Course Title	Training Hours	Total Hours
Deputy Chairman HSU, CHIA-CHUN	2023/11/10	Taiwan Digital Governance Association	Emerging Opportunities for Enterprises: How to Establish Mindset and Grasp Trends in the Web3 Wave	3	6
	2023/11/10		Anti-Money Laundering and Counter-Terrorism Financing Measures for Virtual Currency Platforms and Trading Businesses	3	
Director WANG, TING-RONG	2023/11/10	Taiwan Digital Governance Association	Emerging Opportunities for Enterprises: How to Establish Mindset and Grasp Trends in the Web3 Wave	3	6
	2023/11/10		Anti-Money Laundering and Counter-Terrorism Financing Measures for Virtual Currency Platforms and Trading Businesses	3	
Director HU, CHIA-LIN	2023.11.10	Taiwan Digital Governance Association	Emerging Opportunities for Enterprises: How to Establish Mindset and Grasp Trends in the Web3 Wave	3	6
	2023.11.10		Anti-Money Laundering and Counter-Terrorism Financing Measures for Virtual Currency Platforms and Trading Businesses	3	
Independent Director LIU, CHAO-SHENG	2023.12.05	Insurance Business Development Center Foundation	New Trends in Green Finance: Promoting and Future Prospects of Taiwan's Sustainable Classification Standards	3	6
	2023.12.15	Taiwan Institute for Sustainable Energy	Practical Compliance with Board Regulations and Legal Responsibilities of Directors and Supervisors and Case Studies	3	

Title/Name	Training Date	Organizer	Course Title	Training Hours	Total Hours
Independent Director CHANG, JIH-CHENG	2023.11.10	Taiwan Digital Governance Association	Emerging Opportunities for Enterprises: How to Establish Mindset and Grasp Trends in the Web3 Wave	3	6
	2023.11.10		Anti-Money Laundering and Counter-Terrorism Financing Measures for Virtual Currency Platforms and Trading Businesses	3	
Independent Director CHANG, PEI-HAO	2023.09.01	Chinese Corporate Governance Association	Corporate Governance and Securities Regulations	3	6
	2023.10.31		Equity Planning and Fundraising Practices Analysis	3	

Board Performance Evaluation

To enhance corporate governance, the company approved the "Standard Operating Procedures for Handling Director Requests" on May 10, 2019, to assist directors in performing their duties and improving board efficiency. The "Board Performance Evaluation Measures" are established to conduct annual performance evaluations based on set procedures and indicators at the end of each year, with results reported to the board in the first quarter of the following year.

The allocation of directors' remuneration follows the company's articles of association. If there are profits in the year, after paying taxes, covering past losses, or retaining part of the earnings, up to 5% of the pre-tax net profit may be allocated as directors' remuneration. The board of directors will decide the distribution amount based on overall operating results, board performance evaluation results, participation, and contribution to company operations, and it will be issued after reporting to the shareholders' meeting.

The evaluation items for the board of directors, individual directors, and functional committees currently focus on the company's operational evaluation items are as follows. Currently, the board's self-evaluation focuses on the company's operational assessment items. Evaluation items for the environmental and social aspects have not yet been established but are expected to be added based on future needs.

Evaluation Scope	Evaluation Content
Board of Directors' Internal Self-Evaluation	<ol style="list-style-type: none"> 1. Participation in Company Operations 2. Enhancing the Quality of Board Decisions 3. Composition and Structure of the Board of Directors 4. Selection and Continuous Education of Directors 5. Internal Control
Directors' Self-Evaluation	<ol style="list-style-type: none"> 1. Grasp of Company Goals and Missions 2. Awareness of Directors' Responsibilities 3. Participation in Company Operations 4. Management of Internal Relations and Communication 5. Directors' Professionalism and Continuous Education 6. Internal Control
Audit Committee Self-Evaluation	<ol style="list-style-type: none"> 1. Participation in Company Operations 2. Awareness of Functional Committees' Responsibilities 3. Improvement of Functional Committees' Decision Quality 4. Composition and Selection of Functional Committees' Members 5. Internal Control
Remuneration Committee Self-Evaluation	<ol style="list-style-type: none"> 1. Participation in Company Operations 2. Awareness of Functional Committees' Responsibilities 3. Improvement of Functional Committees' Decision Quality 4. Composition and Selection of Functional Committees' Members

The performance evaluations for the board of directors, individual directors, and functional committees for 2023 were completed on January 31, 2024, and reported on February 26, 2024, to the remuneration committee, audit committee, and the board of directors. The results are as follows:

1. Board of Directors: Evaluated on five dimensions with 45 indicators, scoring 3.7-4.9 out of 5, showing good operational efficiency.
2. Individual Directors: Evaluated on six dimensions with 23 indicators, scoring 4.6-4.9 out of 5, indicating positive efficiency and effectiveness.
3. Audit Committee: Evaluated on five dimensions with 22 indicators, scoring 4-5 out of 5, demonstrating proper operations and governance.
4. Remuneration Committee: Evaluated on four dimensions with 19 indicators, scoring 4.4-5 out of 5, reflecting good operations and governance.

Overall, the evaluations show that the board and committees operate well (scoring 4-5), aligning with corporate governance principles.

Audit Committee

Our "Audit Committee" consists of three independent directors. The committee holds meetings quarterly before board meetings to review the company's internal control system, internal audit implementation, and significant financial and business activities, and to communicate with the certifying accountant, ensuring proper supervision and risk management.

To establish a sound corporate governance system, enhance supervisory functions, and strengthen management functions, the company established the Audit Committee in December 2016. Composed entirely of independent directors, the Audit Committee exercises the following functions and submits its recommendations to the board for discussion:

1. Formulating or amending internal control systems in accordance with Article 14-1 of the Securities and Exchange Act.
2. Evaluating the effectiveness of the internal control system.
3. Formulating or amending procedures for acquiring or disposing of assets, engaging in derivative transactions, and providing loans according to Article 36-1 of the Securities and Exchange Act.
4. Handling procedures for significant financial and business activities such as endorsements and guarantees.
5. Reviewing matters involving conflicts of interest with directors.
6. Reviewing significant transactions of assets or derivatives.
7. Reviewing significant loans, endorsements, or guarantees.
8. Reviewing the issuance or private placement of equity securities.
9. Reviewing the appointment, dismissal, or remuneration of the certifying accountant.
10. Reviewing the appointment and dismissal of financial, accounting, or internal audit officers.
11. Reviewing annual and semi-annual financial reports.
12. Reviewing other significant matters stipulated by the company or regulatory authorities.

Audit Committee Operations Information

Title/Name	Actual Attendance Count	Proxy Attendance Count	Actual Attendance Rate (%)
Convener LIU, CHAO-SHENG	2	2	50
Member CHANG, JIH-CHENG	4	0	100
Member CHANG, PEI-HAO	4	0	100

Remuneration Committee

The company's Remuneration Committee is responsible for establishing and reviewing the policies, systems, standards, and structures for the performance evaluation and remuneration of directors and managers, as well as individual remuneration. The committee consists of three members, all of whom are independent directors. Their duties include regularly assessing the performance targets of directors and managers and setting their individual remuneration amounts.

To ensure sound remuneration policies and systems for directors and managers, the company established the Remuneration Committee in August 2016. The committee members are appointed by the board of directors and should perform the following duties, providing professional and objective recommendations to the board to assist in decision-making.

Remuneration Committee Operation Information

Title/Name	Actual Attendance Count	Proxy Attendance Count	Actual Attendance Rate (%)
Convener LIU, CHAO-SHENG	1	1	50
Member CHANG, JIH-CHENG	2	0	100
Member CHANG, PEI-HAO	2	0	100

Policy Purpose

To implement corporate governance and enhance the function of the board of directors by establishing performance goals to improve operational efficiency, the company formulated the Board Performance Evaluation Method in 2019. At the end of each year, the annual performance evaluation is conducted based on the established procedures and indicators, and the results are reported to the board of directors in the first quarter of the following year. The 2023 board performance evaluation was completed on

January 31, 2024, and reported to the board on February 26, 2024, showing overall good operation of the board and functional committees, in line with the spirit of corporate governance.

⦿ **Remuneration Evaluation**

The responsibilities of the Remuneration Committee are as follows:

1. Establish and periodically review the performance evaluation standards and performance goals, along with the policies, systems, standards, and structures for the remuneration of the company's directors and managers.
2. Regularly assess the achievement of performance goals by the company's directors and managers, and based on the evaluation results from the performance evaluation standards, determine the individual remuneration content and amounts.

⦿ **Remuneration Structure**

The remuneration of directors (including independent directors) is authorized by the board of directors according to the company's articles of association. According to the "Directors and Managers Remuneration Management Measures," the company's directors' remuneration is categorized into three main components: remuneration, business execution expenses, and director bonuses. The remuneration and business execution expenses are fixed compensations, while the director bonuses fall under the category of variable compensation.

⦿ **Review Process**

The allocation standards for director bonuses follow the company's articles of association. When there is a profit for the year, after paying taxes, covering previous losses, or retaining part of the earnings, up to 5% of the pre-tax net profit may be allocated as director bonuses. The company will decide on the amount based on overall operating results, board performance evaluations, participation, and contribution to company operations, as determined by the board and reported to the shareholders' meeting for distribution.

⦿ **Risk Connection**

The company aims to minimize potential operational risks by continuously reviewing and adjusting the remuneration system based on actual operating conditions and relevant laws. This approach seeks to balance sustainable business operations with effective risk management.

⦿ **Remuneration and Performance Linkage**

The procedure for determining remuneration considers the company's overall performance, individual performance achievement, and contributions to company performance, ensuring fair compensation. The company has established a profit bonus management method, setting bonus allocation ratios based on company profit, departmental performance, and individual performance achievement rates. The remuneration policy and procedures for directors, the Director, and the Vice Director are positively correlated with operating performance. The company plans to introduce performance settings for economic and social aspects for top governance units and senior management in the future to enhance focus on sustainable development.

Due Diligence and Human Rights Policy

The company conducts annual supplier evaluations at the end of each year, using environmental standards to set supplier policies and criteria for screening new suppliers. The procurement and payment cycle includes comprehensive evaluations of supplier conditions before selection. Supplier contracts include preventive, mitigative, and remedial measures to address significant actual and potential negative environmental impacts. Regular assessments and scoring of suppliers are conducted.

Currently, no suppliers have records of violating environmental and human rights standards. If significant deficiencies or non-compliance with evaluation standards occur, the company may terminate or rescind contracts based on the impact on the environment and society, implementing remedial measures to protect the company's interests.

The company's employment policy prohibits discrimination based on gender, race, marital, or family status, providing a diverse, equal, and inclusive workplace. Employee rights, gender equality, and care policies are prioritized to ensure all employees feel valued and supported. The company has established an Employee Grievance Committee, Occupational Safety and Health Management Committee, and Occupational Safety and Health Management Office, and is certified by the ISO 45001 Occupational Health and Safety Management System. Work rules and personnel management regulations are set in accordance with labor laws to protect employee rights. ◦

TNP has established human rights policies within its "Work Rules" and "Sustainable Development Practices Code," supporting and adhering to various international human rights conventions, including the "International Bill of Human Rights," "ILO Declaration on Fundamental Principles and Rights at Work," and the "UN Global Compact's Ten Principles." The company prohibits any human rights violations and treats all employees with dignity and respect regardless of nationality.

The company has a zero-tolerance policy for workplace violations, clearly communicating to employees that they can file complaints through a dedicated grievance mailbox or directly contact HR and the Occupational Safety and Health Office. Measures to prevent workplace sexual harassment, along with complaint and disciplinary procedures, are explicitly communicated to employees, with details posted on bulletin boards and signed by the Director for formal implementation.

All risks are assessed by respective executing and responsible units, with oversight by the Audit Office to ensure the continuous effectiveness of the internal control system and the enhancement of the company's overall interests. Annually, in compliance with regulations, the company prepares an audit plan and sustainability issues report for review and approval by the Board of Directors and the Audit Committee.

Internal Control System Statement



Business Code of Conduct

TNP continuously strengthens corporate governance by referencing the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and OECD corporate governance principles. It has established the "Corporate Governance Best Practice Principles," "Ethical Corporate Management Procedures and Guidelines," and the "Code of Ethical Conduct." The company also has the "Employee Integrity Clause" for staff, promoting adherence to integrity and ethics from the top down.

To commit to ethical management and foster a culture of regulatory compliance, TNP has a robust risk management mechanism. Internal auditors regularly check compliance with accounting and internal control systems and report on the implementation of ethical management to the Board of Directors, ensuring the sustainable development of the enterprise.

Complaint Management

TNP has established external contact windows on its official website, including a workplace harassment complaint phone line and email. Internally, there are physical and electronic employee complaint mailboxes. Anyone, whether internal or external, can provide valuable opinions, complaints, or reports of any illegal activities. Complaints are handled confidentially, with investigation reports submitted to the top management for resolution and internal disciplinary actions or prosecutions. As of 2023, no complaints or reports have been received.

- ◎ Official Website: <https://tnp.com.tw/>
- ◎ HR Email: tnp.hr@tnp.com.tw
- ◎ Employee Complaint Mailbox: HR Manager Email

Sustainable Strategy

TNP adheres to the management philosophy of "Integrity, Dedication, Co-opetition, and Excellence." While pursuing sustainable business operations and profitability, TNP fulfills its corporate social responsibility, valuing stakeholders' rights, and emphasizing environmental, social, and governance (ESG) issues. These are integrated into the company's management policies and operational activities to achieve sustainable development. Each department implements and maintains the company's sustainable development operations within their respective duties and scope, ensuring attention to sustainability in daily operations.

The preparation of this report involves contributions from various departments based on their responsibilities, with the accuracy reviewed by the Director and Chairman before final approval by the Board of Directors. All units regularly review operational performance and progress toward goals to align with the company's sustainability objectives, ensuring continuous focus on sustainability in daily operations.

TNP's responsible departments implement and maintain sustainable development operations within their duties, regularly reporting progress to responsible supervisors. The company addresses corporate governance evaluation requirements in governance, environmental, and social aspects, focusing on sustainable development issues.

The company is committed to maintaining sustainable issues such as employee working environment, personal safety, and environmental pollution. Since 2021, TNP has conducted greenhouse gas inventories and achieved ISO 14064-1 greenhouse gas inventory verification in 2022, continuing annually. In 2023, TNP established short-, medium-, and long-term carbon reduction plans to progressively achieve environmentally friendly goals.

2.3 Operational Performance

Business Performance

TNP's primary business includes the production and sale of various cards and card personalization products such as contactless 3D molded cards, contact chip cards, plastic cards, dual-interface chip cards, and FortVax cold wallets. Additionally, TNP produces various Name Plates, including steel, printed aluminum, anodized aluminum, brushed aluminum, and etched aluminum Name Plates, as well as printed Membrane Switches, including capacitive touch circuit boards, printed circuit boards, and embossed dome switches.

Below is the consolidated financial report information for TNP over the past three years. For 2023, the total revenue was TWD 668,281 thousand. During the reporting period, the company did not apply for any government subsidies.

Currency: NT thousand dollars

Item/year	2021	2022	2023
Operating income (thousand dollars)	570,765	519,781	668,281
Operating cost (thousand dollars)	428,447	410,489	467,585
Operating profit and loss (thousand dollars)	142,318	109,229	200,696
Non-operating income and expenditure (thousand dollars)	23,858	3,839	61,678
Net profit before tax (thousand dollars)	-3,082	-708	-4,439
Net profit after tax for the current period (thousand dollars)	20,776	3,131	57,239
Operating profit and loss (thousand dollars)	16,621	2,492	45,130
Total comprehensive profit and loss of this period (thousand dollars)	15,511	11,082	42,684

Item/year	2021	2022	2023
Earnings per share (dollars)	0.84	0.12	2.08
Employee benefits (thousand dollars)	723	666	781
Dividend (thousand dollars)	14,217	11,456	24,629
Employee salary (including employee benefits) (thousand dollars)	194,553	173,369	199,761
Retained economic value (thousand dollars)	49,131	29,332	101,058
Payments to providers of capital(thousand dollars)	17,446	14,886	26,154
Payments to the government (thousand dollars)	7,872	9,067	7,999
Community investment (thousand dollars)	0	0	141

Notes:

1. Payments to providers of capital refer to dividends paid to all shareholders, plus interest payments to lenders (including interest on any form of debt and loans) and unpaid dividends due to preferred shareholders.
2. Payments to the government include all taxes (including business tax, income tax, property tax) and fines.
3. "Employee salaries (including benefits)" includes benefits like labor and health insurance premiums/retirement fund expenses, which are the total monetary benefits provided to employees (excluding costs related to education and training, protective equipment, or other costs directly related to job responsibilities). Another item, "employee welfare amount," refers to benefits allocated by the company to the welfare committee for employees, such as employee trips, health checks, festival gift boxes, etc., totaling the non-monetary benefits provided.
4. Community investment refers to donations and gifts.
5. Currency is in New Taiwan Dollars.
6. Retained economic value: "Directly generated economic value" - "Distributed economic value".
 - ※Directly generated economic value: revenue.
 - ※Distributed economic value: operational costs, employee salaries and benefits, payments to lenders, payments to the government by country, community investments.

