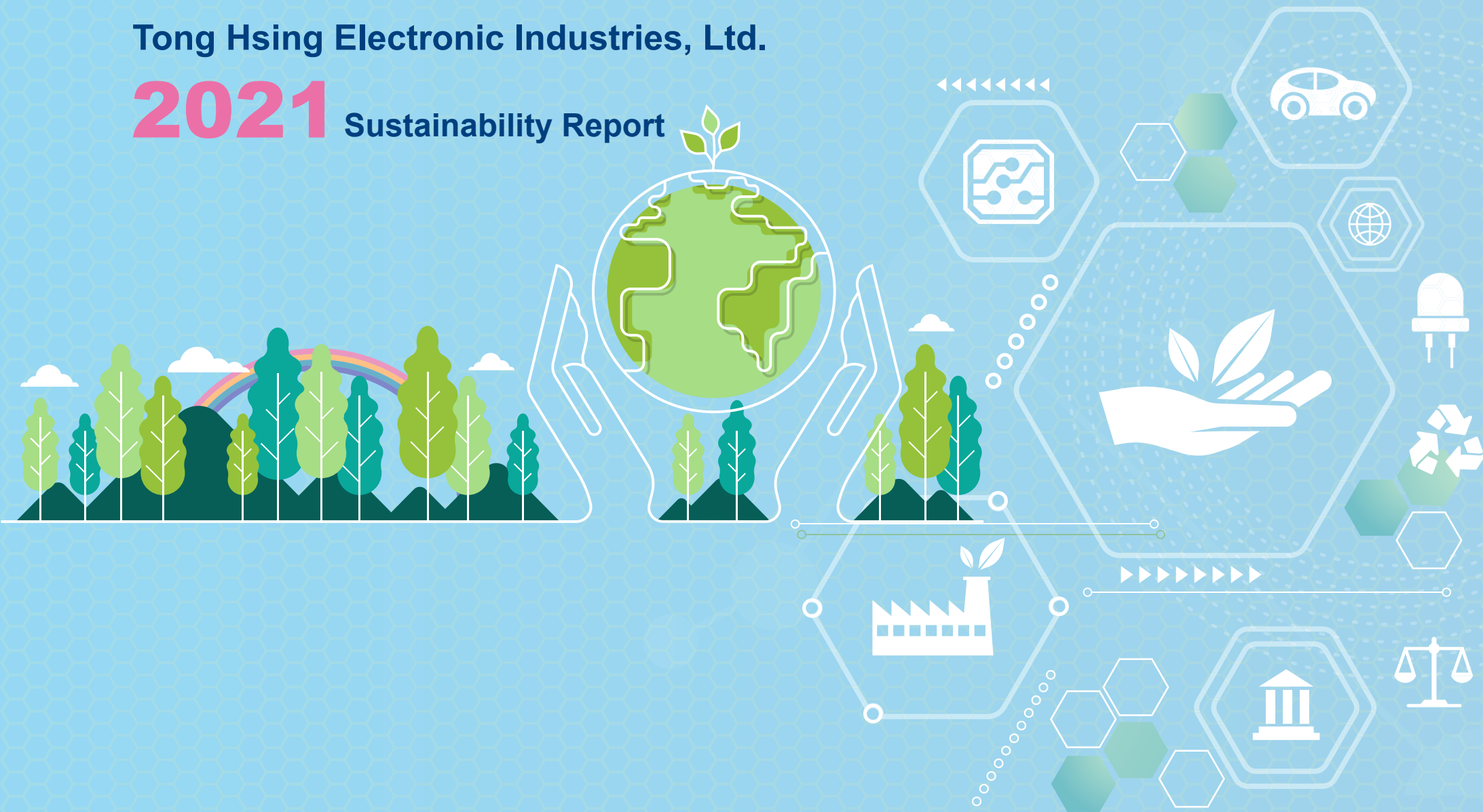




Tong Hsing Electronic Industries, Ltd.

# 2021 Sustainability Report



# Contents

About This Report / 2

Message from the President / 3

Overview of Key ESG Accomplishments / 4

## 1 About Tong Hsing / 7

1. Company Profile / 8

2. Product and Service Innovation / 12

3. Membership of Associations / 16

## 2 Sustainable Management / 17

1. ESG Governance / 18

2. Stakeholder Engagement / 20

3. Materiality Analysis / 24

## 3 Corporate Governance / 26

1. Governance Structure / 27

2. Business Ethics and Integrity / 30

3. Risk Management / 32

4. Information Security Management / 33

5. Protection of Intellectual Property / 34

6. Quality Management Systems / 35

7. Supply Chain Management / 37

## 4 Sustainable Environment / 39

1. Our Environmental Sustainability Management Approach / 40

2. Environmental Costs & Environmental Performance / 41

3. Water Resource Management & Pollution Prevention / 42

4. Air Pollution Prevention / 42

5. Energy Use and GHG Inventory / 43

6. Financial Impact Assessment of Climate-related Risks and Opportunities (TCFD Analysis) / 44

7. Waste Generation and Treatment / 44

8. Environmental Compliance / 45

9. Other (Chemical Management) / 45

## 5 Social Responsibility / 46

1. Our Employees / 47

2. Supportive Workplace / 48

3. Human Rights Policy / 52

4. Occupational Safety and Health / 54

5. Friendly and Inclusive Workplace / 65

6. Community Engagement / 66

### Appendix

GRI Content Index / 67

## About This Report

The 2021 Sustainability Report is the first sustainability report of Tong Hsing Electronic Industries Ltd. (hereinafter referred to as Tong Hsing or the Company). The report aims to disclose Tong Hsing's approach to sustainable development, including current achievements and future directions.

## Reporting Period (GRI 102-50)

From Jan 1, 2021 to Dec 31, 2021

## Scope of Reporting (GRI 102-45) (GRI 102-49)

This report covers Tong Hsing's headquarters and Taipei Plant, Longtan Plant and Zhubei Plant. While the Company's consolidated financial statements for the same year also included Tong Hsing Electronics Phils. Inc. and Kingpak Technology Inc., this report aims to focus on Tong Hsing's operations in Taiwan only. The Company will gradually expand the scope of its sustainability reporting to cover subsidiaries as well in the future.

## Preparation of This Report (GRI 102-54)

The content of this report is prepared by the Company's ESG teams and has been verified internally by relevant personnel to assess the consistency, integrity and accuracy of information disclosed in the report. The report has been prepared in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies. The structure and content of this report is arranged by referencing the GRI Standards, the United Nations (UN) Sustainable Development Goals (SDGs) and the Sustainability Accounting Standard Board (SASB) standards.

## Report Publication (GRI 102-51)(GRI 102-52)

This report is published in September 2022. The Company will publish sustainable reports on an annual basis.

## Distribution and Contact Information (GRI 102-53)

This report is mainly issued online (made available on Tong Hsing's official website). All stakeholders are welcome to read the report online or download a copy. In cases where updates or error corrections may be made to the content of this report, please refer to the electronic version available on our website as the most up-to-date version. If you have any suggestions or questions about the content of this report, please contact us using the contact information under Contact Point.

**Contact Point:**  
Austin Chiu, Associate Vice President  
Sustainability Office  
Phone: 03-5535888 x2220  
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Chia-Shuai Chang,  
President of Tong Hsing Electronic  
Industries Ltd.

## Message from the President (GRI 102-14)

Dear Stakeholders,

In 2021, as the world continued to endure the impact of the COVID-19 pandemic, natural disasters and extreme weather events occurred more frequently worldwide due to climate change, further affecting people's lives. However, these circumstances have not distracted people's attention on the importance of environmental, social and governance (ESG) issues. Rather, slowly and gradually, sustainability has risen to the forefront and become a global consensus and priority.

Since the company's founding in 1974, we have continued to serve our customers with integrity, quality and innovative technologies. In 2021, we enjoyed tremendous success in the manufacturing and sales of our ceramic metalized substrates, RF modules, hybrid IC modules & specialty packaging and image sensor packaging & testing. Looking ahead, as the market for clean energy and electric vehicles continues to develop, and with the rise of and innovation in new communications applications, we expect our growth momentum to continue and remain fully committed to developing turnkey solutions that integrate our capabilities in substrate manufacturing, module packaging and module testing to provide one-stop solutions for our customers. Tong Hsing's products are widely used in automotive electronics, high-power LED, power semiconductors and other niche products in the field of module packaging. We will continue to develop new materials, equipment and processes to strengthen our position as an industry leader.

In addition to further strengthening our competitiveness to deliver value for our shareholders, we will also actively promote environmental sustainability, social engagement and corporate governance and focus on cultivating talents and a happy workplace to ensure sustainable operations.

In response to the challenges of climate change, Tong Hsing continues to develop and manufacture environment-friendly products. For instance, our ceramic substrates are widely used in high-power LEDs, which are much more energy-efficient than traditional halogen light bulbs. Based on our shipment volume in 2021, our products would help save approximately 680 million kilowatt-hours (kWh) of electricity each year, which is equivalent to the carbon absorption of 899 Da'an Forest Parks.

Tong Hsing has always believed in the importance of corporate social responsibility. For years, we have abode by international initiatives regarding human rights and environmental protection. These initiatives have also been incorporated into our operations. This year, we have established our Sustainable Development Committee and Sustainability Office and have made a voluntary commitment to cut carbon emissions by 30% by 2030. We have also prepared this report, which is our first sustainability report, to share with stakeholders our current achievements in ESG practices as well as future directions. This is only the first step on our sustainability journey. We will continue to work on ESG issues and do our part in creating a sustainable world for all.

Finally, I wish everyone great health and prosperity.

張嘉帥

Chia-Shuai Chang

President of Tong Hsing Electronic Industries Ltd.



## Overview of Key ESG Accomplishments



### In November 2021, Tong Hsing was awarded the 6th Taiwan Mittelstand Award



The award commends Tong Hsing's achievements in developing key technologies in metalized ceramic substrates and its focus on market for high-end applications.

- Tong Hsing has combined its long-standing technological capabilities in metalized ceramic substrates with thin-film and PCB plating technologies, and our products have been widely recognized by clients across the world.
- Our products are mainly used in LED heat sink substrates, semiconductor devices and laser module packaging. We continue to expand into automotive lighting, disinfection lighting and other high-end applications.