Tax Management

TNP was established in December 1970 under the Company Act of the Republic of China. The company went public in August 2016, began trading on the Emerging Stock Market in September of the same year, and has been listed on the Taipei Exchange since November 2017. TNP does not have subsidiaries, overseas operations, or factories. Thus, all tax and financial planning adheres to domestic regulations.

The company's corporate income tax is audited and certified by an accountant and reported honestly within the prescribed deadlines, fulfilling its social responsibility as a taxpayer. Tax information is disclosed in financial statements to ensure transparency. Financial and tax reports are prepared in accordance with the International Financial Reporting Standards, International Accounting Standards, interpretations, and interpretation announcements recognized and issued by the Financial Supervisory Commission, and are published after board approval. Financial reports are publicly announced and filed within the deadlines stipulated by Article 36 of the Securities and Exchange Act, with the frequency listed in the table below.

Financial Reports	Announcement Frequency	Announcement Deadlines
Annual Financial Report	Annual	Within three months after the end of the fiscal year
Tax Report	Annual	By May 31 each year
Quarterly Financial Report	Quarterly	Within 45 days after the end of each quarter
Monthly Operating Status	Monthly	By the 10th of each month

To ensure the timeliness and optimization of tax reporting and CPA-audited financial information, the responsibility lies with the Finance Department. Relevant annual reports or financial statements can be accessed via the provided link: <https://tnp.com.tw/investment/relationship>



2.4 Climate Change-Related Financial Disclosure

Our company, while continuing to innovate and provide high-quality products to customers, aims to become a green supply chain by implementing environmental sustainability policies and vision. We aspire to achieve a 25% reduction in carbon emissions by 2025 compared to the 2021. Our strategies and implementation plans are as follows:

<p>Governance Unit</p>	<p>The GHG Inventory Team is established by the Director, who is appointed by the TNP Chairman. The team members are responsible for gathering information and planning carbon reduction initiatives, which are executed by various business units. The board of directors supervises this function.</p>
<p>Risk Category</p>	<ul style="list-style-type: none"> ⊗ Replacing energy-consuming equipment and purchasing green raw materials will increase operational costs. ⊗ Customer demands for low-carbon services increase carbon reduction costs. ⊗ Extreme weather conditions lead to raw material shortages or difficulties in shipping
<p>Opportunity Category</p>	<ul style="list-style-type: none"> ⊗ Replacing energy-consuming equipment for energy savings and carbon reduction. ⊗ Using recycled and reusable raw materials to achieve sustainable cycles. ⊗ Developing low-carbon products to expand market service range. ⊗ Enhancing corporate image and increasing company value.
<p>Strategy</p>	<p>When facing the risks and opportunities brought by climate change, TNP has formulated corresponding operational strategies:</p> <p>Short-Term Operational Strategy: Plan to monitor and inventory energy-consuming equipment. Implement waste classification to reduce waste volume. Promote water and electricity conservation across the plant.</p> <p>Mid-Term Operational Strategy: Plan to replace or improve energy-consuming equipment. Implement ISO 50001 energy management system. Install energy storage equipment and use solar green energy.</p> <p>Long-Term Operational Strategy: Develop renewable raw materials. Use ISO 14001 environmental management system. Implement ISO 14064 greenhouse gas inventory and ISO 50001 energy management system to find opportunities for sustainable improvement. Strive to achieve net-zero carbon emissions by 2050 to meet national and international requirements.</p>

Risk Management

The company has formulated emergency response guidelines for risks brought by extreme weather conditions such as power outages, floods, typhoons, infectious diseases, and earthquakes. The company plans to conduct regular emergency response drills to ensure preparedness in the event of a disaster. These emergency response guidelines are available for stakeholders to review but are not published on the company’s official website.

Indicators and Targets

Climate change impacts the Earth significantly, and under global advocacy, Taiwan has set a goal for net-zero carbon emissions by 2050. TNP has aligned with this ultimate goal and set an interim target to reduce carbon emissions by 25% by 2025 compared to 2021. To achieve this, starting at the end of 2023, TNP has taken the following measures:

1. Monitoring the energy use of high-energy-consuming equipment and improving or replacing the most energy-consuming ones to achieve energy savings and carbon reduction.
2. Accelerating green procurement by introducing environmentally friendly materials like PLA and eco-friendly inks to reduce carbon emissions during operations, achieving green manufacturing.
3. Planning to construct a new green plant equipped with energy storage systems and solar panels to use green energy, reducing reliance on purchased electricity and carbon emissions.

Short-term Goals:

- ⊗ Monitor and inventory energy-consuming equipment
- ⊗ Implement waste sorting to reduce waste volume
- ⊗ Promote water and electricity conservation throughout the plant

Mid-term Goals:

- ⊗ Replace or improve energy-consuming equipment
- ⊗ Implement ISO 50001 Energy Management System
- ⊗ Plan to add energy storage equipment
- ⊗ Plan to use solar green electricity

Long-term Goals:

- ⊗ Develop renewable materials
- ⊗ Continue seeking sustainable improvement opportunities through ISO 14001 Environmental Management System, ISO 14064 Greenhouse Gas Inventory, and ISO 50001 Energy Management System
- ⊗ Achieve net-zero carbon emissions by 2050

Financial Impact


Our company currently serves a diverse customer base, including several in Europe, and may face carbon tariffs from various countries in the future, leading to increased operational costs due to climate change. Although our current greenhouse gas emissions are between 1,000 tons CO₂e and 1,500 tons CO₂e, which is not subject to national carbon taxes, we must plan to replace energy-intensive equipment, develop environmentally friendly alternative raw materials, and use some green energy to reduce carbon emissions.

Carbon Pricing Basis	Our company currently does not have an internal carbon pricing tool.
Greenhouse Gas Inventory Plan	Our company has been proactively conducting greenhouse gas (GHG) inventories since 2022 and disclosing the results on the public information website. Post-inventory, we engage a third-party verification unit to ensure the accuracy of our data through ISO 14064-1:2018 GHG verification. Data collection for the 2023 GHG emissions began in January 2024, and third-party verification is scheduled for May. We expect to receive the ISO 14064-1:2018 GHG verification certificate by June 2024.
Assurance/Verification Agency	<ol style="list-style-type: none"> 1. ISO 14001:2015 Environmental Management System certification was obtained in 2023. 2. ISO 14064-1:2018 Greenhouse Gas Verification Certificate was obtained in 2023. 3. The company plans to implement the ISO 50001 Energy Management System.

2.5 Risk Management and Compliance with Regulations

Risk Control

The company has established integrity clauses to maintain a culture of integrity and operational efficiency, ensuring all employees adhere to professional ethics, act with integrity, follow laws, and avoid using their positions for personal gain. To prevent company losses, a whistleblowing system is in place, including a hotline and physical suggestion box, encouraging employees, vendors, and stakeholders to report misconduct. Reports are handled confidentially by the responsible unit after verifying the specifics and evidence, ensuring the protection of whistleblowers.

Reporting Channels		Physical Reporting Mailbox
Reporting Unit	Management Department Supervisor	
Reporting Address	No. 36, Huaya 1st Road, Guishan District, Taoyuan City	
Reporting Phone Number	03-3270567 (ext. Management Department Supervisor)	
Reporting Email	Located on the 4th floor, Employee Training Room tnp.hr@tnp.com.tw	

Legal Compliance

Since its establishment, the company has adhered to relevant domestic and international regulations, staying alert to policy developments and regulatory changes. In the recent year and up to the date of this report, no significant impact on financial or business operations has occurred due to major policy or legal changes.

The company emphasizes regulatory compliance and corporate ethics. According to the "Procedures for Verification and Disclosure of Material Information of OTC Companies" by the Taipei Exchange, any single event fine exceeding NT\$1 million, continuous penalties, business suspension orders, criminal referrals, or violations of occupational safety, health, fire protection, environmental protection, and health and welfare regulations are considered major violations.

During this reporting period, TNP had no major fines but one minor fine incident. On October 20, 2022, an employee at the Xinzhuang plant was injured by machinery. The Labor Inspection Office inspected on January 5, 2023, and found that the injured party had not received adequate training to stop the machinery during maintenance. The New Taipei City Government fined the company NT\$30,000 on February 3, 2023, for failing to comply with occupational safety regulations. Subsequently, the unsafe equipment was scrapped, and automated equipment was procured to prevent future injuries. Additionally, employee training was enhanced to prevent reoccurrences and provide emergency response measures.

Penalty Type	Category	Penalty Details	Violation Explanation	Improvement Measures
Fine Incident	Occupational Safety	Fine of NT\$30,000	Occupational Safety and Health Act	Enhance employee training on machinery operation, ensuring employees stop machinery during maintenance to avoid hazards.
Total	Number of incidents: 1; Total fines: NT\$30,000.			

Anti-Corruption System

Our company has established the "Integrity Management Operating Procedures and Guidelines" and "Code of Ethical Conduct" in accordance with the "Guidelines for the Integrity Management of Listed Companies" and the "Employee Integrity Clause." The Finance Department, under the board of directors, is responsible for related operations and supervision, regularly reporting its execution status to the board. Regular analysis and assessment of the risk of dishonest behavior within the business scope are conducted, leading to the formulation of prevention plans, operational procedures, and behavior guidelines. Integrity management is integrated into employee performance evaluations and human resources policies, establishing clear and effective reward and punishment, and grievance systems. Employees found to have committed serious violations of integrity will be dismissed or terminated according to relevant laws or company personnel policies. The names, positions, violation dates, and handling details of personnel who violate integrity policies are disclosed on the internal website.

To maintain a culture of integrity and operational efficiency, ensuring all employees abide by professional ethics, operate with integrity, follow the law, and act impartially without exploiting their authority for personal gain, regular training and law dissemination are conducted for directors, managers, employees, appointees, and actual controllers. Business partners are also invited to participate to understand the company's commitment to integrity management, policies, prevention plans, and the consequences of dishonest behavior. Integrity management policies are combined with employee performance evaluations and human resources policies, establishing a clear and effective reward and punishment system.

Upon discovering or receiving reports of dishonest behavior by company personnel, an immediate investigation is conducted. Verified violations result in appropriate actions, with potential reports to regulatory authorities, legal action, or damage claims to protect the company's reputation and interests. If it is confirmed that there is a violation of relevant laws or the company's integrity management policies and regulations, the perpetrator will be immediately required to stop the relevant behavior.

For already occurred dishonest behavior, the responsible unit will review and propose corrective measures to prevent recurrence. The integrity management unit will also report dishonest behavior, handling methods, and subsequent review and improvement measures to the board. When others act dishonestly towards the company, and if such behavior involves illegal matters, the company will report the relevant facts to judicial and prosecutorial authorities. If it involves public agencies or public officials, the company will notify government anti-corruption agencies.

Anti-Competition Behavior

The company has no suppliers or employees involved in collusion to restrict market competition with potential competitors or engaging in anti-competitive behaviors such as colluding with suppliers or employees to create barriers to industry entry or other anti-trust and monopolistic behaviors.

TNP conducts business activities based on fairness, honesty, trustworthiness, and transparency principles. To implement the integrity management policy and actively prevent dishonest behavior, TNP has established an integrity management code and employee code of conduct in accordance with the "Guidelines for the Integrity Management of Listed Companies" and relevant laws and regulations at the operating locations of the company and its group enterprises and organizations. TNP integrates integrity and moral values into its business strategy and collaborates with legal systems to formulate relevant anti-fraud measures to ensure integrity management.

The company's integrity management code includes prohibitions on providing or accepting improper benefits, insider trading, and confidentiality agreements, as well as regulations on charitable donations or sponsorships and the establishment of a reward and punishment, complaint system, and disciplinary measures. In 2023, there were no incidents of violating integrity behavior by the company's directors and employees. If dishonest behavior by company personnel is discovered or reported, the company will immediately investigate the facts. If it is confirmed that there is a violation of relevant laws or the company's integrity management policies and regulations, the perpetrator will be immediately required to stop the relevant behavior and appropriate measures will be taken. If necessary, the company will report to the competent authority, refer the case to judicial authorities for investigation, or seek compensation through legal procedures to protect the company's reputation and interests.

3

Supply Chain Management and Product Safety

3.1 Management Policies

3.2 Sustainable Supply Chain

3.3 Product Safety and Privacy



3.1 Management Policies

Evaluation Mechanism

While enhancing customer service quality, TNP prioritizes protecting customer privacy rights and intellectual property. TNP signs confidentiality agreements with customers to safeguard their confidential information and ensures that employees adhere to confidentiality protocols during business interactions. The company conducts comprehensive assessments of the positive and negative economic and human rights impacts of customer privacy. TNP has established an Information Security Committee and achieved ISO 27001 Information Security Management System and BS 10012 Personal Information Protection Management System certifications. TNP adheres to confidentiality agreements and personal data protection laws for customer privacy.

The company has set up an evaluation mechanism based on the ISO 27001 Information Security Management System and established short, medium, and long-term goals. In 2023, there were no complaints about customer privacy violations or data loss.



ISO 27001 Certificate



BS 10012 Certificate

Major Issue	Customer Privacy (Data Security)
<p>Reason for the Issue's Importance</p>	<p>Protecting customer privacy and ensuring the proper storage of customer data has become one of the most critical issues in global business operations. Violations can significantly damage a company's image and may also result in both criminal and civil liabilities.</p>
<p>Impact and Influence</p>	<ul style="list-style-type: none"> ⦿ Economic Actual Positive Impact: <ol style="list-style-type: none"> 1. Properly handling customer privacy and establishing robust privacy protection mechanisms can enhance customer trust in the business, promoting long-term customer loyalty. 2. Complying with privacy regulations and standards may reduce legal risks, maintain the company's reputation, and help stabilize operations. ⦿ Economic Potential Negative Impact: <ol style="list-style-type: none"> 1. Non-compliant privacy handling and leaks will result in legal fines, increasing the company's economic costs. 2. Privacy violations may cause customer concerns, leading to customer loss and affecting company revenue. ◦

Major Issue

Customer Privacy (Data Security)

Impact and Influence

- ⊙ **Potential Negative Impacts on Corporate Image:**
 1. Privacy breaches may lead to data misuse, affecting environmental sustainability.
 2. Privacy incidents may cause social distrust in the company, leading to long-term damage to the company's image.
- ⊙ **Potential Positive Impacts on Corporate Image:**
 1. Effective privacy protection measures help reduce the risk of information leakage and minimize the negative impact of data breaches on the company's environment.
 2. Adhering to privacy protection principles allows the company to adapt better to sustainable development operations.
- ⊙ **Actual Positive Human Rights Impacts:**
 1. Actively protecting customer privacy is a manifestation of respecting individual privacy rights, which helps uphold human rights.
 2. Providing transparency in privacy information helps customers understand the company's data handling practices, contributing to the protection of human rights.
- ⊙ **Potential Negative Human Rights Impacts:**
 1. Improper data collection and use may exacerbate information asymmetry in society, harming individuals' information autonomy.
 2. Data misuse may lead to discrimination against specific groups, affecting the principle of human rights equality.

Policy/Strategy

- ⊙ Regular information security and confidentiality advocacy. Customer-related information, including physical, data, or electronic, must not be disclosed in any form or manner.
- ⊙ Upload sensitive data to NAS with appropriate permission control and maintain a complete backup system to ensure data integrity.
- ⊙ Regular audits to establish strict confidentiality measures, preventing improper use of customer privacy and protecting customer and company interests.

Goals and Targets

- Short-term Goals:**
1. Enhance employee training on "Privacy Protection" and "Information Security," conducting at least one session per year.
 2. Each unit must complete an information security self-assessment quarterly.
- Mid-term Goals:**
- Continuously update firewalls, antivirus software, document encryption software, and computers. Implement hardware and software controls for sensitive email review and sensitive document notification from printers.



Major Issue	Customer privacy (data security)
<p>Goals and Targets</p>	<p>Long-term Goals: Develop "Information Security Policy" and "Information Security Management Measures." Strictly record and control through internal systems to protect customer information and documents. Approve and manage internal personnel operation permissions according to relevant system regulations.</p>
<p>Management Evaluation Mechanism</p>	<p>The company conducts PDCA (Plan-Do-Check-Act) effectiveness evaluation mechanism according to ISO/IEC 27001.</p>
<p>Performance and Adjustments</p>	<ul style="list-style-type: none"> ⦿ In 2023, there were no complaints regarding customer privacy violations or data loss. ⦿ In 2023, "Privacy Protection" and "Information Security" education and training were conducted through the circulation of paper materials and spot checks.
<p>Preventive or Remedial Measures</p>	<p>All computer equipment is installed with enterprise antivirus software, which is uniformly and regularly updated to prevent the spread of computer viruses. A firewall is in place to prevent hacker intrusions. Document data is encrypted using encryption software and stored in NAS with regular backups to ensure data storage security. An access control system is installed in the information room. All mainframe or ERP system queries and operations must be logged in with an account and password to prevent business data leakage.</p>

3.2 Sustainable Supply Chain

Sustainable Procurement

TNP has begun planning to increase the proportion of local procurement to reduce transportation carbon emissions. In 2022, the overall proportion of domestic procurement accounted for 94%, and in 2023 it was 93%. Considering the warranty and contract period for labor and engineering procurement, the initial plan was to increase the local procurement proportion of raw materials from 33.7% in 2022 to 57.8% in 2023. In 2023, the local procurement amount for labor, finance, and engineering accounted for 92.14% of the total procurement amount. Moving forward, TNP will continue to promote supplier policies and select more excellent domestic partners.

TNP Company Procurement Proportions Over the Past Three Years

Contract Type	Procurement Area	2021		2022		2023	
		Number of Suppliers	Proportion of Total Procurement Amount (%)	Number of Suppliers	Proportion of Total Procurement Amount (%)	Number of Suppliers	Proportion of Total Procurement Amount (%)
Labor (Contracting and Services)	Domestic	279	47.310	267	48.190	241	32.430
	Foreign	6	0.160	7	0.870	7	0.430
Materials (Raw Materials)	Domestic	117	42.150	109	33.680	101	57.750
	Foreign	19	7.400	16	6.330	16	4.940
Engineering (Construction and Equipment)	Domestic	8	2.980	11	10.840	9	1.960
	Foreign	0	0.000	1	0.090	4	2.490
Total		429	100%	411	100%	378	100%

Notes: Domestic refers to Taiwan; Foreign refers to regions outside Taiwan.

Supplier Environmental and Social Evaluation

TNP promotes suppliers to sign the "Environmental/Occupational Safety and Health Questionnaire" and the "No Use of Restricted Substances Guarantee." Among 150 major raw material suppliers, 87 signed the "Environmental/Occupational Safety and Health Questionnaire," and 72 signed the "No Use of Restricted Substances Guarantee." Additionally, suppliers with ISO 9001 quality management are prioritized. In 2023, TNP's supplier evaluation showed no unqualified suppliers or negative environmental impacts.

Furthermore, the company has established a "Supplier Evaluation Form." Each year, the procurement staff of the Material Department conducts evaluations on "current year suppliers" or "previously D-rated suppliers." Evaluation criteria include material quality, delivery performance, price advantage, professional ability, and service cooperation. Suppliers are rated A, B, C, or D based on these assessments.

During this reporting period, the company's raw material transaction suppliers in 2022 totaled 80, all of which were evaluated, achieving a 100% inspection rate and meeting the target. Additionally, through document audits and supplier evaluations, the company strengthened supervision, provided necessary guidance and assistance, and arranged re-evaluations to ensure standards are met. Suppliers who fail to meet the evaluation standards and cannot comply will have their transaction volumes reduced or contracts terminated. In 2023, all suppliers passed the evaluation with no disqualifications.



3.3 Product Safety and Privacy

Product Certification and Labeling

The Name Plate business unit's products include various Name Plates and membrane keypad switches. The company's products and services are certified by ISO 9001, ISO 14001, and IATF 16949 (excluding membrane keypad switches). The company complies with REACH and ROHS regulations but has not applied for conflict minerals certification. However, it adheres to related regulations and cooperates with customers by filling out CMRT and EMRT forms.

The company has not violated product and service information and labeling regulations or voluntary codes, nor has it violated marketing communication regulations (including advertising, promotion, and sponsorship).

Products or Services Obtaining International Certification Systems

Product or Service Name	System Certification	Proportion of Products or Services Evaluated by Customers
Name Plate	ISO 9001、ISO 14001、IATF 16949	100
Membrane Keypad Switch	ISO 9001、ISO 14001	100

Note: Percentage = (Total evaluated products or services provided to customers / Total products or services provided to customers) * 100.

International Certification Certificates



ISO 14001 Certificate



ISO 9001 Certificate



IATF 16949 Certificate

Customer Satisfaction

To understand customer satisfaction regarding our personnel services and product usage, we conduct satisfaction surveys, which are crucial feedback channels for our company. The surveys are conducted separately for the Linkou and Xinzhuang factories. The customer satisfaction results are as follows:

Linkou Factory

Item/Year	2021	2022	2023
Website Content Satisfaction	8.09	8.88	8.77
Service Attitude and Professionalism of Sales	9.45	9.50	9.46
Speed of Information Response from Sales	9.00	9.06	9.15
Engineering Sample Delivery	8.91	9.00	9.31
Drawings and Commitment Documents	8.82	9.13	9.23
Product Quality Satisfaction	8.64	8.94	9.08
Customer Complaint Handling	8.82	8.94	9.00
Speed of Resolving Quality Issues	-	9.00	9.08
Packaging Satisfaction	8.82	9.00	8.92
Delivery Quantity and Shipping Time	8.64	8.56	8.92
Total Score	79.19	90.01	90.92

Xinzhuang Factory

Item/Year	2021	2022	2023
Company Website	8.40	8.45	8.44
Sales Staff Service Attitude and Professional Knowledge	8.97	9.35	8.81
Quotation or Other Matters	8.74	8.84	8.13
Engineering Sample Delivery	8.69	8.77	8.25
Drawings, Commitment Documents	8.63	8.65	8.44
Quality Satisfaction	8.51	8.90	8.31
After-Sales Service	8.57	8.71	8.44
Packaging Satisfaction	8.74	8.77	8.63
Delivery Accuracy Rate	8.86	8.90	8.31
Total Score	78.11	79.34	75.76

Privacy Protection

TNP has established the "Information Security Policy" and "Information Security Management Measures" to strictly record and control customer-related information and documents through the company's internal systems, ensuring comprehensive protection of customer privacy. Additionally, the approval and activation of operational permissions for relevant internal personnel are conducted in accordance with the relevant operating specifications of each system. Regular information security and confidentiality promotions are conducted, sensitive data is uploaded to NAS with appropriate permission controls, and the system's data storage mechanism ensures the integrity of customer data. During the reporting year, the company did not receive any customer or supplier complaints regarding privacy violations, information leakage, theft, or loss of customer data.

TNP has established an Information Security Committee and has obtained certifications for ISO/IEC 27001 Information Security Management System and BS 10012 Personal Information Protection Management System. The company strictly adheres to confidentiality agreements and personal data protection laws regarding customer privacy. TNP's customers are not end customers; the company honors its commitments to delivery and quality. In terms of marketing and labeling products and services, TNP complies with relevant regulations and international standards, such as the EU REACH regulations and RoHS environmental regulations.

The key methods for identifying and managing data security risks are outlined as follows:

1. Risk Assessment: Conduct a comprehensive risk assessment to understand potential risks in the organization's information systems.
2. Asset Identification: Identify and classify all organizational assets, including databases, documents, hardware, software, and network resources, ensuring focused protection on critical assets.
3. Vulnerability Management: Regularly perform vulnerability scans to promptly address system and application weaknesses.
4. Access Control: Implement effective access controls to ensure only authorized users can access relevant data and systems.
5. Encryption: Use encryption to protect sensitive data during storage and transmission.
6. Security Training: Ensure employees are aware of data security policies and best practices.
7. Monitoring and Logging: Conduct continuous monitoring and logging of system and network activities.
8. Emergency Response Plan: Develop and implement an emergency response plan to address data security incidents.

Company's Policies and Measures for Customer Data Collection, Use, and Retention

1. The company should collect, process, utilize, or transmit customer data honestly, within the minimal necessary and specific scope, and reasonably related to the collection's purpose.
2. External provision of customer data should comply with contracts or written consent.
3. Restrictions on the collection, processing, and utilization of special sensitive customer data.
4. Departments accessing customer data for work purposes must manage it to prevent theft, alteration, destruction, or leakage.
5. The IT department manages and maintains data storage media, establishing regular backup and emergency recovery systems.
6. IT should enhance security checks and protection mechanisms to prevent external intrusion, logging all actions.
7. When hiring external experts to update or repair company computer equipment, designated IT personnel must be present to prevent data theft, alteration, destruction, or leakage.
8. Upon disposal or transfer of computer equipment, IT personnel must ensure the deletion of all stored data files.
9. Audit personnel should review customer data measures and hardware facilities, with execution personnel providing detailed explanations.



4

Sustainable Environment

- 4.1 Management Policy
- 4.2 Material Management
- 4.3 Energy Management
- 4.4 Water Resource Management
- 4.5 Greenhouse Gas Emission Management
- 4.6 Waste Management

4.1 Management Policy

Emissions, Energy, Waste

Major Issue	Emissions
<p>Reason for the Issue's Importance</p>	<p>To align with the government's 2050 net-zero carbon emissions target, greenhouse gas inventory and emissions have been identified as a Major Issue.</p>
<p>Impact and Influence</p>	<ul style="list-style-type: none"> ⊙ Economic Potential Negative Impact: <ol style="list-style-type: none"> 1. To meet the government's net-zero carbon target, introducing low-carbon investments, whether by replacing energy-intensive equipment or implementing a circular economy, will increase operating expenses and raise product prices. 2. Since our company's products are exported to Europe and the United States, facing the implementation of a carbon tax system at export destinations will increase production costs. ⊙ Corporate Image Potential Positive Impact: Reducing carbon emissions can lower the carbon footprint of products, enhancing the competitiveness of our products in the market. ⊙ Environmental Potential Positive Impact: Reducing greenhouse gas emissions and being environmentally friendly.
<p>Policy/Strategy</p>	<p>Our company proactively conducted an ISO 14064 greenhouse gas inventory in 2021 and passed the third-party verification unit's audit to confirm the accuracy of the inventory data. Since 2021, we have arranged for an annual greenhouse gas inventory to confirm whether our company's greenhouse gas inventory data shows a decreasing trend year by year.</p>
<p>Goals and Targets</p>	<p>(Using 2022 as the baseline year for the greenhouse gas inventory)</p> <p>Short-term Goals: Reduce greenhouse gas emissions by 8% compared to the baseline year by 2023.</p> <p>Mid-term Goals: Reduce greenhouse gas emissions by 25% compared to the baseline year by 2025.</p> <p>Long-term Goals: Achieve net-zero carbon emissions by 2050.</p>
<p>Management Evaluation Mechanism</p>	<p>Our company conducts effectiveness evaluations of PDCA annually, focusing on the environment and greenhouse gas emissions, according to ISO 14001 and ISO 14064 internal audits and management review procedures.</p>

Major Issue	Emissions
<p>Performance and Adjustments</p>	<ul style="list-style-type: none"> ⦿ In comparison to 2021, our company reduced greenhouse gas emissions by 12.04% in 2023. ⦿ At the end of 2023, we installed an energy management detection system on high-energy-consuming equipment in the onsite work area. This system aims to identify high-energy-consuming equipment for replacement, thereby achieving our carbon reduction targets.
<p>Preventive or Remedial Measures</p>	<p>Progressively initiate the replacement of outdated and energy-intensive equipment and accelerate green procurement. Introduce environmentally friendly production materials such as PLA eco-friendly alternative materials and eco-friendly inks to effectively reduce carbon emissions during operations, achieving true green manufacturing.</p>

Major Issue	Energy
<p>Reason for the Issue's Importance</p>	<p>After the ISO 14064-1 greenhouse gas inventory, it was found that indirect emissions from energy, specifically the purchased electricity for the entire plant, account for over 90% of the total emissions in categories one and two. Therefore, the company places great emphasis on energy usage.</p>
<p>Impact and Influence</p>	<ul style="list-style-type: none"> ⦿ Economic Potential Negative Impact: <ol style="list-style-type: none"> 1. Excessive national electricity consumption and insufficient power supply leading to increased electricity costs, thus increasing production costs. 2. To achieve the policy 2050 net-zero emissions target, implementing the replacement of energy-consuming equipment, and using environmentally friendly raw materials to reduce carbon emissions, which increases operating costs and expenses through green investment. ⦿ Environmental Potential Positive Impact: Using energy-efficient equipment and green investments can effectively reduce electricity costs and greenhouse gas emissions, achieving an eco-friendly environment. ⦿ Actual positive human/human rights impact: All raw material suppliers and cooperating manufacturers are required to comply with government regulations prohibiting the use of banned substances in raw materials, ensuring adherence to regulations.
<p>Policy/Strategy</p>	<p>At the end of 2023, the company began monitoring energy usage for high-energy-consuming equipment. Once monitoring is complete, the most energy-consuming equipment will be improved or replaced to achieve energy conservation and carbon reduction. Additionally, the company started planning the installation of solar panels and energy storage equipment in new factories to use self-generated green electricity, reducing the reliance on purchased electricity and carbon emissions.</p>

Major Issue	Energy
<p>Goals and Targets</p>	<p>Short-term Goals: Complete inventory of high-energy-consuming equipment and implement energy monitoring. Plans to gradually replace high-energy-consuming equipment, such as heater presses, air compressors, and light bulbs, aiming to reduce electricity consumption by 1% annually.</p> <p>Mid-term Goals: Plan to replace or improve high-energy-consuming equipment, introduce ISO 50001 energy management system, add energy storage equipment, and use solar green electricity.</p> <p>Long-term Goals: Develop recyclable raw materials, and utilize ISO 14001 environmental management system, ISO 14064-1 greenhouse gas inventory, and ISO 50001 energy management system to identify sustainable improvement opportunities.</p>
<p>Management Evaluation Mechanism</p>	<p>Planning to introduce ISO 50001 energy management system to enhance energy performance, and every year conduct PDCA's effectiveness evaluation targeting ISO 14001 environmental management system and ISO 14064-1 greenhouse gas inventory.</p>
<p>Performance and Adjustments</p>	<p>Installed an energy management system in the factory area by the end of 2023 to identify and replace high-energy-consuming equipment to achieve carbon reduction targets.</p>
<p>Preventive or Remedial Measures</p>	<p>Continuously implement plans to replace old and energy-consuming equipment and accelerate green procurement.</p>

Major Issue	Waste
<p>Reason for the Issue's Importance</p>	<p>The company produces hazardous industrial waste and general industrial waste within the factory. Given the increasingly stringent environmental regulations on waste, it is necessary to consider waste management as a major issue to comply with legal requirements.</p>
<p>Impact and Influence</p>	<ul style="list-style-type: none"> ⊗ Economic Potential Negative Impact: Stricter environmental regulations increase costs for processing equipment and service providers due to more detailed recycling requirements. ⊗ Economic Actual Positive Impact: Complying with regulations by using qualified waste processors reduces the likelihood of environmental fines. ⊗ Environmental Actual Positive Impact: Selecting compliant waste processors ensures proper waste handling and environmental hygiene. ⊗ Human Rights Potential Negative Impact: Hazardous waste leaks can endanger stakeholder health.

Major Issue	Waste
Impact and Influence	<ul style="list-style-type: none"> ⊙ Human Rights Actual Positive Impact: Properly executing resource recycling and increasing equipment as required by law ensures the legal temporary storage of industrial waste, preventing environmental pollution and protecting stakeholders' health.
Policy/Strategy	<p>Our company's environmental, safety, and health policy commits to "comply with regulations, green production, pollution prevention, resource recycling, hazard prevention, and continuous improvement." We pledge to enhance the monitoring of pollution sources and improve pollution control equipment to effectively implement pollution prevention measures.</p>
Goals and Targets	<ul style="list-style-type: none"> ⊙ Seek vendors to decompose environmental material PLA, whose decomposed waste can be composted for recycling. ⊙ Purchase plate-free printers to reduce waste from printed PC plates and printing films. ⊙ Procure soy-based eco-friendly ink to replace regular printing ink to reduce environmental pollution.
Management Evaluation Mechanism	<ul style="list-style-type: none"> ⊙ Conduct irregular visits to specific waste contractors for inspections. ⊙ Find qualified waste transportation/disposal vendors, verify their permits, and ensure they have the company's waste codes to comply with regulations.
Performance and Adjustments	<ul style="list-style-type: none"> ⊙ The entrusted waste contractors are qualified vendors, achieving a 100% compliance rate. ⊙ Contracts with waste contractors are signed, achieving a 100% compliance rate. ⊙ Currently, the main materials used are still plastics. Therefore, the company has actively started developing PLA recycled materials, soybean eco-friendly ink, etc., as raw materials for products and seeking qualified vendors to recycle PLA materials to reduce waste volume.
Preventive or Remedial Measures	<ul style="list-style-type: none"> ⊙ Properly execute resource recycling and, as required by regulations, entrust qualified vendors to handle industrial waste. ⊙ Ensure that qualified recycling vendors strictly adhere to regulations in the handling of industrial waste.