### No.1 global market share in ceramic substrates for high-brightness LED



- With diverse product offerings, we provide clients with one-stop services covering back-end processes and packaging for image sensor products. We have a global clientele with clients from Europe, the U.S., Japan, South Korea, China and Southeast Asia.
- We are the leading company in multi-chip module (MCM) packaging and ceramic substrates, with the highest global market share of **70%** for LED ceramic substrates.



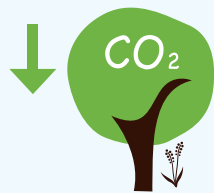
We continue to focus on technological development and have also expanded into the market for automotive imaging sensor packaging. **Currently we hold 187 patents in total.**



**Average meeting attendance rate of the Board in 2021**  
**97.7%**



**We have obtained commitments to conflict-free mineral sourcing from 478 suppliers**



**Our LED products help reduce emissions equivalent to the carbon absorption of 899 Da'an Forest Parks each year**

**Voluntary commitment to reduce emissions by 30% by 2030**



### Looking ahead, we aim to further enhance our process capabilities and develop innovative processes

- For ceramic substrates, we will continue to improve process capabilities to maintain our current market share while developing new processes to go with our standard processes so as serve product application opportunities in automotive LED, UV LED disinfection lighting, thermoelectric coolers (TEC) and laser.
- For packaging of automotive imaging sensors, we will further expand production capacity and develop technological services to boost market penetration and customer loyalty.
- In customized packaging and testing, we will continue to work with clients to develop new products and extend product applications.

## Contributing to Environmental Protection

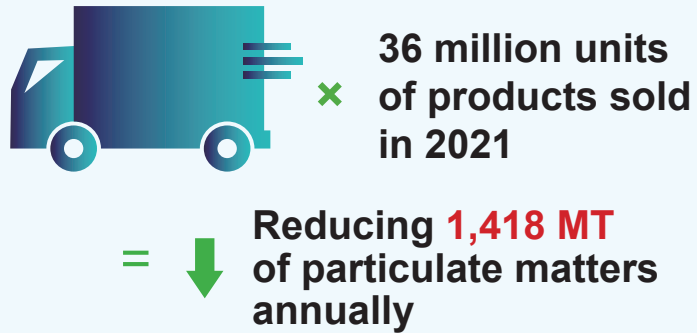
### Contributing to Energy Savings of 680 Million kWh through Our Products Used in High-Power LED (GRI 302-5)

Tong Hsing is committed to making environment-friendly products. Our ceramic substrates are widely used in high-power LEDs, which are much more energy-efficient than halogen light bulbs. Based on our shipment volume in 2021, we estimate that our products helped save approximately 680 million kWh of electricity, which is equivalent to the carbon absorption of 899 Da'an Forest Parks.



## Tong Hsing products used in differential pressure sensors help reduce particulate matter emissions

Some of our products are used in the differential pressure sensors (DPSs) of automobiles. Referencing the Euro 6 vehicle emission standards, we assume installing such sensors can help reduce particulate matter (PM) emissions by 10% in each vehicle. Based on the number of products we sold in 2021, which was 36 million, and assuming a vehicle equipped with the DPS runs 30 kilometers per day for 7 years, we estimate that, together with clients that manufacture the DPSs, we will help reduce 1,418 metric tons of particulate matter (PM) emissions, benefiting the environment and public health.





# 1

## About Tong Hsing

Having a firm grasp of technological developments in the industry, Tong Hsing has become a global leader in module packaging, metalized ceramic substrates, and reconstruction and packaging for automotive imaging IC products.

---

- 1. Company Profile**
- 2. Product and Service Innovation**
- 3. Membership of Associations**



## 1. Company Profile (GRI 102-1) (GRI 102-2)

Founded in 1974, Tong Hsing Electronic Industries Ltd. is part of the electronic component and semiconductor packaging industry. With core technology in micro-packaging for multi-chip modules (MCM), processes for manufacturing metalized ceramic substrates, reconstruction and packaging for imaging products, the Company specializes in the development and production of thick film substrates and customized micro-module packaging. Our products include MCMs, thick film hybrid integrated circuits, printed circuit board (PCB) assembly, RF modules, power semiconductor modules, automotive/industrial/communications electronics, and wafer reconstruction and packaging for automotive imaging products.

At Tong Hsing, we are committed to providing the best services for customers through continuous improvement in processes, quality, turnaround time and cost reduction. By keeping up with the latest technological developments, the Company has established a leading position in module packaging, metalized ceramic substrates and reconstruction & packaging for automotive imaging products. The Company is proud to be a leading provider in the Asia Pacific for RF modules, chip scale packages (CSP), MCM micro packaging, and reconstruction & packaging for automotive imaging IC. Tong Hsing continues to invest in R&D, innovating and introducing the most advanced automation equipment into our processes. The Company has built new production lines for RF module testing, improved flip chip technology and expanded production capacity for image sensors and bluetooth modules. The Company also continues to expand its market reach, building a new production line dedicated to MEMS inkjet printheads and improving processes for our thick film PCB and thin film ceramic metalized substrates to provide a wider variety of products and options for our customers.

### (1) About Tong Hsing (GRI 102-3) (GRI 102-4) (GRI 102-5) (GRI 102-7)

<b>Year of Establishment</b>	1974
<b>Paid-in Capital</b>	NT\$1.79 billion
<b>Ownership and Legal Form</b>	Tong Hsing was listed on the Taiwan Stock Exchange in 2007. The Company is a limited company owned by all shareholders.
<b>Number of Employees</b>	2673

## Locations of Operations

### Headquarters

6F., No. 83, Yanping S. Rd., Zhongzheng Dist., Taipei City



### Taipei Plant

No. 55, Lane 365, Yingtao Road, Yingge District, New Taipei City



### Longtan Plant

21, Longyuan 5th Rd., Longtan Dist., Taoyuan City  
(Located in Longtan Science Park)



### Zhubei Plant

No. 84, Taihe Rd., Zhubei City, Hsinchu County 6F-1,  
No. 1, Huanke 1st Rd., Zhubei City, Hsinchu County



### Bade Plant

Lane 1125, Heping Rd., Bade Dist., Taoyuan City  
(Construction expected to complete in 2022)



### Philippine Plant

103 Prosperity Ave., Calamba, 4037 Laguna  
(Note: this plant is not included in the scope of this report)



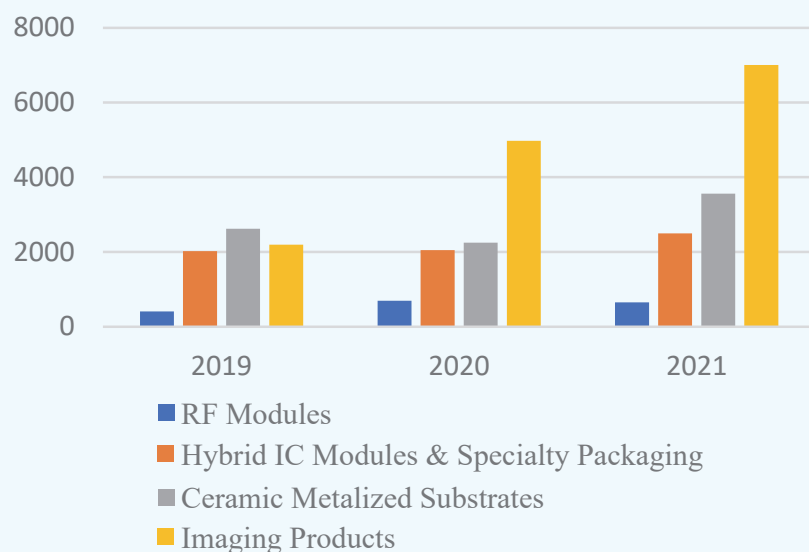
## Operational Performance (GRI 201-1)

In recent years, Tong Hsing has delivered outstanding business performance, posting NT\$13.86 billion in revenue in 2021 thanks to strong market demand and the Company's diverse product offerings.

Devoted to innovation and a mission to provide the best solutions for our customers, we continue to enhance the depth and width of our product lines. Since the founding of the Company, we have been committed to keeping our roots in Taiwan and maintaining robust operations. Looking ahead, we will continue to focus on driving sustainable operations with an innovative mindset.

Main Product Line	Revenue in 2019 (NT\$ million)	%	Revenue in 2020 (NT\$ million)	%	Revenue in 2021 (NT\$ million)	%
RF Modules	406	5%	693	7%	649	5%
Hybrid IC Modules & Specialty Packaging	2,019	27%	2,046	20%	2,495	18%
Ceramic Metalized Substrates	2,618	35%	2,250	22%	3,559	26%
Imaging Products	2,195	30%	4,973	49%	7,004	50%
Others	193	3%	217	2%	153	1%
Total	7,431	100%	10,179	100%	13,860	100%

Annual Revenue, 2019-2021 (in NT\$ million)



Revenue growth mainly came from imaging products. Other product lines like ceramic metalized substrates and hybrid IC modules & specialty packaging also contributed to revenue growth.



## (2) Our Business Philosophy (GRI 102-16)



### Reliability, Integrity and Customer First

Tong Hsing is dedicated to a philosophy of reliability, integrity and “customer first.” We are committed to driving innovation and providing the best solutions for our clients. As we continue to enhance the depth and width of our product lines, we remain committed to keeping our roots in Taiwan and maintaining robust operations. Looking ahead, we will continue to focus on driving solid and sustainable operations with an innovative mindset.

**Our Vision:** Further enhance customer satisfaction and deliver the best product quality

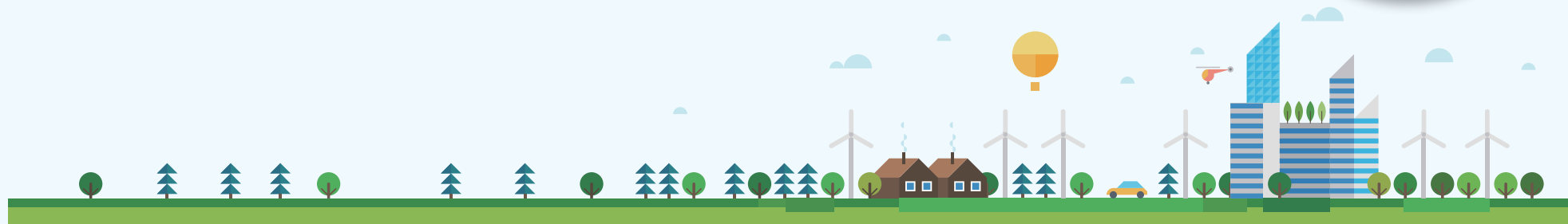
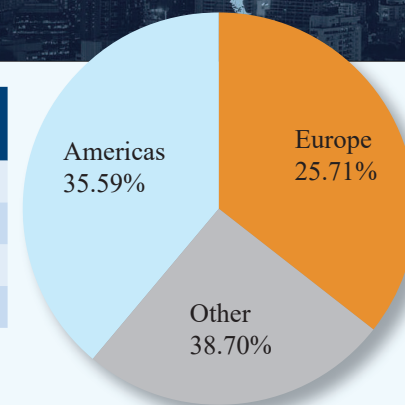
- ✓ Improve product and service quality to boost customer satisfaction
- ✓ Improve processes and product yield and introduce automated systems to reduce production cost
- ✓ Invest in innovation and R&D and work with leading suppliers as long-term partners
- ✓ Enhance collaboration with key suppliers and jointly develop new materials, equipment and processes
- ✓ Provide differentiated products and services with competitive advantages
- ✓ Provide turnkey solutions for clients

## (3) Markets Served (GRI 102-6)

We mainly provide products and services for clients in Europe and the U.S.



Region	Net Sales (NT\$ thousand)	As a % of Total Net Sales
Americas	4,932,728	35.59%
Europe	3,563,715	25.71%
Other	5,363,671	38.70%
Total	13,860,114	100.00%

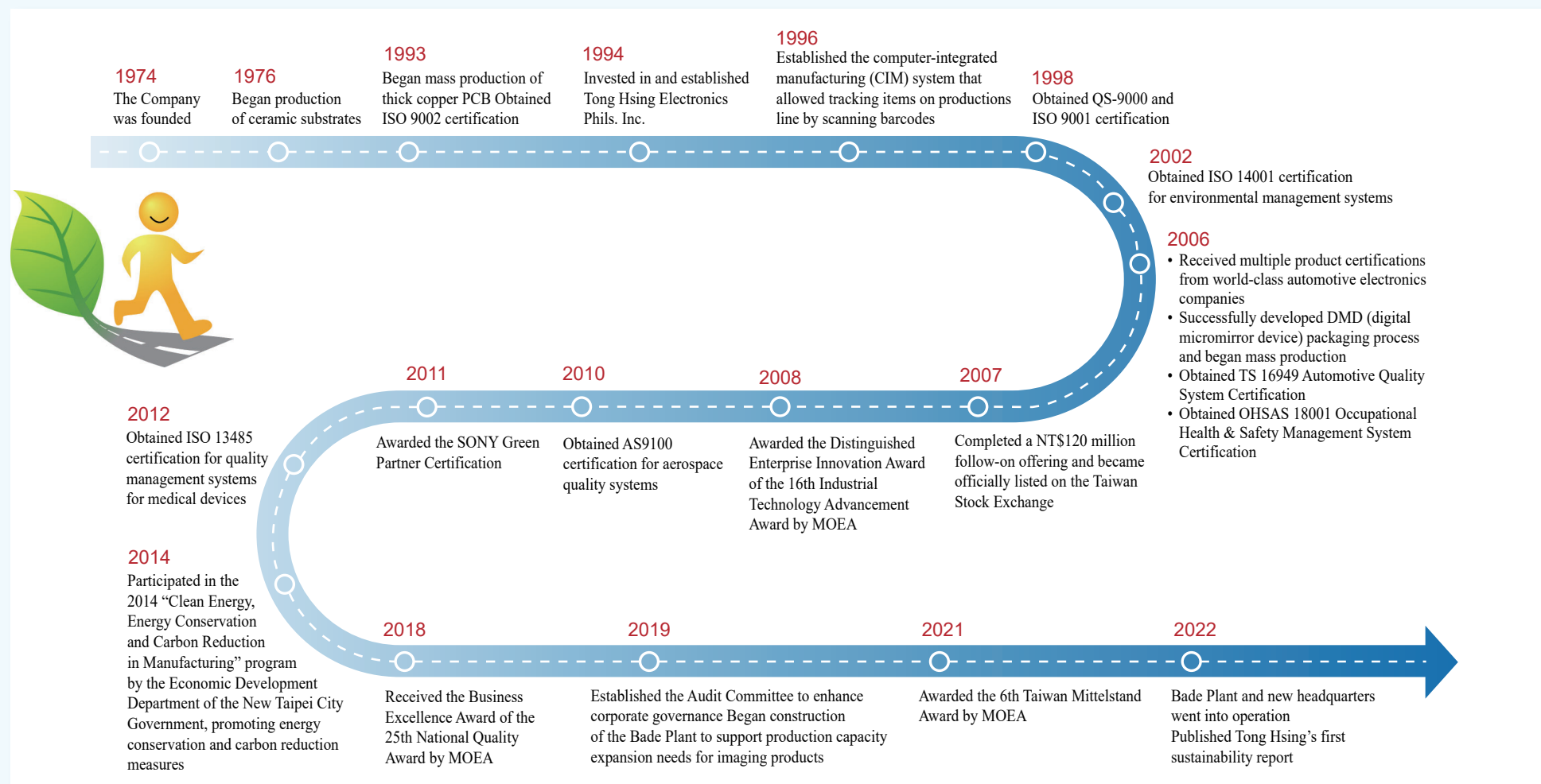


## (4) Company History (GRI 102-10)

Founded in 1974, Tong Hsing started out as a thick copper PCB manufacturer. Focused on delivering the best product quality for its customers, the Company subsequently obtained ISO 9001, ISO 14001, TS16949, OHSAS 18001 and other certifications. In 2013, we conducted our first audit for the Electronic Industry Citizenship Coalition (EICC) Code of Conduct and have since then been committed to upholding industrial code of conduct and fulfilling our corporate social responsibility. In 2021, Tong Hsing was awarded with the 6th Taiwan Mittelstand Award by the Ministry of Economic Affairs (MOEA), an important recognition of the Company's hard work and contribution.

Looking ahead, we will continue to work on developing quality and energy-efficient products and on fulfilling our sustainability goals and principles.

The timeline below illustrates the Company's history, which is also available in our annual reports. For more information, please refer to our official website.





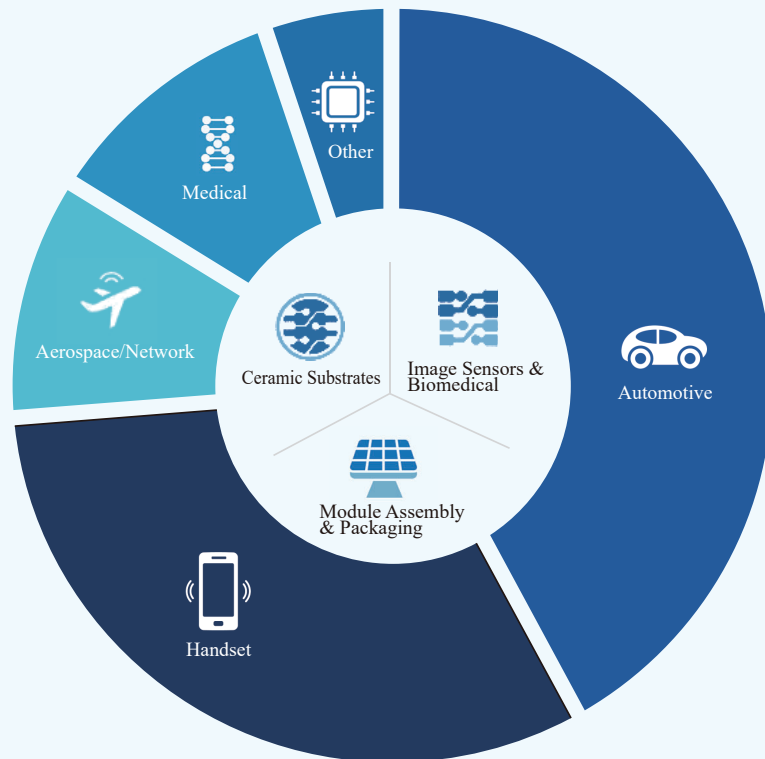
## 2. Product and Service Innovation

### (1) Our Products and Services

Tong Hsing has four main product lines:

- Ceramic Metalized Substrate
- Imaging Products
- Module Packaging
- Customized Packaging and Testing

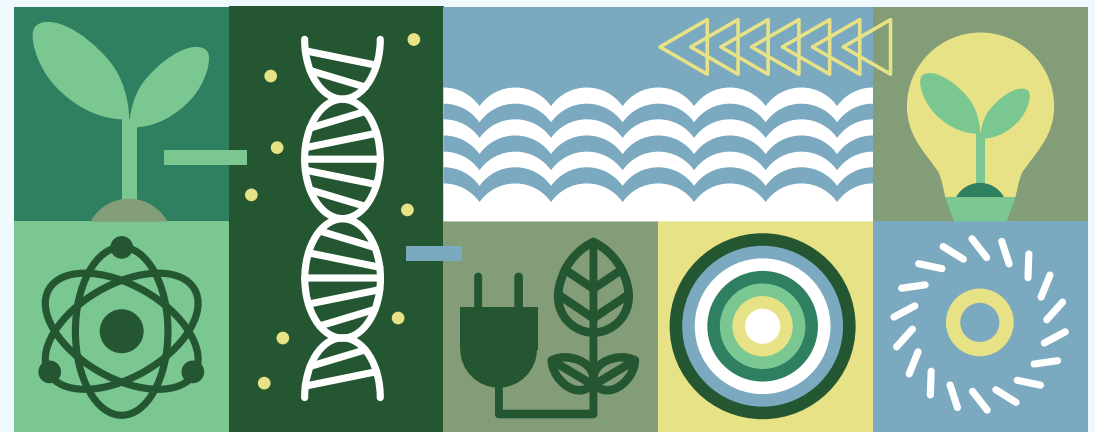
### Product Application



陶瓷電路板 ceramic substrate				影像產品 imaging products			
直接電鍍銅 DPC (Direct Plated Copper)	直接覆銅 DBC(Direct Bonded Copper)	活性金屬硬焊 AMB (Active Metal Brazing)	厚膜印刷電路板 Thick Film Printed Circuit Substrates	晶圓測試 Wafer Probing Testing	晶圓重組 Wafer Reconstruction	封裝 Packaging	影像測試 Final Testing
模組封裝 module packaging				客製化封裝與測試 customized packaging and testing			
高頻無線通訊模組 RF Modules				混合積體電路模組 Hybrid IC Modules			
功率半導體 Power Semiconductors				生醫產品 Biomedical Products			

For detailed information about our product offerings, please refer to our website:

<https://www.theil.com/en/product.php?cid=1>



## Our Product Innovation Strategy



At Tong Hsing, we continue to improve the added value and technologies used in our products, focusing on research and development (R&D) and process optimization to provide our clients with products and services of outstanding quality. In recent years, we have also incorporated the concept of sustainability in our products and culture. Starting with materials, the Company has incorporated ESG concepts into each step of its product R&D.