4.2 Material Management

Recycling and Reuse

The consumption of raw materials and non-renewable materials used by the company is as follows:

Raw Material Statistics

Raw Material Name	Unit	Renewable?	2021	2022	2023
PVC	Tons	Renewable	91,250.320	65,560.398	82,306.078
PET-G	Tons	Non-renewable	8,968.920	14,798.360	15,989.190
Chips	Tons	Renewable	18,891.789	8,690.700	10,012.090

Notes:

1. Material types include raw natural resources like ores, iron, wood, plastic pellets; lubricants for machinery, semi-finished parts or components; packaging materials also count.
2. Non-renewable refers to resources that cannot be replenished in the short term, such as coal, natural gas, metals, minerals, petroleum; renewable refers to resources that regenerate after being harvested.
3. Since the card business unit accounts for 88% of the company's total revenue, the weight of raw materials disclosed in this table mainly pertains to the card business unit products.

Currently, the company's products do not use recycled materials, and packaging materials cannot be reused as they are shipped with the products to customers via air and sea. Additionally, due to the inclusion of customer personal information on the products, they cannot be recycled and reused.

4.3 Energy Management

Energy Consumption

The energy consumption of the company over the past three years is shown in the table below:

TNP Company Energy Usage Over the Past Three Years

Quantitative Indicator	Unit	2021	2022	2023
Electricity Usage	kWh/year	2,827,040	2,439,120	2,424,360
	GJ	10,177.34	8,781.83	8,727.70
Gasoline Usage	L/year	6,387.58	6,223.66	6,344.33
	GJ	208.46	203.11	207.19

Quantitative Indicator	Unit	2021	2022	2023
Diesel Usage	L/year	3743.32	242	190
	GJ	131.56	8.51	6.20
Total Energy Usage	GJ	10,517.36	8,992.45	8,941.43
Organization-Specific Metric	Unit	Revenue (Million NTD)	Revenue (Million NTD)	Revenue (Million NTD)
Organization-Specific Metric Value	Revenue (Million NTD)	570.765	519.781	668.281
Energy Intensity	GJ/Organizational Metric Value	18.43	17.30	13.38

Notes:

1. Conversion factor for electricity: 1 kWh = 0.0036 GJ.
2. Coefficients are based on the EPA's Gas Emission Coefficient Management Table 6.0.4 version and the Greenhouse Gas Inventory Guide May 2022 version, with fuel heat values calculated as follows: gasoline 7,800 kcal/L; diesel 8,400 kcal/L; 1 kcal = 4.1868 kJ.

Energy-Saving Achievements

Currently, the company's specific action plans for energy saving and carbon reduction are as follows. In addition to the established carbon reduction strategies, when the company starts the greenhouse gas inventory projects from Category 3 to Category 6 in the future, the focus will be on the concept of reducing the product's carbon footprint, thereby helping to reduce carbon emissions on the client side.

1. From mid-November 2023, printing night shift personnel start earlier and install split air conditioners in other night shift work units, allowing the central air conditioning system to rest briefly and reduce energy consumption from electricity use.
2. In 2024, the heating system of press machine No. 2 will be modified to match that of machine No. 3 to achieve energy savings and carbon reduction. It is estimated that this change will save approximately 100 kWh per day, totaling about 25,000 kWh or 90 GJ annually.
3. From the perspectives of air conditioning systems, electric lighting, and other electricity usage, implement energy-saving measures:
 - (1) Replace traditional T5 fluorescent lamps with LED T5 lamps in the plant, saving 90,360.9 kWh/year (325.30 GJ), reducing electricity costs by approximately 42.5%.
 - (2) Remove the 60-ton chilled water air conditioning system and replace it with air-cooled air conditioning equipment, saving 559 kWh per hour, totaling 203,476 kWh per year (732.51 GJ), reducing electricity costs by approximately 20.3%.

- (3) Adjust air compressors to frequency conversion equipment.
 - (4) Change air conditioning in the production area to VRV type, controlling temperature settings.
 - (5) Replace old water-cooled air conditioners in the office with energy-efficient grade 1 split air conditioners.
 - (6) Fill in the fish pond in the plant area to reduce water usage.
 - (7) Implement online DCN approval and establish a digital engineering system.
4. In 2022, total electricity consumption was 537,120 kWh. In 2023, total electricity consumption was 401,280 kWh, resulting in a total electricity saving of 135,840 kWh (489.02 GJ), a decrease of 25.29% in electricity usage.

4.4 Water Resource Management

Water Resource Usage

The company’s Linkou plant, located in Hwa Ya Industrial Park, receives its main water supply from Shimen Reservoir, with wastewater discharged to the South Wastewater Treatment Plant managed by Hwa Ya Consulting Co., Ltd. The Xinzhuang plant also sources its water from Shimen Reservoir, with wastewater discharged to Bali Wastewater Treatment Plant. According to the Water Resource Risk Assessment Tool, the company's water resource risk is classified as medium to low risk.

The company has long focused on water conservation and environmental protection. In its water-saving plan, the company emphasizes daily water conservation practices and actively improves the water consumption of its processes to maximize the use of available water resources.

Water Resource Risk Assessment



Linkou Plant Water Usage in the Past Three Years

Year	2021	2022	2023
Water Withdrawal	8.200	5.530	6.290
Water Discharge	1.880	1.890	2.420
Water Consumption	6.320	3.640	3.870
Organization-Specific Metric (Unit)	Revenue (Million NTD)	Revenue (Million NTD)	Revenue (Million NTD)
Organization-Specific Metric Value	570.765	519.781	668.281
Water Intensity	0.0144	0.0106	0.0094

Notes:

1. Water discharge data is recorded monthly by the Hwa Ya Park Service Center from the company’s effluent flow meter and logged in the Hwa Ya Technology Park Industrial Wastewater Inflow Detail Table.
2. Water Consumption = Water Withdrawal -Water Discharge.
3. Water Intensity Calculation: Water Withdrawal (million liters) / Organization Specific Metric Value.

Wastewater Testing

Statistics and Standards for Wastewater Discharge and Monitoring Values of Linkou Plant Over the Past Three Years. Although our company does not have monitoring values for the discharge outlet nor monitoring equipment, we comply with regulations. An activated carbon adsorption tower is installed at the outlet, and the activated carbon is replaced at least once a year as required by water pollution control measures and the water pollution control act permits documents.

Statistics of Wastewater Discharge of Linkou Plant Over the Past Three Years

Unit: Million Liters

Operational Site	2021	2022	2023
Headquarters	1.880	1.890	2.420

Discharge Standards and Monitoring Values of Wastewater at Linkou Plant Over the Past Three Years

Monitoring Item	2021		2022		2023	
	Discharge Standard (ppm)	Average Annual Monitoring Value (ppm)	Discharge Standard (ppm)	Average Annual Monitoring Value (ppm)	Discharge Standard (ppm)	Average Annual Monitoring Value (ppm)
Free Residual Chlorine	2.000	0.000	2.000	0.000	2.000	0.000
Suspended Solids	200.000	32.200	200.000	25.200	200.000	25.200
Chemical Oxygen Demand	300.000	152.000	300.000	132.000	300.000	193.000
Biochemical Oxygen Demand	120.000	18.000	120.000	15.400	120.000	55.800
True Color	400.000	79.000	400.000	144.000	400.000	86.000
pH Value	7.500	6.400	7.500	7.200	7.500	6.500

4.5 Greenhouse Gas Emission Management

Greenhouse Gas Emission Statistics

Our company began implementing greenhouse gas (GHG) inventory checks in 2021, alongside third-party verification to ensure the accuracy and validity of the data. This practice has continued annually, with 2022 established as TNP's GHG inventory baseline year. In 2023, the direct and indirect GHG emissions were reduced by approximately 12.04% compared to 2021.

Greenhouse Gas Emission Status of TNP Over the Past Three Years

Unit: Metric Tons CO₂e

Quantitative Indicators	2021	2022	2023
Category 1: Direct Greenhouse Gas Emissions	51.1960	55.8050	109.2956
Category 2: Indirect Greenhouse Gas Emissions	1,438.9630	1,207.3644	1,197.6338
Category 4: Raw Materials/Service Indirect Emission Sources	-	-	266.5667
Total Emissions = Category 1 + Category 2 + Category 4	1,490.1590	1,263.1694	1,573.4961
Organization-Specific Measurement Value (Revenue in Hundreds of Millions)	570.765	519.781	668.281
Greenhouse Gas Emission Intensity (Based on Total of Categories 1 + 2 + 4)	2.6108	2.4302	2.3545

Notes:

1. Category 1 addresses direct emissions from sources owned or controlled by the company, including stationary combustion sources, process emissions, mobile combustion from transportation, and fugitive emission sources. Emission factors are calculated based on the latest data 6.0.4 version announced by the Bureau of Energy, Ministry of Economic Affairs (IPCC Sixth Assessment Report).
2. Category 2 refers to emissions between energy sources, such as purchased electricity.
3. Category 4 refers to indirect emissions from raw materials/services, such as waste transportation and treatment, and upstream energy use before purchasing goods.
4. Types of greenhouse gases include: Carbon Dioxide (CO₂), Methane (CH₄), Nitrous Oxide (N₂O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulfur Hexafluoride (SF₆), and Nitrogen Trifluoride (NF₃).
5. Purchased electricity refers to the carbon emission coefficients announced by the Bureau of Energy, Ministry of Economic Affairs:
 - 2021 electricity carbon emission coefficient = 0.509 kgCO₂e/kWh
 - 2022 electricity carbon emission coefficient = 0.495 kgCO₂e/kWh
 - 2023 electricity carbon emission coefficient = 0.494 kgCO₂e/kWh.

The company's refrigeration equipment uses R22, and the refrigerant filling amount is recorded as follows:

Ozone-Depleting Substances Used by the Company in the Past Three Years

Unit: Tons

Name of Ozone-Depleting Substance	2021	2022	2023
R22	0.260	0.400	0.250

Notes: Ozone-depleting substances include Chlorofluorocarbons (CFCs), R11, R12, R22, Hydrochlorofluorocarbons (HCFCs), Halons, Carbon Tetrachloride (CCl₄), 1,1,1-Trichloroethane, Hydrobromofluorocarbon (HBFC), and Methyl Bromide.

4.6 Waste Management

Waste Disposal

The company specializes in manufacturing plastic cards, Membrane Switches, and various Name Plates. During production, waste water, gas, and other waste may be generated. The company has established relevant environmental management measures, installed necessary treatment equipment, and obtained permits from government authorities. Additionally, it complies with environmental regulations by entrusting licensed vendors for the

transportation and disposal of waste, effectively preventing environmental pollution.

Waste Statistics Table

Waste Composition		Off-site	
Item	Hazardous/ Non-hazardous	Generation (tons)	Intermediate Disposal Method
D-0803 Waste Cloth	Non-hazardous	1.19	Incineration
D-2405 Waste Ink	Non-hazardous	1.56	Incineration
D-0299 Waste Plastic Mixture	Non-hazardous	29.62	Incineration
R-2408 Waste Activated Carbon	Non-hazardous	7.01	Recycling
C-0107 Waste Developer Solution	Hazardous	3.95	Thermal Treatment (excluding incineration)
C-0108 Waste Fixing Solution	Hazardous	0.98	Thermal Treatment (excluding incineration)
D-2299 Waste Film	Non-hazardous	0.59	Physical treatment
D-2623 Waste Chips	Non-hazardous	0.11	Physical treatment
D-2527 Waste Mixed Metal Scrap	Non-hazardous	0.16	Physical treatment
D-0202 Waste Resin	Non-hazardous	0.28	Incineration
D-1504 Waste Liquid	Non-hazardous	5.15	Incineration

Notes:

1. Waste composition can be filled out with reference to the "Waste Disposal Plan" classification (A/B/C/D/E/R, etc.).
2. Waste weight is measured in tons.
3. Types of recycling operations: such as preparation for reuse, recycling, and other recovery operations.
4. Types of recycling: such as downcycling, upcycling, composting, or anaerobic digestion.
5. Other recovery operations: such as repurposing or refurbishing.
6. Types of intermediate disposal methods include incineration (with or without energy recovery), thermal treatment, and physical treatment.
7. "Off-site" refers to outside the physical boundary or administrative control of the reporting organization.

TNP's general industrial waste is primarily sent to public and private treatment facilities for processing or handled according to the "Waste Disposal Act" for resource recovery and reuse. Hazardous industrial waste is transported to the Ministry of Economic Affairs' comprehensive treatment center for industrial waste or qualified first-class public and private waste treatment facilities for processing or handled according to reuse regulations.

The third-party qualified transport company commissioned by TNP has a GPS system and is responsible for waste reduction and recycling, aiming to significantly reduce the output of terminal waste, provide recommendations for source reduction and waste recycling technologies, and improve waste recycling rates. As of the end of 2023, there have been no incidents of waste leakage at TNP.

TNP's environmental safety and health policy is committed to "complying with regulations, green production, pollution prevention, resource recycling, hazard prevention, and continuous improvement." The company is committed to strengthening pollution source monitoring and improving pollution control equipment to implement pollution prevention. TNP is also actively introducing environmentally friendly materials, such as PET-G developed in 2021, PLA in development, and eco-friendly soybean ink, to effectively reduce carbon emissions during operations, achieve green manufacturing, and reduce waste.





5

Friendly Workplace and Social Participation

5.1 Management Policies

5.2 Talent Recruitment and Retention

5.3 Employee Compensation and Welfare

5.4 Occupational Health and Safety

5.5 Social Participation

5.1 Management Policies

Occupational Safety and Health, Training and Education, Employee Diversity and Equal Opportunity (Workforce Diversity & Engagement)

Major Issue	Occupational Safety and Health
<p>Reason for the Issue's Importance</p>	<p>A company's normal operation relies heavily on its employees, in addition to the boss and investors. Therefore, our company places great importance on the safety and appropriateness of the work environment to prevent employees from being injured or contracting occupational diseases during their work.</p>
<p>Impact and Influence</p>	<ul style="list-style-type: none"> ⦿ Economic Potential Negative Impact: Failure to implement occupational safety and health regulations may lead to reputational damage, factory downtime losses, and potential legal violations. ◦ ⦿ Economic Potential Positive Impact: Implementing safety regulations can enhance reputation and assure safety protections in our operations. ⦿ Environmental Potential Negative Impact: Possible air, water, and soil pollution, health hazards, and legal violations. ⦿ Environmental Potential Positive Impact: Continuous improvement ensures a safe, hygienic working environment for employees. ⦿ Human/Human Rights Potential Negative Impact: Reputational damage and legal violations. ⦿ Human/Human Rights Potential Positive Impact: The company prioritizes workplace injury prevention, bullying, harassment, and discrimination issues, emphasizing zero tolerance to enhance human rights protection.
<p>Policy/Strategy</p>	<ul style="list-style-type: none"> ⦿ Assign responsible units and provide adequate improvement resources, support their operations, ensure worker participation and consultation for continuous improvement, and oversee and support employee contributions to the effectiveness of the Environmental Health and Safety (EHS) management system. ⦿ Ensure compliance with relevant regulations and requirements, fulfill compliance obligations, and provide safe and healthy workplaces and activities overall. ⦿ Prevent environmental pollution, work hazards, and health impacts, reduce the environmental impact of products and services, and avoid operational hazards. ⦿ Utilize appropriate communication, guidance, and support to ensure internal personnel understand the importance of EHS management and its continuous improvement.

Major Issue	Occupational Safety and Health
Policy/Strategy	<ul style="list-style-type: none"> ⦿ Protect workers reporting incidents, hazards, risks, and opportunities from retaliation. ⦿ Both operational sites have implemented the ISO 45001 occupational health and safety management system and obtained third-party certification.
Goals and Targets	<p>Short-term Goals: Less than six occupational accidents per year.</p> <p>Mid-term Goals: Less than two major occupational accidents within five years.</p> <p>Long-term Goals: Zero occupational accidents.</p>
Management Evaluation Mechanism	<p>The company conducts an annual effectiveness evaluation of the Plan-Do-Check-Act (PDCA) cycle for occupational health and safety through internal audits and management review procedures according to ISO 45001.</p>
Performance and Adjustments	<p>In 2023, the employee health check-up achievement rate was 100%, with no employees excluded.</p>
Preventive or Remedial Measures	<ol style="list-style-type: none"> 1. Eliminate hazards. 2. Replace with less hazardous materials, processes, operations, or equipment. 3. Use engineering controls and/or work reorganization. 4. Apply administrative controls, including training. 5. Use appropriate personal protective equipment.

Major Issue	Training and Education
Reason for the Issue's Importance	<p>"Training and education" play a vital role in TNP's management practices, contributing to the company's social image, enhancing employee quality, meeting human rights standards, and achieving environmental sustainability. These initiatives reflect effective corporate governance and positively impact the company's long-term value and sustainability. By investing in these areas, TNP fosters a workforce that is skilled and aware of its responsibilities, while also aligning with broader societal and environmental goals. This holistic approach strengthens the company's position and ensures its ongoing success and growth.</p>
Impact and Influence	<ul style="list-style-type: none"> ⦿ Social Actual Positive Impact: Corporate training and education can be viewed as a part of the company's social responsibility. By offering skills training, diversity training, and anti-discrimination education, the company can actively participate in solving social issues, enhancing its social image.

Major Issue	Training and Education
<p>Impact and Influence</p>	<ul style="list-style-type: none"> ⊙ Human/Human Rights Actual Positive Impact: Effective training and education help ensure employees receive proper support and skill development in the workplace. This aligns with ESG requirements on human rights and labor conditions, ensuring employee rights, good working conditions, and transparent labor practices. ⊙ Environmental Actual Positive Impact: TNP emphasizes environmental knowledge and practices in training and education to reduce the company's environmental footprint. This reflects the ESG environmental aspect, showing the company's active participation in sustainable development and reducing environmental impact. ⊙ Corporate Governance Actual Positive Impact: Providing training and education also reflects the effectiveness of corporate governance. Good corporate governance involves developing and managing internal talent, which is achieved through training and education. This has a positive impact on improving the company's operational efficiency and agility.
<p>Policy/Strategy</p>	<p>TNP upholds the company philosophy of integrity, dedication, competition, and surpassing. It aims to cultivate a spirit among all members to "break through the status quo, bravely face various challenges, learn everywhere, and always strive for self-improvement." By enhancing employees' capabilities, the company can achieve its goals. Only through continuous improvement of colleagues' abilities can TNP sustainably progress.</p> <p>Monitoring and Reporting Progress: Regularly monitor the implementation of training plans and report the company's training performance to stakeholders periodically.</p>
<p>Goals and Targets</p>	<p>Short-term Goals: Enhance the diversity of educational training. Long-term Goals: Increase the budget for educational training.</p>
<p>Management Evaluation Mechanism</p>	<p>Set the achievement rate for educational training each year.</p>
<p>Performance and Adjustments</p>	<ul style="list-style-type: none"> ⊙ The achievement rate of educational training is part of each unit's KPI, and its results directly impact the year-end performance evaluation. ⊙ In 2023, educational training achieved skills training diversity with an expenditure of 236,243 NTD and an average training time of 2.18 hours per person.

Major Issue	Training and Education
<p>Preventive or Remedial Measures</p>	<ul style="list-style-type: none"> ⊗ Training Cost Control: The company can control training costs by improving efficiency and choosing appropriate training methods. ⊗ Adapting to Market Changes: Regularly review training plans to ensure that employees' skills align with market demands, reducing the risk of training becoming outdated. ⊗ Open and Transparent Communication: Establish transparency and actively share training plans and outcomes with shareholders and investors to reduce potential information asymmetry.

Major Issue	Employee Diversity and Equal Opportunity <small>(Workforce Diversity & Engagement)</small>
<p>Reason for the Issue's Importance</p>	<p>For TNP as a listed company, promoting employee diversity and ensuring equal opportunity not only fulfills regulatory requirements but also contributes to the company's sustainable development, enhances its social image, and strengthens risk management.</p>
<p>Impact and Influence</p>	<ul style="list-style-type: none"> ⊗ Human/Human Rights Potential Positive Impact: <ol style="list-style-type: none"> 1. Social Responsibility and Corporate Image: Diversity and equal opportunities align with the principles of corporate social responsibility, reflecting the company's positive contributions to society. Achievements in these areas can enhance the company's image and reputation in the social aspect of ESG. 2. Talent Attraction and Retention: Providing equal opportunities and a diverse work environment helps attract and retain top talent. Diverse teams can offer varied perspectives and innovative thinking, aiding the company in adapting and innovating its products and services. 3. Social Justice and Human Rights: Employee diversity and equal opportunities demonstrate the company's respect for human rights and pursuit of social fairness, aligning with the human rights aspect of ESG and promoting equality and justice at the societal level. ⊗ Corporate Governance Potential Positive Impact: <ol style="list-style-type: none"> 1. Risk Management: Focusing on workforce diversity helps mitigate labor market risks by reducing reliance on a single talent group and lowering potential turnover risks. 2. Shareholder and Investor Expectations: More investors and institutions are considering ESG factors in investment decisions. Implementing diversity and equal opportunities is seen as an indicator of good ESG risk management and social responsibility, meeting investor expectations for sustainable investments.

Major Issue	Employee Diversity and Equal Opportunity <small>(Workforce Diversity & Engagement)</small>
Impact and Influence	<p>⦿ Corporate Governance Potential Negative Impact: Laws and regulations regarding diversity and equal opportunities are becoming increasingly strict in many countries and regions. The company must comply with these legal requirements to avoid fines or legal actions, which could negatively impact its governance performance.</p>
Policy/Strategy	<p>TNP clearly defines work rules and implements the following policies:</p> <ul style="list-style-type: none"> ⦿ Employee Diversity and Equal Opportunity: Transparency in recruitment, promotion, training, compensation, and benefits. We provide equal employment opportunities and prohibit discrimination to protect all employees' rights. ⦿ Focus on Gender Equality and Multiculturalism: Ensure equal employment opportunities for individuals with disabilities and related policies.
Goals and Targets	<p>Short-term Goals: Increase the proportion of women and minorities in senior management positions to 50%.</p> <p>Long-term Goals: Monitor and assess employee satisfaction and company culture to ensure the achievement of equal opportunity objectives.</p>
Management Evaluation Mechanism	<ol style="list-style-type: none"> 1. Employee suggestion box. 2. Employee satisfaction survey. 3. Complaint hotline (email).
Performance and Adjustments	<p>Employing persons with disabilities, the legal quota is 2 people, and in 2023, 5 persons with disabilities were employed, achieving a rate of 250%.</p>
Preventive or Remedial Measures	<ul style="list-style-type: none"> ⦿ Establish a clear policy on employee diversity and equal opportunity, ensuring all employees understand and adhere to it. ⦿ Conduct regular training to raise awareness among management and staff about diversity, reducing the occurrence of discriminatory behaviors. ⦿ Implement an effective mechanism that encourages employees to anonymously report discrimination, with a swift process for handling complaints.

5.2 Talent Recruitment and Retention

Personnel Structure

The company has a total of 223 employees, all of whom are domestic and full-time, with no part-time staff. Female employees make up 43% of the workforce. Additionally, there are 29 non-employee workers, mostly in contractual relationships.

Number of Employees

Region/Type		Female	Male	Total
Taiwan	Employees	97	126	223
	Full-Time	97	126	223
	Part-Time	0	0	0

Notes:

- 1.Employee: An individual who has a labor relationship with the organization according to national laws or applicable requirements (in Taiwan, this refers to employees with labor insurance).
- 2.Full-Time: Individuals with an indefinite contract.
- 3.No Hour Guarantee: Employees not guaranteed minimum work hours but may need to be available.
- 4.Full-Time: Individuals working hours as defined by Taiwan Labor Standards Law (up to 8 hours per day, 40 hours per week).
- 5.Calculation Method: Based on headcount/full-time equivalent.

Information on Non-Employee Workers

Worker Type	Contractual Relationship with the Company	Total Workers
Cleaning Personnel	Contracted	1
Security Personnel	Contracted	3
Engineering Personnel	Contracted	25
Total		29

TNP defines "managerial position" as company managers according to the official directive issued on March 27, 2003. This includes the Director and equivalent positions, Deputy Director and equivalent positions, Assistant Manager and equivalent positions, Head of Finance, Head of Accounting, and others with authority to manage company affairs and sign documents.

When hiring staff, TNP prioritizes residents from Taiwan to strengthen local harmony and employee stability. All senior management positions in Taiwan are held by local residents. The distribution of employee positions over the past three years is as follows:

Year		2023	
Category/Sex	Age	Number	
Senior Management	Male	30 and below	0
		30-50 years old	2
		Over 51 years old	5
	Female	30 and below	0
		30-50 years old	0
		Over 51 years old	1
Senior Management Total		8	
Non-Management Personnel	Male	30 and below	19
		30-50 years old	72
		Over 51 years old	28
	Female	30 and below	16
		30-50 years old	57
		Over 51 years old	23
Total for Non-Management Personnel		215	
Total for Regular Employees		223	

Note: Assistant Manager level and above are considered senior management.

Hiring of Diverse Employee Groups

To promote a diverse employee structure, our company employs five individuals from minority and disadvantaged groups and two indigenous people, totaling seven individuals. All employees are provided equal opportunities for promotion and training, without any discrimination based on background. The distribution of diverse employee hires over the past three years is shown in the table below:

Year		2021	2022	2023
Category/Sex	Age	Number	Number	Number
Minority or Disadvantaged Groups	Male	30 and below	1	1
		30-50 years old	0	0
		Over 51 years old	1	0
	Female	30 and below	0	1
		30-50 years old	0	0
		Over 51 years old	1	1

Year		2021	2022	2023	
Category/Sex	Age	Number	Number	Number	
Indigenous	Male	30 and below	0	0	0
		30-50 years old	0	0	0
		Over 51 years old	0	0	0
	Female	30 and below	0	0	0
		30-50 years old	2	2	2
		Over 51 years old	0	0	0

Note: Minority or disadvantaged groups: Groups with specific conditions or characteristics (such as economic, physical, political, or social) that may face greater negative impacts from organizational activities compared to the general population.

Employee Turnover

TNP had 223 employees in 2023, with 37 new hires (24 males and 13 females), resulting in a new hire rate of 16.6%. The number of employees who left the company was 16, leading to a turnover rate of 7.2%, the lowest in three years. The company's main operation site is the Linkou Headquarters, where most employees and key management personnel are located.

The increase in the new hire rate for 2023 was attributed to the company's annual manpower planning and organizational adjustments, which led to increased labor demand.

2023 Employee New Hire Rate Statistics Table

Sex	Male		Female	
Age/Category	Number	New Hire Rate (%)	Number	New Hire Rate (%)
30 and below	9	47.37	10	62.50
30-50 years old	15	20.27	3	57.00
Over 51 years old	0	0.00	0	0.00
Total New Hires	37			
Total Employees	223			
Total New Hire Rate (%)	16.59			

Notes:

1. The number of new employees does not deduct those who left mid-year.
2. Male (female) employee new hire rate for the age group = Number of new hires in the gender age group for the year / Total number of employees in the gender age group at the end of the year.
3. Total new employee hire rate = Number of new hires for the year / Total number of employees at the end of the year at the operation site.

2023 Employee Turnover Rate Statistics Table

Sex	Male		Female	
Age/Category	Number	Turnover Rate (%)	Number	Turnover Rate (%)
30 and below	9	47.37	5	31.25
30-50 years old	13	17.57	5	8.77
Over 51 years old	1	3.03	3	12.50
Total Departures	36			
Total Employees	223			
Total Turnover Rate (%)	16.14			

Notes:

1. Categories of employee departures include resignation, dismissal, retirement, or job-related fatalities.
2. Turnover rate for male (female) employees in the age group = Number of departures in the gender age group for the year / Total number of employees in the gender age group at the end of the year.
3. Total employee turnover rate = Number of departures for the year / Total number of employees at the end of the year at the operation site.

Employee Training

Each year during budget allocation, the company formulates an annual employee education and training plan in line with the company's business strategy and allocates a budget. Regular (and irregular) employee education and training are conducted to enhance employee quality and work skills, ensuring smooth achievement of annual budget and business strategy goals. Employees can also flexibly apply for external education and training based on business and work conditions.

Although the company does not implement TTQS, it highly values employees' career development and lifelong learning. Therefore, each December, in accordance with the company's operational guidelines QP-AF010 for education and training planning, execution, tracking, and QP-TN018 for education and training procedures, relevant annual execution plans are formulated. We require each department to conduct a comprehensive review based on the performance goals of business and production for the next year, particularly focusing on competency deficiencies in management, production processes, and operations, to formulate corresponding training plans.

At the same time, we require that the retraining and certification courses needed for compliance with safety, environmental protection, and management laws be included in the requirements list. These training activities include internal training, externally hired internal training, and external training, which will be investigated and organized by the HR department and converted into an annual education and training plan.

To improve employees' knowledge and professional skills, as well as work performance and quality, our company has designed a comprehensive education and training system to gradually implement the necessary training. This helps employees acquire the required knowledge and skills, advancing their personal career development. As employees age, we will arrange appropriate work based on different functions and age groups to establish a more harmonious work environment and cultivate a good corporate culture.

Employee Training Hours Statistics Table

Item/Category		Management		Non-management		Direct Personnel		Indirect Personnel	
		Male	Female	Male	Female	Male	Female	Male	Female
Total Number	people	5	1	121	96	62	46	64	51
Total Training Hours	hours	14.4	1	620	742.7	591.9	239	881	504.7
Average Training Hours	hours/person	31.97	1	5.12	7.73	9.55	5.2	13.77	9.9
Training Cost	NT dollars	50,000	0	257,443	111,650	36,100	0	271,343	111,650

Notes:

1. Executive-level management members.
2. The table summarizes the entire year's employee training situation (including those who left).
3. In 2023, direct female personnel received only internal training with no external training planned, so training cost is NT\$0.
4. In 2023, the number of male management personnel was higher than females, resulting in more training hours.

Fair Performance Management System

Our company's performance evaluation is conducted for 100% of employees, regardless of gender or employee category, with regular assessments of performance and career development. TNP consistently uses performance evaluations to gauge organizational performance levels, support personal development, and emphasize competency management to prevent inequality. Regular assessments can boost employee satisfaction and improve competencies. Our current evaluation mechanism includes monthly job evaluations, semi-annual average assessments, and year-end evaluations, based on efficiency, quality, cooperation, and responsibility. The assessment mechanism is based on quantitative assessment and qualitative explanation to ensure that the performance of employees meets the company's expectations. All employees passed the annual evaluation during this reporting period, with no employees failing to meet retention standards.

Assessment Statistics Table

Item	Management	Non-management	Direct Personnel	Indirect Personnel
Percentage of Male Employees Assessed	100	100	100	100
Percentage of Female Employees Assessed	100	100	100	100

Improving Employee Skills and Transition Assistance Program

TNP provides comprehensive educational subsidies under the "In-service Employee Training Subsidy Measures" for all employees, regardless of age, to support their continuous development and improvement.

We ensure that employees who leave or are laid off receive adequate support during their transition. We assist them in applying for relevant subsidies and provide appropriate severance pay to meet their needs. Before any layoffs, we conduct interviews to help them transition to other positions within the company. We also provide information on government agencies and employment services to facilitate their return to the workforce.

Minimum Notice Period for Operational Changes

TNP follows government labor laws and internationally recognized labor rights principles, including the "UN Guiding Principles on Business and Human Rights," "Declaration on Fundamental Principles and Rights at Work," and the "Universal Declaration of Human Rights." The company establishes work rules and related personnel management regulations to protect employees' rights.

TNP complies with labor and employment laws, prioritizes labor rights, and ensures a safe and healthy work environment. It prohibits harassment, discrimination, forced labor, child labor, and any form of improper employment, valuing harmonious labor relations without forcing overtime.

The company currently has no established unions or other collective agreements. To ensure the protection of employees' work rights, the company complies with the relevant provisions of the Labor Standards Act. In the event of significant operational changes or the termination of an employment relationship with an employee, labor contracts are terminated following government regulations. The notice period is as follows:

1. For those working continuously for more than 3 months but less than 1 year, a 10-day notice is required.
2. For those working continuously for more than 1 year but less than 3 years, a 20-day notice is required.
3. For those working continuously for more than 3 years, a 30-day notice is required.

Security Personnel Training

TNP has hired "ABV Integrated Facility Services Co., Ltd." to perform security personnel duties. ABV Security has established "Measures for the Prevention of Sexual Harassment in the Workplace, Application and Penalty Measures" and "Points for Handling and Investigation of Sexual Harassment Prevention Complaints." Additionally, TNP provides extra human rights advocacy and education training for security personnel, including personnel training, with training records available for reference.

5.3 Employee Compensation and Welfare

Salary and Benefits

In 2023, TNP's standard salary for entry-level personnel is above the minimum wage set by labor laws. The male-to-female salary ratio is shown in the table below. The higher standard salary for men is due to the company's employment of a higher proportion of male staff in high-paying roles, such as high-tech research and development personnel and system development personnel.

Country/ Region	Male Entry-Level Salary to Local Minimum Wage Ratio	Female Entry-Level Salary to Local Minimum Wage Ratio
Taiwan	1.102	1.045

TNP's starting salary for both men and women complies with the minimum wage set by labor laws. However, factors such as seniority and work performance contribute to differences in salary ratios by position. The annual salary ratio during this reporting period is shown below. The significant salary difference between male and female employees is primarily due to the higher proportion of male workers and managers.