### Management Approach

1. Product R&D Policy:
  - a. Develop products with better thermal performance and multi-functionality
  - b. Continue to improve processes and product yield and introduce automated systems to lower production cost
  - c. Introduce new processes and technologies to enhance our technological capabilities
  - d. Integrate substrate manufacturing, packaging, testing and other processes to provide clients with turnkey solutions
2. ESG Goals in Product Development
  - a. Prioritize working with material/solution suppliers that have met ESG requirements
  - b. Consider using materials that are recyclable or made of recyclable content
  - c. Develop processes that enhance technological capabilities and lower material consumption

### Responsible Departments

New product development: R&D, Sales and cross-functional project teams

New materials and technologies: R&D and Procurement

### Actions and Measures

1. Enhance product performance, including lowering thermal resistance of ceramic substrates to boost component performance
2. Prioritize using materials offered by ESG-compliant suppliers
3. Continue collaborations with universities and research institutions
4. Adopt technology that reduces waste: introduce new technologies and equipment that help reduce raw material consumption

### Objectives

Invest proper amount of funding and resources for product development and innovation to achieve revenue targets and create a virtuous cycle

### R&D Process

Conduct market analysis → Determine R&D direction and objectives → Assess and gather required resources → Launch a new project with clear project milestones (raw material assessment/process design/ functionality and specification validation/ reliability testing) → Periodically review progress and make adjustments → Complete final assessment → Deliver prototypes or determine whether or not to devote resources for mass production

### Role of the R&D Lab

1. Introduce systems for raw material assessment and selection (to prioritize ESG-compliant suppliers) and new technologies (to reduce raw material input and jigs needed) and consider separating manufacturing processes for different products on the production line to reduce cross contamination risk
2. Conduct initial testing and resource reliability assessment and collect data for risk assessment
3. Collect and document issues that occur during prototype production, conduct failure analysis and reliability verification, and develop solutions



## Management Approach for Green Products



Tong Hsing has long adopted the concept of green products and has established a Sustainable Product Team responsible for setting specific processes and procedures according to our A0420021 Product Safety Management Procedure Guidelines

### Definition of Green Products and Performance Targets

1. To enhance product and waste recycling, raw materials should come from ESG-compliant suppliers, and deployment of new technologies should also consider recycling opportunities
2. Besides improving technological capabilities, reducing consumption of raw materials, jigs and fixtures and consumables should also be a key focus
3. Develop high-performance products and processes to boost unit output and efficiency

### Management Approach

1. Prioritize ESG-compliant suppliers starting from product R&D process and consider possibility of waste recycling from the manufacturing process
2. Introduce new process technologies that boost technological capabilities and contribute to making sustainable products that consume less raw material and deliver greater use-phase benefits

### Responsible Departments

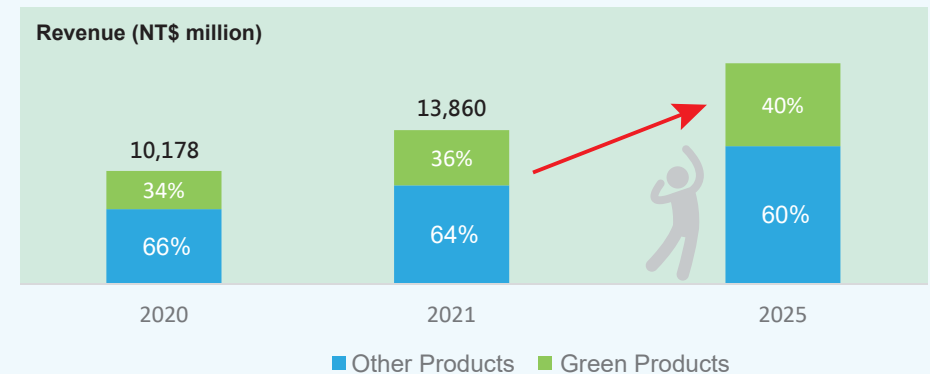
R&D and Sales

### Actions and Measures

1. Prioritize suppliers that met ESG standards from the very start (during the R&D phase) and attempt to recycle waste generated from manufacturing processes
2. Introduce new process technologies that enable reduced raw material consumption during production and R&D

Based on our current definition of green/sustainable products, we estimate that our green products accounted for 36% of our product offerings in 2021. We will aim to raise the percentage.

Our Goal: Share of Green Products to Reach 40%



## Special Feature



## Product Highlights: Tong Hsing's Green Products

### Ceramic Substrate for Laser Applications

#### R&D Resources

Resources utilized include yellow light lithography, metal plating, physical vapor deposition (PVD) equipment, precious metal coating technology and stripping technology

#### ESG Design Details

1. We conduct metal recycling assessments in early stage of product development and work with waste recycling companies to recycle waste from metal plating and turn it into new raw materials
2. For the developer and acidic/alkaline solutions used in the lithography process, we prioritize working with ESG-compliant suppliers or suppliers that offer recycling solutions

### UVC Ceramic Substrate

#### R&D Resources

Resources utilized include: lithography, 3D printing, PVD anti-reflection coating and stripping technology

#### ESG Design Details

1. We are introducing 3D printing and new technologies to help reduce raw material consumption, including raw materials and consumables used during fine-tuning, tooling or lithography
2. For the developer and acidic/alkaline solutions used in the lithography process, we prioritize working with ESG-compliant suppliers or suppliers that offer recycling solutions

### Active Metal Brazing (AMB) Ceramic Substrate

#### R&D Resources

Industry-academia collaboration on the development of ceramic substrates with low thermal resistance, high heat dissipation and high reliability. The ceramic substrates can be used in electric vehicle (EV) components to improve thermal performance

#### ESG Design Details

1. ESG concepts are incorporated into product design
2. The combination of thick copper and ceramic can drastically improve thermal performance of the substrates, which will be great for applications in green-energy related fields (EV/wind power/solar power). Improved thermal performance also contributes better performance of components, which can help to minimize the size of power modules and boost performance, thus reducing environmental impact
3. Main materials (substrates and copper foil) are sourced from suppliers that comply with ESG standards

### CMOS Image Sensors

#### R&D Resources

- Packaging technology for high-reliability image sensors for vehicle assistance systems
- Development of advanced automotive materials
- Development of packaging technology for automotive image sensors with anti-reflection coating

#### ESG Design Details

1. ESG concepts are incorporated into product design
2. Product design and development focus on reducing product size and raw material input. For instance, when developing tiny iBGA products, smaller product size can reduce raw material (glass and plastic) consumption
3. For substrates used in these sensors, we are working to change them from four-layer to a two-layer design to reduce the amount of raw materials required





### Product Safety Management Policy

The Company has rigorous quality management system and procedures in place to ensure product safety and make sure that our products meet the designed properties (e.g., energy efficiency), intended purposes and regulatory requirements and do not cause harm to people or property.

### Customer Relationship Management (GRI 417-1)

Regarding customer health and safety, customer privacy and marketing and labelling, Tong Hsing continues to comply with all applicable regulations and international standards. The Company has also established policies and complaint processes to protect the rights of clients and consumers.

Our manufacturing processes and services comply with client requirements, relevant regulations and international standards, and we have also obtained the following certifications to further ensure protection of the rights and interests of clients and consumers.

ISO 9001  
Certification for  
Quality Management  
Systems

IATF 16949  
Certification for  
Automotive Quality  
Management  
Systems

ISO 14001  
Certification for  
Environmental  
Management  
System

ISO 45001  
Certification for  
Occupational  
Health and Safety  
Management  
Systems

## 3. Membership of Associations (GRI 102-12) (GRI 102-13)

Tong Hsing participates in various associations and organizations in the electronic technology industry. We hope to foster strong industrial collaboration and exchange to further enhance the industry's competitive edge.

Name of Organization	Form of Participation
Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)	Corporate Member
Taiwan Transportation Vehicle Manufactures Association (TTVMA)	Corporate Member
Micro Sensors and Actuators Technology Consortium	Corporate Member
International Microelectronics Assembly and Packaging Society (IMAPS)- Taiwan Chapter	Executive Supervisor
Monte Jade Science & Technology Association of Taiwan	Corporate Member
Taiwan Independent Directors Association (TIDA)	Corporate Member
Taiwan Printed Circuit Association (TPCA)	Corporate Member
SEMICON Taiwan	Corporate Member and Committee Member
Advanced Microsystems & Package Technology Alliance (AMPA)	Corporate Member
Nanotechnology and Micro System Association (NMA)	Director and Executive Supervisor



# 2

## Sustainable Management

- Comply with laws and regulations and respect employee rights
- Ensure worker health and safety and protect the environment
- Operate with integrity and promote ethics
- Strengthen social responsibility and drive continuous improvement

---

1. ESG Governance

2. Stakeholder Engagement

3. Materiality Analysis

As a member of the global electronics supply chain, Tong Hsing is committed to its role and responsibilities in the global community. Besides aligning our actions with the UN Sustainable Development Goals (SDGs), which are a set of 17 sustainable development goals and 169 targets that guide global efforts towards sustainability, we are also committed to adhering to the Responsible Business Alliance (RBA) Code of Conduct and extending the RBA standards to our suppliers across the supply chain to further fulfill our corporate social responsibility.

The Code of Conduct set out by RBA, or formerly known as the Electronic Industry Citizenship Coalition (EICC), is widely adopted across all industries and their supply chains that design, sell, manufacture or provide goods and services for the production of electronic products or of which electronics is a major component. The RBA Code of Conduct covers five main areas, which are labor, health and safety, environment, ethics and management systems.