Salary Ratio by Job Level	Number of Employees		Salary Ratio	
	Male	Female	Male	Female
Management	7	2	2.29	1.000
Non-management	142	109	1.22	1.000
Direct Personnel	71	55	1.23	1.000
Indirect Personnel	78	56	1.47	1.000

Notes:

1. The male-to-female salary ratio (annual salary ratio) is calculated as "average male annual salary in the category/ average female annual salary in the category."
2. Assistant Manager level and above are considered senior management.
3. The highest individual salary in 2023 included a project bonus awarded for meeting project goals, contributing to the higher male salary in managerial positions.
4. In 2023, the total number of employees paid (including active and departed employees) was 260.

The company's highest-paid individual in 2023 had an annual total compensation and employee annual total compensation increase ratio of 577.22, as the highest-paid individual achieved project targets, and the company allocated a project bonus as a reward.

Salary Ratio

Country/ Region	The median ratio of the annual total salary of the highest paid individual in the company to the annual total salary of employees (excluding the highest paid individual)	The increase ratio of the annual total salary of the highest paid individual in the company to the annual total salary of employees (excluding the highest paid individual)
Taiwan	11.29	577.22

Notes:

- 1.The chairman is not considered the highest-paid individual unless they also serve as the Director/CEO.
- 2.The median ratio of annual salary calculation formula: Annual salary of the highest-paid individual / Annual salary of the individual at the median.
- 3.Annual salary increase ratio calculation formula: Annual salary increase percentage of the highest-paid individual / Annual salary increase percentage of the individual at the median.

Welfare Policy

TNP has an Employee Welfare Committee, elected by employees themselves, allowing employees to decide their own welfare. In addition to handling labor insurance, health insurance, and labor pensions in accordance with the law, there are multiple company welfare policies, including bonuses and gifts, job security, health care, social activities, and an employee stock plan.

Item	Content
Bonuses and Gifts	<ul style="list-style-type: none"> ⊗ Year-end bonus. ⊗ Dragon Boat Festival, Mid-Autumn Festival bonuses, wedding gifts, birth gifts, funeral condolence money.
Comprehensive Job Security	<ul style="list-style-type: none"> ⊗ Labor insurance. ⊗ National health insurance. ⊗ Group insurance. ⊗ Monthly pension contributions.
Comprehensive Care	<ul style="list-style-type: none"> ⊗ Annual employee health checkups with a variety of health checkup plans. ⊗ Regular health interviews with occupational health nurses and physicians, providing professional consultation and employee health management. ⊗ Partner kindergartens for peace of mind for parents.
Rich Clubs	<ul style="list-style-type: none"> ⊗ Ample club funding, diverse sports clubs such as table tennis club, basketball club, etc.
Employee Stock Plan	<ul style="list-style-type: none"> ⊗ Encourage long-term talent to join the employee stock trust plan, with the company contributing 100% matching bonus. ⊗ Establish an employee welfare trust plan committee according to the law.



▲ Employee travel



Employee meals



Retirement Party



Club activities

Retirement System and Implementation

TNP's employee retirement methods and various benefits plans are as follows:

⊙ Employee Retirement Methods

To ensure employees' post-retirement life and promote personnel turnover to invigorate the organization, the "Taiwan Numerical Powers Co., Ltd. Employee Retirement Method" is formulated. Employees may apply for retirement under one of the following circumstances:

1. Over 60 years old with more than ten years of service.
2. Over 55 years old with more than fifteen years of service.
3. More than twenty-five years of service.
4. More than fifteen years of service and a major illness diagnosed by a doctor, allowing for early retirement upon approval.

Currently, 3.09% of TNP employees are under the old labor retirement system, and 96.91% are under the new labor retirement system. According to Article 3 of the Labor Standards Law's Labor Retirement Reserve Fund Allocation and Management Measures, the labor retirement reserve fund is contributed monthly by the business unit within the range of 2% to 15% of the total monthly salary. The company contributes the maximum amount of 15% as the retirement reserve fund for employees and, according to Article 56, Paragraph 2 of the Labor Standards Law, reviews the balance of the labor retirement reserve fund account annually. If the balance is insufficient to pay employees who qualify for retirement within the year, the company will fully contribute in cash before the end of March and deposit it in the Taiwan Bank in the name of the Labor Retirement Reserve Fund Supervision Committee.

From July 1, 2005, for new employees or employees who switched to the new system from the old retirement system before June 30, 2010, TNP additionally bears 6% of the employee's salary each month as a retirement fund contribution. Employees may also voluntarily contribute within the range of 6% of their monthly salary. The voluntarily contributed amount can be fully deducted from the individual's annual comprehensive income.

⊙ Employee Benefit Plan

TNP has an employee welfare committee, which allocates welfare funds according to the law to organize various welfare activities. Various health and sports clubs are widely established, and employee club participation fees are subsidized annually. Additionally, birthday bonuses, fixed employee lunch or dinner fees, and annual employee travel expense subsidies are provided during employees' birthday months. Health and insurance benefits offered to employees include:

1. Health Checkups: The company provides health checkups once a year, exceeding legal requirements, including abdominal ultrasound and cancer screening. Health checks are arranged according to different work units, with professional nurses analyzing health checkup reports to provide employee consultations and health management.

2. Group Insurance: The company pays for personal accident insurance for employees.
3. Travel Insurance: Overseas travel safety insurance is provided for employees on business trips.
4. Employee Stock Trust: Long-term employees are encouraged to join the employee stock trust plan, with the company contributing 100% matching bonuses and establishing an employee welfare trust plan committee according to the law.
5. Other Benefits: These include long-service awards, birthday and festival vouchers, May Day labor holiday vouchers, wedding and maternity gift subsidies, and funeral condolence money.

Parental Leave Without Pay Implementation Status

TNP Parental Leave Without Pay Statistics

Year	2021			2022			2023		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number eligible for parental leave A	5	9	14	4	9	13	5	7	12
Number who actually applied for parental leave B	1	1	2	1	3	4	1	1	2
Number due to return from parental leave C	1	0	1	1	3	4	1	1	2
Number who actually returned from parental leave D	1	0	1	0	3	3	1	1	2
Number who returned from parental leave in the previous year E	0	1	1	1	0	1	0	3	3
Number who continued working for a year after returning from parental leave in the previous year F	0	1	1	1	0	1	0	3	3
Current year's return rate from parental leave % (D/C)	100.00	0.00	100.00	0.00	100.00	75.00	100.00	100.00	100.00
Current year's retention rate after parental leave % (F/E)	0.00	100.00	100.00	100.00	0.00	100.00	0.00	100.00	100.00

Calculation Method:

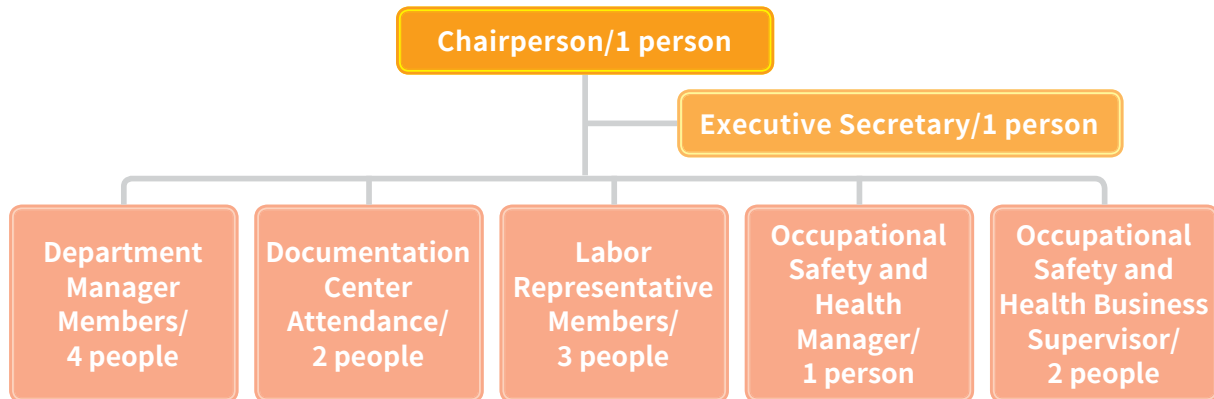
1. Number due to return = number expected to return from parental leave without pay in the given year.
2. N-year retention number = number of employees who actually returned in N-1 year and were still employed as of 12/31 of year N.

5.4 Occupational Health and Safety

Occupational Safety and Health Committee

The company has established an Occupational Safety and Health Management Committee in accordance with Articles 10 to 12 of the Occupational Safety and Health Management Regulations. The Occupational Safety and Health Committee provides recommendations on safety and health policies and management systems formulated by the company and reviews, coordinates, and advises on safety and health-related matters. The committee's organization includes the Chairperson (Director), Executive Secretary (Head of the Management Department), and members (department heads/labor representatives/Document Management Center attendees/Occupational Safety and Health Committee members and business supervisors). Labor representatives are selected by employees. Currently, the selected labor representatives are 3 people, management representatives are 11 people, totaling 14 people, with labor representatives accounting for 21% of the committee. The committee holds meetings once every quarter to jointly discuss, coordinate, plan, and make decisions on occupational safety and health-related issues with management, ensuring employee participation, consultation, and communication.

Occupational Safety and Health Committee Organizational Structure



Occupational Safety and Health Management

Management Mechanism

To achieve effective safety and health management, the company has established the role, responsibilities, and authority of the Occupational Safety and Health Committee to create a mechanism for communication, consultation, and participation. Specific procedures have been developed for each unit to conduct hazard identification and risk assessment for their operations. Improvements are prioritized based on risk levels, and performance indicators are used to evaluate the effectiveness of these improvements. To comply with the ISO 45001:2018/TOSHMS (CNS 45001:2018) management system standards, existing safety and health management regulations were revised and certified by BSI (British Standards Institution) in May 2022.

- ⊙ Designate responsible units and provide appropriate resources to support operations, ensuring worker participation and consultation for continuous improvement, and supervise and support employee contributions to the effectiveness of the EHS management system.
- ⊙ Ensure compliance with relevant laws and requirements, fulfilling regulatory obligations, and providing a safe and healthy workplace and activities as an overall responsibility.
- ⊙ Prevent environmental pollution, workplace hazards, and health impacts, reducing the environmental impact of products and services, and avoiding harm to personnel during operational activities.
- ⊙ Use appropriate communication, guidance, and support to ensure internal personnel understand the importance of EHS management and its continuous effectiveness.
- ⊙ Protect workers reporting incidents, hazards, risks, and opportunities from retaliation.
- ⊙ Both company plant operations have implemented the ISO 45001 Occupational Health and Safety Management System and obtained third-party certification.

⊙ Risk Management

TNP's occupational safety and health management measures implement systematic mechanisms for employee safety and health management. For high, medium, and low-risk operations, TNP performs job hazard identification management and risk assessment and takes control measures such as work permits to strengthen operational risk control and effectively prevent occupational hazards. The scope of verification covers all employees, including foreign staff, at the Linkou headquarters and the Xinzhuang plant, demonstrating a commitment to comprehensive care and workplace safety.

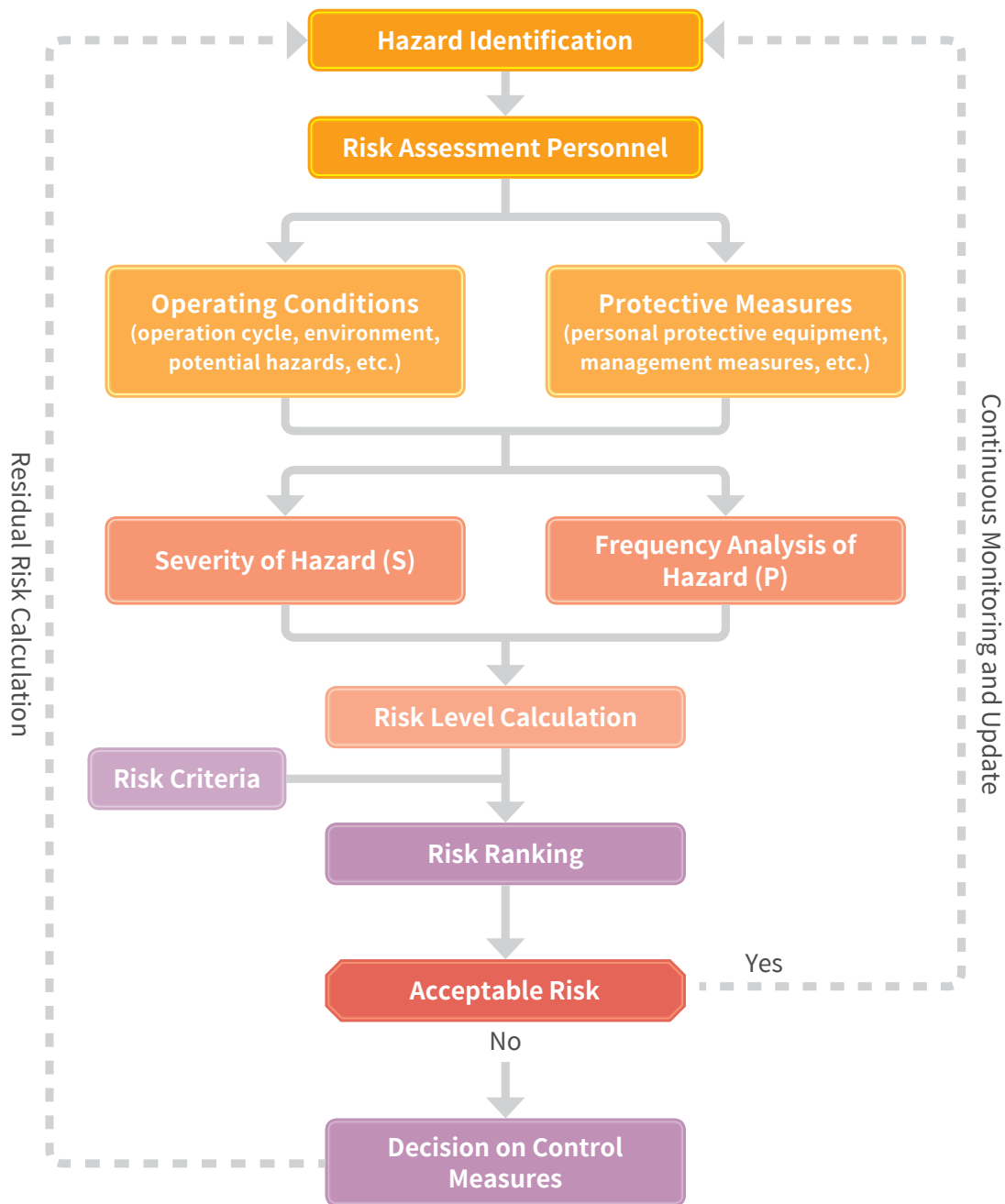
⊙ Risk Assessment

Every year, the Document Management Center sends a letter requesting each department head to conduct hazard identification and risk assessment operations, listing the operational hazard items on the form and conducting a risk evaluation. If a risk is deemed unacceptable, improvement measures must be proposed to reduce the operational hazard risk. The evaluation results will be submitted through the DCN electronic signature system for confirmation by all first level supervisors and the Director. Each department performs a self-assessment quarterly for each occupational safety and health process, while the Document Management Center randomly conducts ISO 45001 internal audit spot checks on each unit. If non-compliance is found, immediate correction and continuous improvement are required. Employees are also instructed to stop or leave work if there is an immediate hazard risk to ensure personal safety.

⦿ **Complaint Channels**

Employees can submit complaints via complaint mailbox, letter, phone, etc. The units responsible for handling complaints include the Human Resources Department and the Occupational Safety Office. Upon receiving a complaint, the Employee Complaint Committee should review it based on the severity of the case, with results posted on the bulletin board. The company ensures strict confidentiality of all named complaints during processing. Investigation personnel must adhere to confidentiality principles, refraining from disclosing any identifying information. Violations will result in disciplinary actions, ensuring employees feel secure.

TNP Identification and Risk Assessment Flowchart





ISO 45001 Certificate

Employee Health

We prioritize the health and safety of our employees by complying with the "Labor Health Protection Rules," with on-site nurses providing services at the Linkou and Xinzhuang plants every month. The workplace health care participation rate of all employees is 100%. In addition, the company, in collaboration with contracted on-site service physicians, promotes a comprehensive health management program focused on four aspects: special protection, health care, health promotion, and employee assistance. This approach aims to balance regulatory compliance with practical needs, emphasizing risk management and employee care, and striving to prevent occupational injuries and diseases while promoting employees' physical and mental health.

Taiwan Numerical Powers Co., Ltd. conducts annual general labor health checkups, planning items based on the health advice of on-site nurses. In addition to basic legal requirements, the company provides superior health examination items such as ultrasounds and cancer screenings. According to ISO 45001 and the Occupational Safety and Health Act, additional assessments include middle-aged and elderly occupational health protection evaluations and the Four Major Plans.