#### Tong Hsing's Corporate Social Responsibility Policy

(This policy now serves as our sustainable development policy)

- Comply with laws and regulations and respect employee rights
- Ensure worker health and safety and protect the environment
- Operate with integrity and promote ethics
- Strengthen social responsibility and drive continuous improvement

In line with international trends in ESG practices, in 2022, Tong Hsing established its Sustainable Development Policy and Sustainable Development Committee. The Board of Directors has tasked senior executives to lead the implementation of sustainability policies and practices, with the aim of further expanding our positive influence and further demonstrating our commitment to sustainable management.

With a Corporate Social Responsibility Policy in place, we further formulated our Sustainable Development Policy in 2022 in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

## 1. ESG Governance (GRI 102-19) (GRI 102-20) (GRI 102-26) (GRI 102-32)

Chaired by Tong Hsing's President, the Sustainable Development Committee is the highest ESG governance body at the Company. To implement sustainability policies and practices, a Sustainability Office has been established under the Committee as the dedicated unit to facilitate and coordinate relevant policies and initiatives. We have also established several functional teams under the Committee, including the Corporate Governance & Risk Management Team, Product Innovation Team, Environment & Energy Conservation Team and Sustainable Supply Chain Team. Together with the Sustainability Office, these teams help facilitate the implementation of sustainability practices across departments.

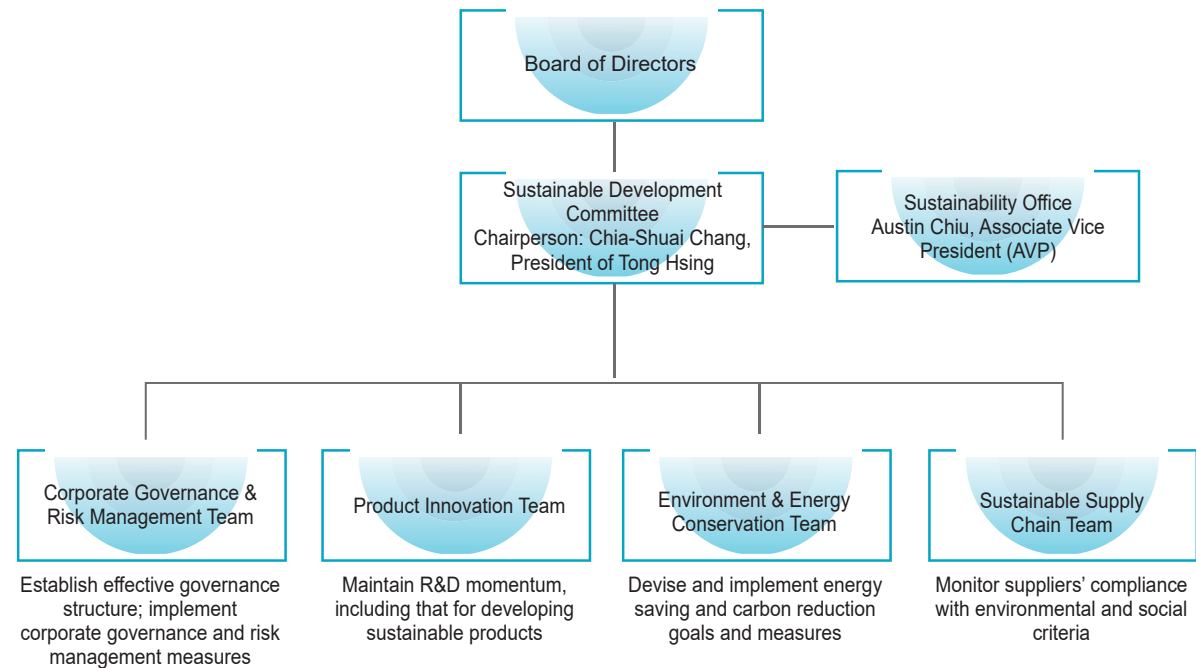
Our Sustainable Development Committee is also responsible for reviewing and approving the Company's material topics in sustainability as well as the content of our sustainability reports to ensure that the reports cover all relevant topics.



### Responsibilities of the Sustainable Development Committee

1. Formulate the Company's sustainable development policy
  2. Determine goals, strategies and action plans for sustainable development, covering sustainable governance, business integrity, environmental and social issues, etc.
  3. Monitor and review the progress and effectiveness of the Company's sustainable development measures, make adjustments accordingly and regularly report to the Board on these matters
  4. Assess topics of stakeholder interest and concerns and supervise related communication plans (stakeholder groups include shareholders, clients, suppliers, employees, government agencies, nonprofit organizations, community, media, etc.)
- The Committee reports to the Board on overall work progress on an annual basis. The latest report took place on August 11, 2022. The Committee also proposes solutions to address material topics.

## ESG Management Team





## 2. Stakeholder Engagement (GRI 102-21) (GRI 102-40) (GRI 102-42) (GRI 102-43) (GRI 102-44)

Tong Hsing values feedback and suggestions from stakeholders. We gather feedback of stakeholders through diverse communication channels. In July 2022, under the guidance of the Sustainable Development Committee, we completed a new round of stakeholder identification and assessed the material topics our stakeholders care most about, which would inform our sustainable development policies going forward.

### STEP 1

#### Identify stakeholders

### STEP 2

#### Identify potential material topics

### STEP 3

#### Gather and analyze stakeholder feedback

### STEP 4

#### Determine material topics

### Step 1 Identify Stakeholders

To fully capture opinions of various stakeholder groups, we referenced the five principles of the AA1000 Stakeholder Engagement Standard (dependency, responsibility, tension, influence and diverse perspectives) in our stakeholder identification process and have identified eight major stakeholder groups:

- Employees: all Tong Hsing employees
- Clients: clients of Tong Hsing
- Suppliers/Contractors: mainly contractors and suppliers of raw materials, factory equipment and machinery and equipment
- Academic/Research institutions: universities, the Industrial Technology Research Institute, etc.
- Shareholders/Investors: general shareholders, investors, the Taiwan Stock Exchange (TWSE)
- Government agencies: including Hsinchu Science Park, Environmental Protection Administration, local environmental protection bureaus, local fire bureaus, New Taipei City Government, local labor inspection offices, etc.
- Media: print and electronic media
- Community/General public: nearby communities, civil society organizations

### Step 2 Identify Potential Material Topics

Our material topic identification process follows guidelines of the GRI Universal Standards, which define material topics as those that represent an organization's most significant impacts on the economy, environment and people (including their human rights). The Standards define impacts as effects an organization has or could have on the economy, environment, and people (including their human rights) as a result of the organization's activities or business relationships. The Standards also suggest that impacts can be classified as actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible. These impacts together represent an organization's positive and negative contribution to sustainable development.

Besides the GRI Standards, when identifying material topics in sustainability, we also referenced the Sustainability Accounting Standard Board (SASB) standards for the semiconductor industry; recommendations of the Task Force on Climate-related Financial Disclosures (TCFD); international carbon management practices; and practices of leading companies in our sector at home and abroad. We also took into consideration Tong Hsing's future development goals and strategies. An extensive list of topics was created, upon which we further classified the topics into various categories, such as environmental topics, economic topics (including governance and product innovation) and social topics, to facilitate meaningful stakeholder communication.

Per further internal discussions, we have identified the following potentially material topics that are relevant to our company, as categorized below:










### Step 3 Gather and Analyze Stakeholder Feedback

To understand stakeholders' thoughts on potential material topics, Tong Hsing utilized a wide range of communication channels to engage and communicate with stakeholders.

## Stakeholder Engagement

To gather feedback from diverse stakeholders, we regularly engage and communicate with different stakeholder groups through different communication channels. We also conduct internal assessments and devise improvement plans based on feedback from our stakeholders, facilitating meaningful two-way interactions with our stakeholders. The following table summarizes our stakeholder engagement in 2021:

Stakeholder	Topic of Interest	Communication Channel or Method	Frequency	Measures Implemented
 Employees	Labor relations	Labor-management meetings	Regular	Quarterly labor meetings
	Salaries and benefits	Staff Welfare Committee	Regular	Holiday gifts (for Lunar New Year, Dragon Boat Festival and Mid-Autumn Festival), corporate retreats, internal and external training, health checkups
	Training and development	Internal website and training courses	Ad hoc	On-site medical personnel and health services
	Occupational safety and health	Communication meetings and info sessions	Ad hoc	On-site banking services
	Corporate policy and strategy	Employee suggestion box and monthly meetings	Ad hoc	
	Employee relations	Health center, employee cafeteria, employee lounges	Ad hoc	

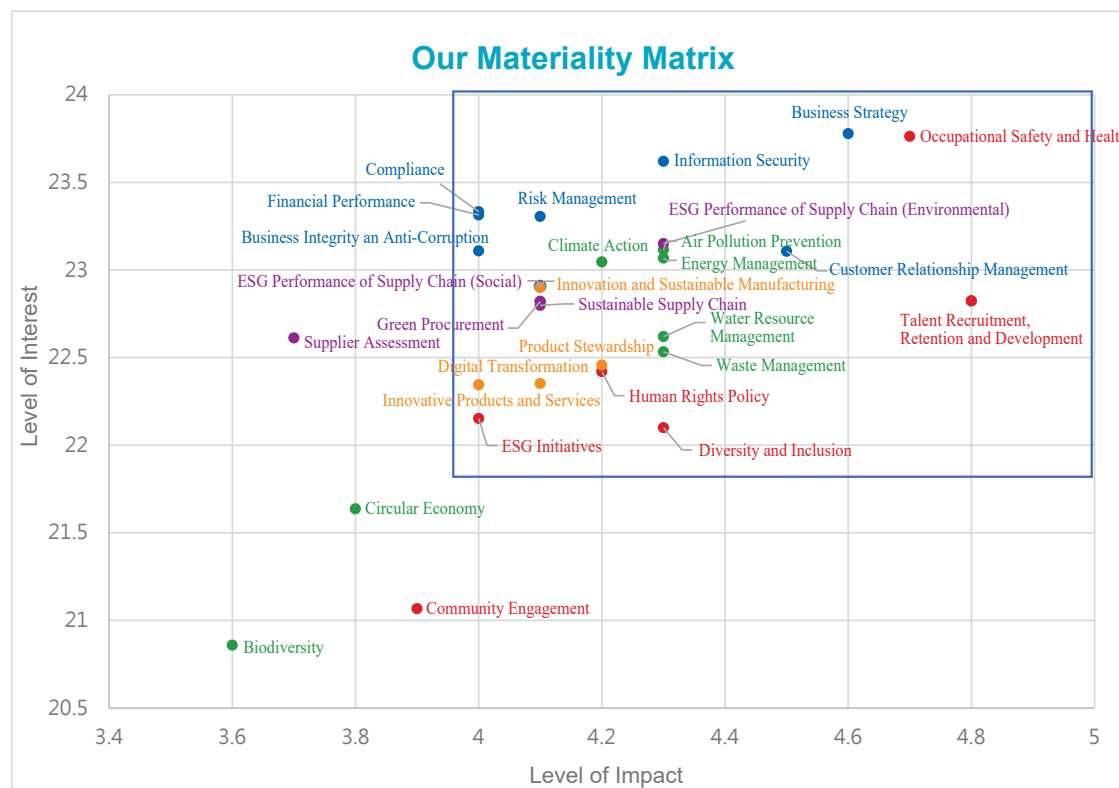
Stakeholder	Topic of Interest	Communication Channel or Method	Frequency	Measures Implemented
 Shareholders/ Investors	Corporate policy and strategy	Annual general shareholder meetings	Regular	Annual general shareholder meeting Updates on company website Corporate visits Telephone inquiries from investors
	Corporate governance	Company website and material information updates	Regular	
	Corporate risk management	Phone inquiries to collect stakeholder feedback	Ad hoc	
	Tong Hsing’s economic/financial performance	Investor conferences and investor/analyst visits	Regular	
	Dividend policy	Company website and annual reports	Regular	
 Clients	Processes and technology	Client visits and seminars	Ad hoc	Annual client audits Routine client visits
	Product quality and reliability Customer services Product delivery and production capacity	Client audits	Ad hoc	
	Inspections on conflict-free minerals Protection of confidential information	Questionnaires and statements	Ad hoc	
 Suppliers	Supply chain management	Annual visits to suppliers or vice versa	Ad hoc	Routine supplier visits
	Delivery and availability of raw materials		Ad hoc	On-site audits of outsourced suppliers
	Environmental, safety and health management	On-site audits of outsourced suppliers	Regular	Evaluation of waste disposal providers
	Regulatory compliance	On-site audits of contractors	Regular	
 Government Agencies	Regulatory compliance	Greenhouse gas emissions reduction	Regular	Regular reporting in accordance with the law Attending info sessions held by relevant government agencies Internal legal and compliance training and education as needed
		Water resource management		
		Correspondence on water and electricity conservation matters		
		Factory audits		
	Policy awareness and risk management	Labor relations and promotion	Regular	
		Disaster prevention education		
		Raising awareness of fire safety at staff dormitory		
		Safety and health management and training		
 Media	Economic/Financial performance Future outlook	Response to telephone and mail inquiries Regular surveys to collect feedback Interviews	Ad hoc	
 Community/ General Public	Environmental compliance	Regular audits	Ad hoc	Participation in charitable events, charitable campaigns and blood drives
	Environmental safety	Suggestion box and complaint channels		
	Participation in charitable activities	Charitable ad campaigns Blood drives		

## Step 4 Determine Material Topics (GRI 102-46)

### Approach to Material Topic Analysis

Following the methodology of the GRI Standards, we analyzed the level of importance stakeholders attached to each topic (indicated by the y-axis below) and the level of impact these topics have on the Tong Hsing (indicated by the x-axis) based on perspectives of our senior executives. These parameters together helped determine the prioritization of each material topic.

Survey on stakeholder interest in each potential material topic: We conducted a stakeholder materiality survey in June and July of 2022. A total of 406 valid questionnaires were collected, including submissions from employees (359), shareholders (8), client representatives (9), suppliers (28) and academic/research institutions (2).



Environmental Protection



Social and Community Engagement



Corporate Governance



Product Innovation



Product Supply Chain





### 3. Tong Hsing's Material Topics (GRI 102-47)

Based on the above materiality matrix and discussion with the Company's senior executives and members of the ESG teams, we have determined on the following nine material topics: occupational safety and health; talent recruitment, retention and development; business strategy; customer relationship management; information security; ESG performance of supply chain (environmental aspect) and three environmental topics, as detailed in the table below. Topics beyond this list of material topics have also been covered in the following chapters of this report per each topic's importance and relevance to our operations.

Among the top nine material topics, social topics include occupational safety & health as well as talent recruitment, retention and development, which are topics of great stakeholder interest as these topics are highly relevant to our ongoing plant expansion and recruitment efforts.

As a leading company in the industry, Tong Hsing will continue to uphold its corporate social responsibility diligently. We will also strive to further strengthen our occupational safety and health management, training and talent development as well as recruitment and retention practices.

#### List of Material Topics (in the order of priority)

























Category	Material Topic	Corresponding GRI Topic Standards	Impact across Value Chain			
			Supply Chain Management	Company Operations	Environment	Society
 Social	Occupational Safety and Health	GRI 403 Occupational Health and Safety		⊙		●
	Talent Recruitment, Retention and Development	GRI 401 Employment, GRI 404 Training and Education		⊙		●
 Governance	Business Strategy	GRI 102-6 Markets Served GRI 201 Economic Performance GRI 417 Marketing and Labeling GRI 418 Customer Privacy				
	Customer Relationship Management		⊙	●		
	Information Security					
 Supply Chain	ESG Performance of Supply Chain (Environmental)	GRI 308 Supplier Environmental Assessment GRI 414 Supplier Social Assessment	●	⊙		
 Environment	Energy Management	GRI 302 Energy	⊙	⊙	●	
	Water Resource Management	GRI 303 Water and Effluents	⊙	⊙	●	
	Waste Management	GRI 306 Waste	⊙	⊙	●	

Note: ● denotes direct impact, and ⊙ denotes contribution to impact.



## The UN Sustainable Development Goals (SDGs)

Based on material topics identified and the Company's overall development strategies, we have also identified the most relevant goals and targets among the United Nations Sustainable Development Goals (SDGs) and have set specific performance indicators accordingly. We aim to align our actions with the SDGs to contribute to the creation of a better world for all.

Material Topic	The UN SDGs	Performance Indicators	Future Goals (2022 and onward)
Occupational Safety and Health	 	Frequency-severity indicator (FSI)	0.15 (2022) 0.12 (2025) 0.10 (2030)
Talent Recruitment, Retention and Development	   	Employee satisfaction rate	Continue to improve employee satisfaction Engage in discussions and make adjustments based on employees' suggestions
Business Strategy	  	Continued increase in share of sustainable/green products in product portfolio	Expansion into relevant technologies based on green product opportunities (Ratio between R&D expenses and number of innovative products)
Customer Relationship Management	 	Customer satisfaction rate	Continue to maintain high level of satisfaction rate with product quality
Information Security	 	Zero cases of non-compliance	2022: Zero cases of non-compliance
ESG Performance of Supply Chain (Environmental)	  	Continued improvement in ESG compliance (environmental criteria) among critical suppliers	Higher supplier ESG compliance rate compared to that of 2021
Energy Management	   	Effective energy saving and carbon reduction measures; percentage of energy savings each year (%); continued decrease in energy intensity	Carbon reduction by 30% by 2030 (renewables + energy efficiency improvement)
Water Resource Management	 	Water productivity intensity	Continue to improve on water resource efficiency by monitoring water productivity intensity
Waste Management	 	Reduction in waste intensity (metric ton/NT\$ million in output value) each year	Lower waste intensity compared to that of 2021

# 3

## Corporate Governance

In response to an ever-changing world, Tong Hsing has established sustainable development strategies to facilitate the long-term growth and development of the Company, exploring new business opportunities from sustainability. We have also established dedicated units for sustainability management, aligning our sustainability practices from governance to operations.

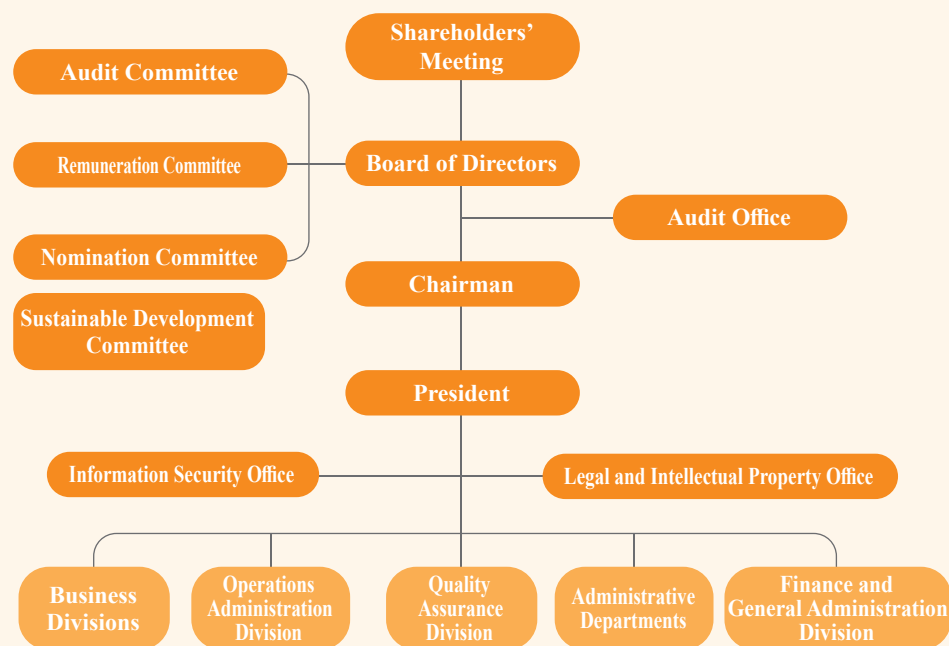
- 
1. Governance Structure
  2. Business Ethics and Integrity
  3. Risk Management
  4. Information Security Management
  5. Protection of Intellectual Property
  6. Quality Management Systems
  7. Supply Chain Management



## 1. Governance Structure (GRI 102-18) (GRI 102-22) (GRI 102-23)

At Tong Hsing, we are committed to upholding the fundamental principle of business integrity in our operations. We abide by ethics and integrity standards by international standards as well as relevant global and domestic rules and regulations. The highest governance body of the Company is the Board of Directors, under which are three functional committees: the Audit Committee, the Remuneration Committee and the Nomination Committee. In 2022, the Sustainable Development Committee was also established. In accordance with our Code of Corporate Governance Practices, we have also appointed a spokesperson and deputy spokesperson to efficiently address shareholders' advice, concerns, disputes and litigation matters and respond to broader stakeholder expectations.