In 2023, 195 employees underwent general health checks, with exceptions for those on parental leave or lacking willingness. Unchecked employees must comply with health check requirements under the Labor Health Protection Rules. If they are unable to comply, fines may be imposed according to the law to ensure the health status of every employee.

Employee Health Examination Statistics and Total Costs

General Health Examination		Special Health Examination	
Examination Items	Physical Examination, Vision Test, Hearing Test, Urine Routine Test, Blood Routine Test, Liver Function Test, Kidney Function Test, Blood Lipid Test, Metabolic System Screening, Chest X-ray	Examination Items	Full Frequency Hearing Test
Number of Examinees (people)	195	Number of Examinees (people)	39
Examination Costs (thousand NTD)	195,000	Examination Costs (thousand NTD)	11,700

Occupational Safety and Health Performance

The company provides numerous services to promote employees' physical and mental health. Specific actions include:

Health Consultation with Medical Staff on Site

1. Direct Appointment for Health Consultation: Nurses provide on-site service four times a month, each session lasting 2 hours, with each consultation taking approximately 30 minutes.
2. Annual Health Check Analysis: Nurses analyze and evaluate employee health check records and provide proactive care based on risk attributes, arranging consultations with physicians for guidance.

Factory Location	Nurse Consultation	Professional Physician On-site
Linkou Plant	Four times monthly, 2 hours each, totaling 48 times annually	Once per quarter, 2 hours each, totaling 4 times annually
Xinzhuang Plant	Once monthly, 2 hours each, totaling 12 times annually	Once annually, 2 hours each, totaling 1 time annually
Health Consultation Outcomes	Nurse Consultation Services: 223 consultations	Physician Consultation Services: 20 consultations

3. Health Promotion Activities:

- ⦿ Participation in body management plans with on-site nurses.
- ⦿ Monthly health promotion emails.
- ⦿ Health club activities such as table tennis and basketball.

4. Protection of Female and Maternity Workers:

Established "Maternity Health Protection Procedures for Female Workers," providing a "Maternity Health Hazard Assessment and Work Suitability Arrangement Form" for evaluation and appropriate work arrangements after medical review.

5. Protection against Irregular Working Hours, Ergonomics, and Workplace Violence:

Implemented "Workload Disease Prevention Procedures" and "Musculoskeletal Disease Prevention Procedures," using assessments for risk evaluation and appropriate measures for at-risk workers, along with training to prevent workplace violence and eliminate any unlawful infringements in the workplace.

6. Health Check Care:

Offers health check packages superior to legal standards, allowing employees to select based on age and health risk factors, with annual content rotation.

Occupational Safety and Health Training

All TNP colleagues must participate in fire drills to ensure that all members work in a safe environment and can respond orderly in the event of a fire. In addition, relevant colleagues are required to receive occupational safety and health education training and certification exams provided by the Workforce Development Agency of the Ministry of Labor. By utilizing public resources, employees are encouraged to acquire relevant professional knowledge, skills, and certification to ensure they are equipped to handle potential situations in professional processes. For contractors' occupational safety and health education training, the company entrusts the contractors to execute the training themselves and ensures compliance by requiring them to sign the "Contractor Safety and Health Management Commitment" to ensure that their personnel have received occupational safety and health training before entering the plant.

The training statistics for this report period are as follows:

Statistics of Occupational Safety and Health Training Items

Training Item Name	Number of Trainees	Training Hours	Training Cost (TWD)
New and In-Service Personnel Safety and Health Education Training	43	344	0
Fire Drill	223	1784	0
Category A Occupational Safety and Health Operations Supervisor (Retraining)	2	12	2,400
Category A Occupational Safety and Health Operations Supervisor (Initial Training)	1	42	7,500
Category A Occupational Safety and Health Administrator (Retraining)	1	12	2,400
Organic Solvent Operations Supervisor (Retraining)	2	12	3,000
Organic Solvent Operations Supervisor (Initial Training)	1	18	4,500

Note: Occupational safety and health-related education training includes general training or training for specific occupational hazards and dangerous situations.

Supplier Control

The company has established the "Contract Management Plan Operational Measures" to further prevent and mitigate the impact of occupational safety and health directly related to business relationships and strengthen contractor control. Suppliers and contractors entering the plant must comply with labor safety and health regulations and fill out the "Work Permit Application and Hazard Notification Form" to ensure they understand relevant EHS regulations. They are also required to sign the "Contractor Safety and Health Management Commitment" to guarantee adherence to safety and health work regulations while operating in the facility.

Occupational Accident Management

All operational activities of employees and contractors (including cleaning staff and security personnel) within the company's premises are covered under the occupational safety and health management system. In 2023, there were no occupational diseases or injuries among contractors, cleaning staff, or security personnel. As a result, only employee information is listed this year, with plans to gradually include contractors, cleaning staff, and security personnel in future occupational safety and health statistics.

In November 2023, an occupational injury occurred at the Linkou plant when an employee failed to wear gloves while inspecting steel sheets and was cut, requiring five stitches at Chang Gung Hospital and a recommended three-day rest. The company has reinforced safety training and emphasized adherence to operational procedures.

Occupational diseases must be determined by a specialist occupational disease clinic physician. Over the past three years, there have been no referrals to the occupational disease clinic, and no occupational diseases have occurred.

Employee Occupational Injury Statistics Table -Linkou Plant

Category	Items	2021	2022	2023
Total hours worked	Total hours worked by women	138,024	141,688	146,792
	Total hours worked by men	197,232	185,264	202,456
	Total hours worked	335,256	326,952	349,248
Deaths caused by occupational injuries	Female deaths (instances)	0	0	0
	Male deaths (instances)	0	0	0
	Total deaths (instances)	0	0	0
Severe occupational injuries (excluding deaths)	Total severe injuries to women (instances)	0	0	0
	Total severe injuries to men (instances)	0	0	0
	Total severe injuries (instances)	0	0	0
Recordable occupational injuries (including deaths and severe injuries)	Total occupational injuries to women (instances)	0	0	1
	Total occupational injuries to men (instances)	1	0	0
	Total occupational injuries (instances)	1	0	1
Death Rate from Occupational Injuries (%)		0	0	0
Severe Occupational Injury Rate (%)		0	0	0
Recordable Occupational Injury Rate (%)		2.98	0	2.86

Notes:

1. Death Rate from Occupational Injuries = (Deaths caused by occupational injuries / Total hours worked) * 1,000,000.
2. Severe Occupational Injury Rate = (Severe injuries / Total hours worked) * 1,000,000.
3. Recordable Occupational Injury Rate = (Recordable occupational injuries / Total hours worked) * 1,000,000.
4. Severe occupational injuries refer to injuries that prevent a return to a healthy state within six months.
5. Recordable occupational injuries do not include commuting-related injuries.

Employee Occupational Injury Statistics Table -Xinzhuang Plant

Category	Items	2021	2022	2023
Total hours worked	Total hours worked by women	55,552	71,432	40,464
	Total hours worked by men	77,528	75,464	46,576
	Total hours worked	133,080	146,896	87,040
Deaths caused by occupational injuries	Female deaths (instances)	0	0	0
	Male deaths (instances)	0	0	0
	Total deaths (instances)	0	0	0
Severe occupational injuries (excluding deaths)	Total severe injuries to women (instances)	0	0	0
	Total severe injuries to men (instances)	0	0	0
	Total severe injuries (instances)	0	0	0
Recordable occupational injuries (including deaths and severe injuries)	Total occupational injuries to women (instances)	1	1	0
	Total occupational injuries to men (instances)	0	0	0
	Total occupational injuries (instances)	1	1	0
Death Rate from Occupational Injuries (%)		0	0	0
Severe Occupational Injury Rate (%)		0	0	0
Recordable Occupational Injury Rate (%)		7.51	7.66	0

Notes:

1. Death Rate from Occupational Injuries = (Deaths caused by occupational injuries / Total hours worked) * 1,000,000.
2. Severe Occupational Injury Rate = (Severe injuries / Total hours worked) * 1,000,000.
3. Recordable Occupational Injury Rate = (Recordable occupational injuries / Total hours worked) * 1,000,000.
4. Severe occupational injuries refer to injuries that prevent a return to a healthy state within six months.
5. Recordable occupational injuries do not include commuting-related injuries.

Fairness and Human Rights

Up to now, the company has had no cases of gender or racial discrimination or complaints regarding labor practices violating human rights. The company adheres to principles of fairness, impartiality, and non-discrimination when hiring, based solely on professional skills and work experience, without regard to race, class, language, ideology, religion, political affiliation, place of origin, gender, sexual orientation, age, marital status, appearance, disability, or union membership.

The company and its suppliers have never employed child labor or used underage workers. TNP employees follow working hours according to Article 30 of the Labor Standards Act, stating: "Laborers' regular working hours shall not exceed eight hours per day and forty hours per week," with the possibility of overtime, not exceeding 4 hours per day and 46 hours per month, subject to labor consent.

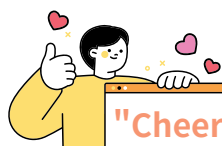
⦿ Complaint Channels

The company has established the "TNP-Workplace Sexual Harassment Prevention Measures, Complaints, and Disciplinary Procedures" and the "TNP-Declaration Against Workplace Violence" to ensure gender equality in the workplace and protect employees and business visitors from sexual harassment and workplace violations. In case of such incidents, complaints can be filed through the company's designated complaint hotline and mailbox.

- ⦿ Sexual Harassment Incident Complaint Hotline: 03-3270567 Extension 500
- ⦿ Sexual Harassment Incident Complaint Mailbox: venus.chen@tnp.com.tw (HR Manager's Mailbox)
- ⦿ Workplace Violation Consultation and Complaint Hotline: 03-3270567 Extension 550 (HR Department) Extension 507 (EHS Office)
- ⦿ Complaint Mailbox Location: 4F Training Room, Linkou Plant / 1F Press Room Entrance, Xinzhuang Plant

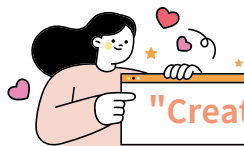
5.5 Social Participation

Participation in Charity Activities



"Cheer for Sports, Remote Area Development Plan"

TNP, with corporate social responsibility as the starting point, actively participates in remote area sports education programs to bring positive changes to society. We invest funds and efforts to sponsor students in remote areas, promoting the popularization of sports education through public welfare activities funding. This plan's core idea is to inspire students' potential talents and capabilities through sports. We believe that sports are not only physical exercises but also a way to cultivate teamwork, self-discipline, and self-challenge. Therefore, we focus on remote areas, investing resources to provide students with more diverse learning opportunities, allowing them to discover themselves and build confidence in the sports field.



"Creating Better Social Value"

Through this plan, we not only provide financial assistance but also establish partnerships with remote schools. Through regular communication and collaboration, we deeply understand the needs of local students and continuously adjust our sponsorship directions to ensure the maximum effectiveness of resources. We encourage corporate employees to participate in volunteer services, deepening their concern for remote education issues. Collaborating with various partners, including schools and NGOs, we aim to be a diverse and influential cooperative network. , through brainstorming and collective efforts, we work together to promote the sustainable development of sports education in rural Taiwan, nurturing more outstanding talents for society while fostering a corporate culture more concerned with social welfare.

This plan not only positively impacts students' personal growth but also promotes educational equity, reducing urban-rural disparities. TNP will continue to promote socially valuable projects, giving back to society with concrete actions and building a better future together.

Public Welfare Activity Name	Amount (NT\$)	Description
Community Care	125,000	In 2023, sponsored the development of a table tennis club at Ao Di Elementary School in Gongliao District, New Taipei City.
Rural Education	10,000	Donated to Teach for Taiwan Foundation in 2023 to support rural education and care.



Group Photo



Certificate of Appreciation

Appendix

Appendix I: GRI Sustainability Reporting Standards (GRI Standards) Chart

Statement of use	Taiwan Numerical Powers Co., Ltd. has reported in line with the GRI Standards for the period of January 1, 2023 through December 31, 2023. Data is referenced according to the GRI Content index.
GRI 1 used	GRI 1 : Foundation 2021
Applicable GRI Sector Standard(s)	n/a

GRI Standard	GRI Code	GRI Disclosure	Corresponding Chapter	Page Nr.
1. The Organization and its Reporting Practices				
GRI 2: General Disclosures 2021	2-1	Organizational details	1.1 About TNP	9
	2-2	Entities included in the organization's sustainability reporting	About this Report	2
	2-3	Reporting period, frequency and contact point	About this Report	2
	2-4	Restatements of information	About this Report	2
	2-5	External assurance / confirmation	About this Report	2
2. Activities and Workers				
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	1.1 About TNP	9
	2-7	Employees	5.2 Talent Recruitment and Retention	90
	2-8	Workers who are not employees	5.2 Talent Recruitment and Retention	90
3. Governance				
GRI 2: General Disclosures 2021	2-9	Governance Structure and composition	2.2 Governance Methods	36
	2-10	Nomination and selection of the highest governance body	2.2 Governance Methods	36
	2-11	Chair of the highest governance body	2.2 Governance Methods	36
	2-12	Role of the highest governance body in overseeing the management of impacts	2.2 Governance Methods	36
	2-13	Delegation of responsibility for managing impacts	2.2 Governance Methods	36
	2-14	Role of the highest governance body in sustainability reporting	2.2 Governance Methods	36
	2-15	Conflicts of interest	2.2 Governance Methods	36
	2-16	Communication of critical concerns	2.2 Governance Methods	36

GRI Standard	GRI Code	GRI Disclosure	Corresponding Chapter	Page Nr.
GRI 2: General Disclosures 2021	2-17	Collective knowledge of the highest governance body	2.2 Governance Methods	36
	2-18	Evaluation of the performance of the highest governance body	2.2 Governance Methods	36
	2-19	Remuneration policies	2.2 Governance Methods	36
	2-20	Process to determine remuneration	2.2 Governance Methods	36
	2-21	Annual total compensation ratio	5.3 Employee Compensation and Welfare	96

4. Strategy, Policies and Practices

GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	Message from the Management Operator's words	4
	2-23	Policy commitments	2.2 Governance Methods	36
	2-24	Embedding policy commitments	2.2 Governance Methods	36
	2-25	Processes to remediate negative impacts	2.2 Governance Methods	36
	2-26	Mechanisms for seeking advice and raising concerns	2.5 Risk Management and Compliance with Regulations	58
	2-27	Compliance with laws and regulations	2.5 Risk Management and Compliance with Regulations	58
	2-28	Membership associations	1.1 About TNP	9

5. Stakeholder Engagement

GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement	1.2 Stakeholder Communication	13
	2-30	Collective bargaining agreements	2.2 Governance Methods 5.2 Talent Recruitment and Retention	36 90

Material Topics

GRI Standard	Issue	Industry Code	GRI Code	Corresponding Chapter	Page Nr.
GRI 3: Material Topics 2021	Management policy	3-1	Process to determine material topics	1.3 Major Issue Analysis and Identification	18
		3-2	List of material topics	1.3 Major Issue Analysis and Identification	18

Major Issue : Professional Ethics

GRI 3: Material Topics 2021	Management policy	3-3	Management of material topics	2.1 Management policy	33
				2.2 Governance Methods	36

GRI Standard	Issue	Industry Code	GRI Code	Corresponding Chapter	Page Nr.
Material Topic: Customer Privacy (Data security)					
GRI 3: Material Topics 2021	Management policy	3-3	Management of material topics	3.1 Management policy	82
GRI 418	Customer Privacy 2016 Topic-specific Disclosures	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.3 Product Safety and Privacy	67
Material Topic: Customer Privacy (Data security)					
GRI 3: Material Topics 2021	Management policy	3-3	Management of material topics	4.1 Management policy	72
GRI 305	Emissions 2016 Topic-specific Disclosures	305-1	Direct (Scope 1) GHG emissions	4.5 Greenhouse Gas Emission Management	80
		305-2	Energy indirect (Scope 2) GHG emissions	4.5 Greenhouse Gas Emission Management	80
		305-3	Other indirect (Scope 3) GHG emissions	4.5 Greenhouse Gas Emission Management	80
		305-4	GHG emissions intensity	4.5 Greenhouse Gas Emission Management	80
Material Topic: Energy (GRI:302)					
GRI 3: Material Topics 2021	Management policy	3-3	Management of material topics	4.1 Management policy	72
GRI 302	Energy 2016 Topic-specific Disclosures	302-1	Energy consumption within the organization	4.3 Energy Management	76
		302-3	Energy intensity	4.3 Energy Management	76
		302-4	Reduction of energy consumption	4.3 Energy Management	76
Material Topic: Waste (GRI:306)					
GRI 3: Material Topics 2021	Management policy	3-3	Management of material topics	4.1 Management policy	72
GRI 306	Waste 2020 Management-specific Disclosures	306-2	Management of significant waste-related impacts	4.6 Waste Management	82
		306-3	Waste generated	4.6 Waste Management	82
		306-4	Waste diverted from disposal	4.6 Waste Management	82
		306-5	Waste directed to disposal	4.6 Waste Management	82
Material Topic: Occupational Safety and Health (GRI:403)					
GRI 3: Material Topics 2021	Management policy	3-3	Management of material topics	5.1 Management policy	85