### Highest Governance Body and Corporate Governance Framework



In accordance with the Company's Articles of Association, the Board consists of nine directors, including three independent directors. The current board is the 18th Board of Directors of Tong Hsing. The Board's term spanned from June 21, 2019 to June 2022.

## Board Diversity and Independence (GRI 405-1)(GRI 102-24)

Our Board of Directors is composed of nine directors (including three independent directors) that are elected by the Shareholders' Meeting from a list of candidates in accordance with the candidate nomination system stated in Article 192-1 of the Company Act. Board meetings are convened at least once per quarter, and meetings may be called on shorter notice under urgent circumstances. The Board currently has six male directors and three female directors. The board members come from diverse backgrounds and experience. Such board diversity helps enhance the Board's decision-making process. For details about board meetings in 2021 and the educational background & work experience of each Director, please refer to the Company's 2021 Annual Report.

### Our Board of Directors



**5** meetings convened in 2021

Average in-person attendance rate of **97.7%**

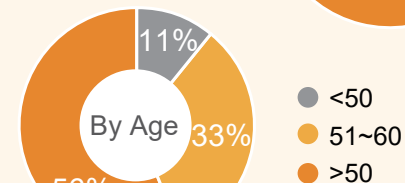
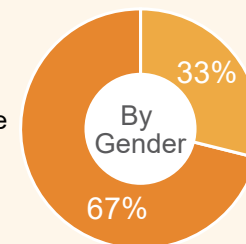
**9** board members

**3** independent directors

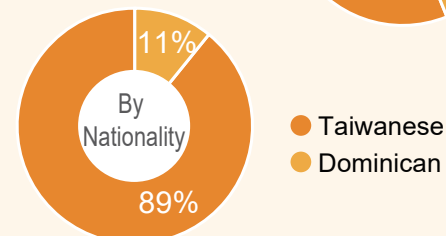
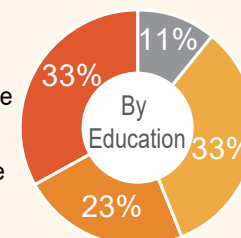
Share of independent directors at **33.3%**










● Male  
● Female



● Other  
● Bachelor's degree  
● Master's degree  
● Doctorate degree



## List of Board Members

Title	Name	 Accounting/ Finance and Legal	 Risk Management	 Operations and Management	 Global Market Perspective	 Investment and M&A	 Semiconductors	 Sustainability Management
Chairman	Tai-Ming Chen	✓	✓	✓	✓	✓	✓	✓
Director	Tong Hsing Food Industries Corporation (Representative: Hsi-Hu Lai)	✓	✓	✓	✓	✓	✓	✓
	Multifield Investment Inc. (Representative: Shao-Pin Ru)	✓	✓	✓	✓	✓	✓	✓
	Kaimei Electronic Corporation (Representative: Shu-Hui Chen)	✓	✓	✓	✓	✓	✓	✓
	Mu Ye Wen Investment Co. Ltd. (Representative: Pen-Chi Chen)	✓	✓	✓	✓	✓	✓	✓
	Shi Hen Enterprise Limited (Representative: Shu-Chen Tsai)	✓	✓	✓	✓			✓
Independent Director	Shih-Chien Yang	✓	✓	✓	✓	✓	✓	✓
	Tzung-Sheng Lin	✓	✓	✓	✓	✓	✓	✓
	Chin-Tsai Chen	✓	✓	✓	✓	✓	✓	✓



### Strengthening Board Performance (GRI 102-27)

To enhance the professional knowledge and skills of directors, the Company arranges relevant trainings for directors on an annual basis. In 2021, the Board of Directors received **42** hours of training in total.

Topics of training courses included corporate governance, risk management, climate change and sustainable development. While equipped with the knowledge, expertise and industrial background required to fulfill their duties, the Company's board members continue to attend a wide range of courses and seminars to refine and expand their expertise. The Board also maintains good communication with the management team, exchanging valuable insights and know-how with the team. For more information about the specific training completed by each director, please refer to the Company's 2021 Annual Report.

## Evaluation of Board Performance (GRI 102-28)

In accordance with our Standards for Appraising the Performance of the Board of Directors, the Company conducts internal board performance evaluation annually and engages an external professional institution or panel of experts or scholars to conduct external evaluation on the board's performance at least once every three years.

### Aspects and Factors Considered in Board Performance Evaluation

Performance of the Board and Functional Committees	Performance of Individual Directors
<ul style="list-style-type: none"> <li>(1) Degree of participation in company operations</li> <li>(2) Quality of the Board's decision-making</li> <li>(3) Board composition and structure</li> <li>(4) Selection of board members and continuing education of directors</li> <li>(5) Internal controls</li> </ul>	<ul style="list-style-type: none"> <li>(1) Degree of participation in company operations</li> <li>(2) Understanding of director's role and responsibilities</li> <li>(3) Management of internal relationship and communication</li> <li>(4) Professionalism and continuing education</li> <li>(5) Internal controls</li> </ul>

### Implementation of Board Performance Evaluation

<b>External Evaluation</b>	The Standards for Appraising the Performance of the Board of Directors were approved upon the resolution of the Board on August 11th, 2020. In accordance with the Standards, Tong Hsing plans to arrange for a board performance evaluation by an external professional institution for the year 2022. The Company plans to commission the Taiwan Corporate Governance Association to conduct the evaluation in February 2023, which will include interviews with directors, the Corporate Governance Officer and the General Auditor.
<b>Internal Evaluation</b>	<p>The results of the self-assessment on board performance for the year 2021 are as follows:</p> <ul style="list-style-type: none"> <li>Average score of self-assessment on board performance: 4.884 (out of 5)</li> <li>Average score of self-assessment on individual director performance: 4.995 (out of 5)</li> </ul>

The results of the above evaluation were presented to the Nomination Committee and the Board on March 17, 2022.

## Functional Committees (2021)

The Audit Committee, Nomination Committee and Remuneration Committee are established under the Board of Directors to assist the Board in performing specialized duties of oversight. All articles of associations of the committees have been approved by the Board.

Independent Director	Audit Committee	Remuneration Committee	Nomination Committee
Tzung-Sheng Lin	V	V	V
Shih-Chien Yang	V	V	V
Chin-Tsai Chen	V	V	V
Chin-Tsai Chen (2022)	V	V	V

### Audit Committee

The Audit Committee is composed of three independent directors, who shall serve for a term of three years. The Committee is chaired by Independent Director Mr. Chin-Tsai Chen, who has a strong accounting and finance background. The Committee convenes at least one meeting each quarter and may call a meeting whenever necessary. The primary focuses of the Audit Committee include:

- (1) Fair representation of the Company's financial statements
- (2) The appointment and dismissal of certified public accountants and evaluation of their independence and performance
- (3) Effective implementation of internal controls
- (4) The Company's compliance with relevant laws and regulations
- (5) Management of existing and potential risks to the Company

### Remuneration Committee (GRI 102-35) (GRI 102-36)

The Remuneration Committee consists of three independent directors, who shall serve for a term of three years. The Committee is chaired by Independent Director Mr. Chin-Tsai Chen. Under Mr. Chen's professional and objective guidance, the Committee is responsible for evaluating the remuneration policy and system for the Company's directors and executives. The Committee convenes at least two meetings each year and can call a meeting anytime as needed. The Committee also presents its recommendations to the Board and fulfills the following responsibilities:

- (1) Regularly examine the Company's remuneration policy and measures and provide suggestions for revision
- (2) Regularly assess the remuneration of the Company's directors and executives



### Nomination Committee

The Nomination Committee is composed of three independent directors with a term of office of three years. Chaired by Independent Director Mr. Chin-Tsai Chen, the Committee convenes at least one meeting each year and can call meetings whenever necessary. The Committee presents its suggestions to the Board for discussion and mainly performs the following duties:

- (1) Set nomination standards for the selection of board directors and senior executives and seek, review and nominate candidates according to the standards
- (2) Establish and develop the organizational structure of the Board of Directors and functional committees; evaluate the performance of the Board, the functional committees, individual directors and senior executives; and assess the independence of independent directors
- (3) Formulate and regularly review training plans for directors and succession plans for directors and senior executives

## 2. Business Ethics and Integrity (GRI 102-17) (GRI 102-16)

To build a culture of integrity, support sound development of the Company and establish good business practices across the board, Tong Hsing has formulated its Code of Business Integrity, based on which all board directors, managers and employees are prohibited from directly or indirectly offering, promising, requesting or accepting improper benefits or engaging in any acts in breach of ethics, laws or fiduciary duty for the purpose of seeking or maintaining improper benefits (hereinafter referred to as unethical conduct).

### Management Approach

The Company is committed to fostering a culture of integrity, supporting sound development of the firm and implementing good business practices across the board. All employees are strictly prohibited from engaging in unethical conduct for the purpose of seeking or maintaining improper benefits. Upholding the values of honesty, transparency and responsibility, Tong Hsing enacts policies that focus on business integrity, and these policies have been approved by the Board. The Company also has strong corporate governance framework and risk control mechanisms in place to create a business environment that enables sustainable development.

### Responsible Departments

The Company's dedicated Corporate Governance Unit is responsible for promoting business integrity. Headed by Chief Financial Officer Chia-Li Huang, the Corporate Governance Unit regularly reports to the Board on policy and implementation results in terms of business integrity and on the formulation and implementation of misconduct prevention programs. The latest report to the Board was conducted on November 11, 2021.

### Measures Implemented

The Company has established the Code of Business Integrity and the following preventive measures:

- We have adopted the Policy and Procedures for the Whistleblowing System, according to which internal and external means of reporting unethical conduct have been established to ensure business integrity.
- The Legal and Intellectual Property Office enforces the Code of Business Integrity by managing and assessing trade secrets, patent rights and other intellectual property rights.
- The Corporate Governance Unit is committed to providing training and education on business integrity, advocating awareness of unfair competition practices and protection of the rights, health and safety of stakeholders.