GRI Standard	Issue	Industry Code	GRI Code	Corresponding Chapter	Page Nr.
GRI 403	Occupational Safety and Health 2018 Management-specific Disclosures	403-1	Occupational health and safety management system	5.4 Occupational Safety and Health	101
		403-2	Hazard identification, risk assessment, and incident investigation	5.4 Occupational Safety and Health	101
		403-3	Occupational health services	5.4 Occupational Safety and Health	101
		403-4	Worker participation, consultation, and communication on occupational health and safety	5.4 Occupational Safety and Health	101
		403-5	Worker training on occupational health and safety	5.4 Occupational Safety and Health	101
		403-6	Promotion of worker health	5.4 Occupational Safety and Health	101
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.4 Occupational Safety and Health	101
		403-8	Workers covered by an occupational health and safety management system	5.4 Occupational Safety and Health	101
		403-9	Work-related injuries	5.4 Occupational Safety and Health	101
		403-10	Work-related ill health	5.4 Occupational Safety and Health	101

Material Topic: Training and Education

GRI 3: Material Topics 2021	Management policy	3-3	Management of material topics	5.1 Management policy	85
GRI 404	Training and Education 2021 Topic-specific Disclosures	404-1	Average hours of training per year per employee	5.2 Talent Recruitment and Retention	90
		404-2	Programs for upgrading employee skills and transition assistance programs	5.2 Talent Recruitment and Retention	90
		404-3	Percentage of employees receiving regular performance and career development reviews	5.2 Talent Recruitment and Retention	90

Material Topic: Employee Diversity and Equal Opportunity

GRI 3: Material Topics 2021	Management policy	3-3	Management of material topics	5.1 Management policy	85
GRI 405	Employee Diversity and Equal Opportunity 2016 Topic-specific Disclosures	405-1	Diversity of governance bodies and employees	2.2 Governance Methods 5.3 Employee Compensation and Welfare	36 96
		405-2	Ratio of basic salary and remuneration of women to men	5.3 Employee Compensation and Welfare	96

Other Specific Topic Disclosures

GRI Standard	GRI Code	GRI Disclosure	Corresponding Chapter	Page Nr.
Topic-specific disclosures: 200 Series (Economic Themes)				
Economic Performance				
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	2.3 Operational Performance	53
	201-3	Defined benefit plan obligations and other retirement plans	5.3 Employee Compensation and Welfare	96
	201-4	Financial assistance received from government	2.3 Operational Performance	53
Market Presence				
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5.3 Employee Compensation and Welfare	96
	202-2	Proportion of senior management hired from the local community	5.3 Employee Compensation and Welfare	96
Indirect Economic Impacts				
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	5.5 Social Participation	110
	203-2	Significant indirect economic impacts	5.5 Social Participation	110
Procurement Practices				
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	3.2 Sustainable Supply Chain	65
Topic-Specific Guidelines: 300 Series (Environmental Topics)				
Materials				
GRI 301 Materials 2016 Topic-specific disclosures	301-1	Materials used by weight or volume	4.2 Materials Management	76
	301-2	Recycled input materials used	4.2 Materials Management	76
Water and Effluents				
GRI 303: Water and Effluents 2018 (Management approach disclosures)	303-3	Water withdrawal	4.4 Water Resource Management	78
	303-4	Water discharge	4.4 Water Resource Management	78

GRI Standard	GRI Code	GRI Disclosure	Corresponding Chapter	Page Nr.
Topic-Specific Guidelines: 400 Series (Social Themes)				
Employment Relations				
GRI 401: Employment 2016 Topic-specific Disclosures	401-1	New employee hires and employee turnover	5.2 Talent Recruitment and Retention	90
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.3 Employee Compensation and Welfare	96
	401-3	Parental leave	5.3 Employee Compensation and Welfare	96
Labor Relations				
GRI 402: Labor Relations 2016 Topic-specific Disclosures	402-1	Minimum notice periods regarding operational changes	5.3 Employee Compensation and Welfare	96
Non-discrimination				
GRI 406: Non-Discrimination 2016 Topic-specific Disclosures	406-1	Incidents of discrimination and corrective actions taken	5.3 Employee Compensation and Welfare	96
Child Labor				
GRI 408: Child Labor 2016 Topic-specific Disclosures	408-1	Operations and suppliers at significant risk for incidents of child labor	5.3 Employee Compensation and Welfare	96
Forced or Compulsory Labor				
GRI 409: Forced or Compulsory Labor 2016 Topic-specific Disclosures	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.3 Employee Compensation and Welfare	96
Security Practices				
GRI 410: Security Practices 2016 Topic-specific Disclosures	410-1	Security personnel trained in human rights policies or procedures	5.2 Talent Recruitment and Retention	90

Appendix II: Sustainability Disclosure Topics and Metrics (SASB) Comparison Table

Type of industry: Professional & Commercial Services						
Topic	Code	Accounting Metric	Unit	2023 Disclosure Status	Corresponding Chapter	Page Nr.
	SV-PS-230a.1	Description of approach to identifying and addressing data security risks	Discussion and Analysis	TNP has formulated "Information Security Policy" and "Information Security Management Measures". Through strict control and record-keeping within the company's internal systems, it ensures the protection of customer information and documents, maintaining privacy. Additionally, the approval and activation of operational privileges for internal personnel are managed according to the operational standards of each system. Regular data security confidentiality advocacy, sensitive data access control on NAS, and robust data backup systems are maintained to ensure the integrity of customer data. For details on data security risk management, refer to section 3.3 on Product Safety and Privacy.		
Data Security	SV-PS-230a.2	Description of policies and practices relating to collection, usage, and retention of customer information	Discussion and Analysis	The company has established an Information Security Committee and has received certifications such as ISO/IEC 27001 for information security management systems and BS 10012 for personal data protection management systems. It adheres to confidentiality agreements and personal data protection laws regarding customer privacy. For policies and measures on collecting, using, and retaining customer data, please refer to section 3.3 on Product Safety and Privacy.	3.3 Product Safety and Privacy	67
	SV-PS-230a.3	(1) Number of data breaches, (2) percentage involving customers' confidential business information (CBI) or personally identifiable information (PII), (3) number of customers affected	Number, Percentage (%)	(1) In 2023, there were no complaints received from customers or suppliers regarding privacy violations, information leaks, theft, or loss of customer data. (2) 0%. (3) 0 incidents.		

Topic	Code	Accounting Metric	Unit	2023 Disclosure Status	Corresponding Chapter	Page Nr.									
Workforce Diversity & Engagement	SV-PS-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management and (2) all other employees	Percentage (%)	<p>The company employs local residents exclusively. In 2023, the distribution ratio of gender among management and all other employees as a percentage of the total workforce was:</p> <table border="1"> <thead> <tr> <th>Gender Identification</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Management</td> <td>3.14%</td> <td>0.45%</td> </tr> <tr> <td>Non-management</td> <td>53.36%</td> <td>43.05%</td> </tr> </tbody> </table>	Gender Identification	Male	Female	Management	3.14%	0.45%	Non-management	53.36%	43.05%	5.2 Talent Recruitment and Retention	90
	Gender Identification	Male	Female												
	Management	3.14%	0.45%												
Non-management	53.36%	43.05%													
SV-PS-330a.2	(1) Voluntary (2) involuntary turnover rate for employees	Rate	<p>In 2023, the total number of employees who left the company was 36.</p> <table border="1"> <thead> <tr> <th></th> <th>Voluntary</th> <th>involuntary</th> </tr> </thead> <tbody> <tr> <td>Total Workforce</td> <td>33</td> <td>3</td> </tr> <tr> <td>Percentage to the total number of employees.</td> <td>14.80%</td> <td>1.35%</td> </tr> </tbody> </table>		Voluntary	involuntary	Total Workforce	33	3	Percentage to the total number of employees.	14.80%	1.35%	5.2 Talent Recruitment and Retention	90	
	Voluntary	involuntary													
Total Workforce	33	3													
Percentage to the total number of employees.	14.80%	1.35%													
SV-PS-330a.3	Employee engagement as a percentage	Percentage (%)	The company has not disclosed this related information.												
Professional Integrity	SV-PS-510a.1	Description of approach to ensuring professional integrity	Discussion and Analysis	<p>On October 21, 2016, the company's board of directors approved the establishment of a code of ethics to promote robust and honest management practices. This includes adhering to guidelines and operational procedures centered on integrity, developing integrity-based policies, and establishing solid corporate governance and risk management mechanisms. Additionally, the company has implemented a supplier management policy to ensure ethical practices are emphasized through policy advocacy before commencing cooperation with suppliers. For more details on anti-corruption policies and ethical guidelines for directors and managers, please refer to section 2.1 of the management policies.</p>	2.1 Management policy	33									
	SV-PS-510a.2	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	Reporting currency	<p>During the reporting year, the company did not encounter any legal disputes, nor did it incur any financial losses due to legal issues.</p>											

Activity Metric	Code	Unit	2023 Disclosure Status	Corresponding Chapter	Page Nr.		
Number of employees by: (1)full-time and part time (2)temporary (3)contract	SV-PS-000.A	Number		2023 Total Workforce	5.2 Talent Recruitment and	90	
			Full-time employees				223
			Part-time employees				0
			temporary, and contract				29
Employee hours worked, percentage billable	SV-PS-000.B	Hours, Percentage (%)	Total working hours: 349,248 hours, with billable hours reaching 100%.	5.4 Occupational Safety and Health	101		

Appendix III: Climate-related Information of OTC Companies

Project	Corresponding Chapter	Page Nr.
1. Board and management oversight, and governance of climate-related risks and opportunities.	2.4 Climate Change-Related Financial Disclosure	56
2. How do climate risks and opportunities affect the business, strategy and finance of the enterprise (short, medium and long term).	2.4 Climate Change-Related Financial Disclosure	56
3. Describe the financial impact of extreme climate events and transitional actions.	2.4 Climate Change-Related Financial Disclosure	56
4. How to integrate the identification, assessment and management process of climate risk into the overall risk management system.	2.4 Climate Change-Related Financial Disclosure	56
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be explained.	-	-
6. If there is a transition plan to manage climate-related risks, explain the content of the plan, and the indicators and goals used to identify and manage physical risks and transition risks.	-	-

Project	Corres-ponding Chapter	Page Nr.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	-	-
8. If climate-related goals are set, information such as the activities covered, scope of greenhouse gas emissions, planning schedule, and annual progress should be explained; if using carbon offsets or renewable energy vouchers (RECs) to achieve relevant goals, the source and quantity of carbon reduction credits to be offset should be stated or Renewable Energy Certificate (RECs) number.	-	-
9. Greenhouse gas inventory and confirmation (also fill in 1-1).	2.4 Climate Change-Related Financial Disclosure	56

1-1 The company's greenhouse gas inventory and confirmation in the last two years

1-1-1 Greenhouse gas inventory information

Specify the emission (ton CO₂e), density (ton CO₂e/ million yuan) and data coverage of greenhouse gases in the last two years.

TNP established a greenhouse gas (GHG) inventory system based on ISO 14064-1 standards released by the International Organization for Standardization (ISO). Since 2022, TNP has conducted annual GHG emissions inventories, excluding subsidiaries included in consolidated financial reports. The GHG emissions data for the past two years is based on the operational control approach, including the parent company's operational sites. The following details summarize TNP's GHG emissions data. :

Greenhouse Gas Emissions		Year	2022		2023	
			Emissions (metric tons of CO ₂ e)	Density (metric tons of CO ₂ e/ revenue (NT\$ 1 million))	Emissions (metric tons of CO ₂ e)	Density (metric tons of CO ₂ e/ revenue (NT\$ 1 million))
Parent Company	Category 1 : Direct greenhouse gas emissions		55.8050		109.2956	
	Category 2 : Indirect emissions of energy		1,207.3644		1,197.6338	
	Category 4 : Raw Materials/Service Indirect Emission Sources		-		266.5667	
	Subtotal		1,263.1694		1,573.4961	
Total			1,263.1694	2.4302	1,573.4961	2.3545

Notes:

1. Direct emissions (Category 1, which comes directly from the emission sources owned or controlled by the company), indirect emissions of energy (Category 2, which comes from the indirect greenhouse gas emissions caused by the input of electricity, heat or steam)
2. The coverage of data on direct emissions and indirect energy emissions shall be handled according to the time schedule stipulated in Item 2 of Article 4-1 of the Operating Measures for OTC Companies to Prepare and Declare Sustainability Reports (hereinafter referred to as these Measures), and other indirect emissions information may be voluntarily disclosed.
3. Greenhouse gas inventory standard: ISO 14064-1 issued by the International Organization for Standardization (ISO).
4. The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue, but at least the data calculated in terms of revenue (NT\$ 1 million) shall be disclosed.

1-1-2 Greenhouse gas assurance information

A specification of the assurance situation in the last two years, including the assurance scope, assurance institutions, assurance criteria and assurance opinions.

According to the Financial Supervisory Commission's "Sustainable Development Roadmap for Listed Companies," TNP is required to disclose its 2025 GHG inventory information in the 2026 annual report and confirm the 2027 GHG inventory verification in the 2028 annual report. TNP has implemented ISO 14064-1:2018 standards for GHG inventory since 2021 and voluntarily disclosed the results online. In 2023, BSI completed third-party verification, and TNP obtained the ISO 14064-1:2018 certification.

The 2023 GHG data collection began in January 2024, with third-party verification scheduled for May 2024, and ISO 14064-1:2018 certification expected by June 2024.

Notes:

1. It shall be handled in accordance with the time schedule specified in Item 3 of Article 4-1 of these Measures.
2. A certification institution shall comply with the relevant provisions of the sustainability report certification institution formulated by Taiwan Stock Exchange Corporation and the OTC Securities Exchange of the Republic of China.
3. For the disclosure, please refer to the best practice reference example on the website of Corporate Governance Center of Taiwan Stock Exchange.

1-2 Greenhouse gas reduction targets, strategies and specific action plans

State the base year of greenhouse gas reduction and its data, reduction targets, strategies, specific action plans and the achievement of reduction targets.

To regulate the greenhouse gas (GHG) reduction strategy, TNP has set 2022 as the baseline year. In 2023, Scope 1 and Scope 2 emissions were 109.2956 tons of CO₂e and 1,197.6338 tons of CO₂e, respectively, representing a 12.04% reduction compared to 2021. The company aims to achieve a 25% reduction in carbon emissions by 2025 compared to 2021 through specific actions.

Reduction target strategies and specific action plans:

TNP has formulated corresponding operational strategies to address the risks and opportunities presented by climate change.

Short-term goal	The medium-term goal	Long-term goal
<ul style="list-style-type: none"> ⊗ Implement monitoring and auditing of energy-consuming equipment. ⊗ Enforce waste sorting to reduce the volume of waste. ⊗ Promote water and electricity conservation across the entire plant. 	<ul style="list-style-type: none"> ⊗ Replace or improve energy-consuming equipment. ⊗ Implement ISO 50001 energy management system. ⊗ Plan to install energy storage equipment. ⊗ Plan to use solar green energy. 	<ul style="list-style-type: none"> ⊗ Develop renewable raw materials. ⊗ Continuously seek opportunities for improvement through ISO 14001 Environmental Management System, ISO 14064 Greenhouse Gas Inventory, and ISO 50001 Energy Management System. ⊗ Achieve net-zero carbon emissions by 2050.

Achievement of emission reduction in 2023

Taiwan Numerical Powers (TNP) began monitoring the energy usage of high-energy-consuming equipment at the end of 2023. After completing the monitoring process, the company plans to first improve or replace the most energy-consuming equipment to achieve energy-saving and carbon reduction goals. Any subsequent reduction achievements will be proactively disclosed and updated on the Market Observation Post System (MOPS). °

Notes:

1. It shall be handled in accordance with the time schedule specified in Item 4 of Article 4-1 of these Measures.
2. The base year should be the year when the consolidated financial report boundary is completed. For example, according to Item 2 of Article 4-1 of these Measures, a company with a capital of more than 10 billion yuan should complete the examination of the consolidated financial report for 2024 in 2025, so the base year is 2024. If the company has completed the examination of the consolidated financial report in advance, the earlier year can be used as the base year, and the data of the base year can be calculated by the average of a single year or several years.
3. For the disclosure, please refer to the best practice reference example on the website of Corporate Governance Center of Taiwan Stock Exchange.



Taiwan Numerical Powers Co., Ltd.