### Preventive Measures Adopted to Prevent the Following Activities

- (1) Offer or acceptance of bribes
- (2) Offer of illegal political contributions
- (3) Improper charitable donations and sponsorships
- (4) Offer or acceptance of inappropriate gifts, hospitality or improper benefits
- (5) Infringement of trade secrets, trademarks, patents, copyrights and other intellectual property rights
- (6) Acts of unfair competition
- (7) Direct or indirect harm to the rights, health and safety of consumers or other stakeholders during the process of research and development, procurement, manufacturing, supply and sales of products and services



### Measures to Prevent Conflicts of Interest (GRI 102-25)

Alongside business integrity policies, Tong Hsing has also formulated its Code of Business Conduct, which establish misconduct prevention plans that cover the aspects of operational procedures, guidelines for conduct and education and training. The Code of Business Conduct clearly lays out precautions all employees should take when conducting business, including how they should prevent conflicts of interest.



### Measures to Prevent Insider Trading (GRI 102-25)

The Company's Standards for Material Information and Prohibiting Insider Trading are designed to help prohibit and prevent personnel who have access to internal material information from unintentionally engaging in insider trading due to lack of legal awareness. The Standards stipulate that all directors, managers and employees of the Company, as well as those with access to non-public material information of the Company due to their identity, occupation or control relationship, are prohibited from disclosing such information to others.



### Anti-corruption, Anti-competitive and Anti-trust Practices (GRI 205-1) (GRI 205-3) (GRI 206-1)

Tong Hsing has assessed corruption-related risks in its internal control system and has identified no such risks within its operations. There were no cases of corruption or anti-competitive/monopoly practices in 2021.



### Whistleblowing System

The Company has established the Policy and Procedures for the Whistleblowing System and the Reward and Disciplinary Measures for Operational Discipline to effectively prevent unethical practices. Implementation of these policies is reviewed annually and adjusted accordingly.

The Company has established and announced the following independent reporting channels for internal staff and external personnel.

(1) By mail: Head of Audit Office (Recipient); 6F., No. 83, Yanping S. Rd., Taipei City, Taiwan (Address)

(2) By email: [thdiscipline@theil.com](mailto:thdiscipline@theil.com)

The above mailing and email addresses serve as channels for expressing and communicating concerns regarding cases of conflicts of interest or unethical conduct. Upon receipt of a complaint, the Company will handle the complaint in a timely manner. As noted, the Company's dedicated email address for complaints is: [thdiscipline@theil.com](mailto:thdiscipline@theil.com)

Upon receipt of a report or complaint, the Company will appoint a dedicated staff member to manage the case while keeping the whistleblower's identity confidential and ensuring protection against retaliation is in place. After the case is closed, the whistleblower will be informed of the outcome. During the process of complaint handling, the Company will ensure that the whistleblower's identity and relevant information or data under investigation would not be disclosed without the consent of the whistleblower. The Company will also guarantee that the whistleblower would not face unfair treatment for filing a complaint.



### Training and Promotion of Business Integrity

Tong Hsing publishes information regarding business integrity on its corporate website and internal website. This demonstrates our dedication to upholding integrity and preventing insider trading. In addition, the Company regularly holds business integrity training and educational sessions for board directors, managers, employees and de facto controllers. We also invite outside parties with a business relationship with us to attend these trainings to help raise their awareness of our commitment and policies regarding business integrity, the preventive measures we have in place and potential consequences of unethical practices.



### Implementation Results in 2021 (GRI 205-2)

The board directors received relevant annual training on business ethics and integrity. In addition, in 2021, managers and employees received a total of 1,557 hours of training on ethical corporate practices and prevention of insider trading.

### 3.Risk Management (GRI 102-29)

Risk management is an essential part of corporate governance. Tong Hsing's Corporate Governance Unit is responsible for conducting annual risk assessments to identify potential risks and analyze their significance and likelihood. Based on the assessment, policies and goals are devised to address major risks. The implementation results of these measures will also be reviewed for adjustment and improvement.

#### Management Approach (GRI 102-11)

In a risk assessment, we identify different risks that may affect the Company's operations (including market risk, political risk, environmental risk, legal risk, financial risk, operational risk and other risks) and consider potential strategies to address such risks. Relevant departments and divisions take part in evaluating risks specific to their scope of operations, reporting such risks and implementing plans to address identified risks or mitigate their impact.

#### Responsible Departments

(GRI 102-30) (GRI 102-31)

Personnel at the Corporate Governance Unit in charge of risk assessments

#### Reporting Results of Risk Assessment

The Corporate Governance Unit reports results of risk assessments to the Board of Directors on an annual basis.

Through the process of identifying, assessing, monitoring, reporting on and responding to potential risks, we are able to gain a better understanding of our risk exposure and manage relevant risks accordingly.

Going forward, Tong Hsing will continue to improve its risk reporting procedures and response measures and to report to the Board annually to help ensure that the Company's management structure and risk controls are operating properly.

### Risk Category and Definition

Risk Category	Definition
Market	Risks related to market demand or competition that may prevent the Company from meeting its operational goals
Political	Risks related to changes in geopolitical landscape or national policy
Environmental	Risks related to natural disasters, climate change, infectious disease and other uncontrollable circumstances
Legal	Risks of reputational damage or financial loss as a result of fines on non-compliance with regulations or litigations
Financial	Risks related to any financial activities that can cause financial loss to the corporation, including exchange rate risk
Operational	Risks related to the Company's internal control or management that may incur loss of financial assets or profits, including risks pertaining information security and the protection of intellectual property rights
Other	Other risks that may cause significance loss to the Company

## 4. Information Security Management

### Risk Management Framework for Information Security

To respond to the transformation of our business and enhance our information security management, we have gradually developed and improved our risk management framework for information security. In addition to the procedures for information security control, we have established an Information Security Office in the fourth quarter of 2021, appointing relevant management representatives and dedicated staff to coordinate the planning and implementation of information security measures.

### Information Security Policy

To ensure the integrity and effectiveness of our information security policy, the Company's information security policy applies to all staff, suppliers and contractors, as well as third parties who may have access to the Company's information. Our information policy is reviewed annually, where regulatory changes, advancement in information security technology and the Company's business development are taken into consideration for policy update.

### Information Security Objectives

Through advanced information security control equipment for boundary protection, proper information classification & access control and staff education & training, we ensure business continuity and protect confidential information from unauthorized access, tampering, destruction, improper disclosure or cyber attacks.



### Specific Information Security Management Solutions

Through the implementation of firewalls and zoning, our internal, external, office and production networks are divided into security zones and firewalls are installed for information security defense. Specific measures include:

- Perform vulnerability scans periodically to prevent any issue before it happens and to conduct timely remediation
- Continue to adopt advanced information security solutions to effectively protect and manage systems, hosts and network behavior
- Back up ERP, MES and other corporate database systems on a daily basis and verify recovery functions from time to time as needed, as this serves as the last line of defense to ensure safe restoration of data and databases in the case of an encryption ransomware attack where company data may be encrypted and corrupted
- Implement spam control filters for all corporate emails, in particular incoming emails, to avoid phishing and email viruses
- Hold education and training sessions regularly to educate employees about the latest information security practices, thereby raising their awareness of information security

The Company conducts self-assessments on information security annually and is pleased with the positive result of its 2021 assessment. The Company also plans to implement an ISO 27001-certified information security management system.

## 5. Protection of Intellectual Property

### Patent Application and Reward System

As a way to strengthen the Company's technological capabilities, we have formulated the Procedures for Patent Application and Reward System to encourage our employees to be creative and participate in technological research and development. To support employees to engage in development and innovation of products and technologies, the Procedures lay out the process for submitting proposals for intellectual property rights filing; the reviewing standards of the evaluation committee; and the reward for successful filing and acquisition of IP rights.

### Protection of Trade Secrets

To ensure confidential information is not disclosed or leaked, it is stated in employment contracts that employees must maintain confidentiality of the Company's confidential information during and after employment ends.

The Company has established procedures to classify and protect confidential information. For effective access control, information is classified based on its confidentiality level. In addition, we implement training and education as well as an incentive and penalty system to raise employees' confidentiality awareness and underscore compliance.



### Implementation Results

The Company regularly reports to the Board on intellectual property matters.

The following is a brief overview of our intellectual property ownership and progress:

Patent Status	Taiwan	Overseas	Total
Pending	20	58	78
Granted	60	127	187





## 6. Quality Management Systems

Tong Hsing began obtaining certification for its quality management systems early on. In 1998, the Company obtained the QS-9000 and ISO 9001 certification. Since then, based on client requirements, we have obtained the following certifications for various of our product quality management systems. To further strengthen our leading position in different areas of downstream product application, we will continue to improve our quality management systems and relevant measures.

### ANSI/ESD S20.20 Standard

Tong Hsing has obtained the ANSI/ESD S20.20 certification for the Development of An Electrostatic Discharge (ESD) Control Program for Protection of Electrical and Electronic Parts, Assemblies and Equipment certification in 2019. The scope of certification includes multi-chip modules (MCMs), microelectronic packaging and CMOS image sensors.



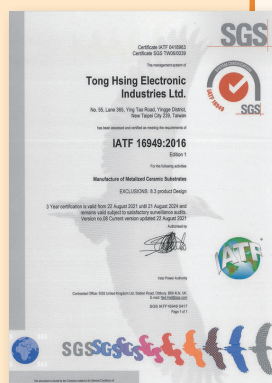
### AS 9100 Standard for Aerospace Quality Management Systems

Tong Hsing was certified by this standard in 2010 in the areas of design, development and production. The scope of certification includes multi-chip modules (MCMs), microelectronic packaging, metalized ceramic substrates, and CMOS image sensors.



### IATF 16949:2016 Standard for Automotive Quality Management Systems

Tong Hsing has obtained and maintained certification to the IATF 16949:2016 standard since 2018. The scope of certification covers microelectronic packing, metalized ceramic substrates, etc. The Company's subsidiary Kingpak Technology Inc. has also obtained this certification for its quality management system for CMOS image sensors.



### ISO 13485:2016 Standard for Quality Management Systems for Medical Devices

The Company has obtained certification to this standard since 2016. The scope of certification includes multi-chip modules (MCMs), microelectronic packing, metalized ceramic substrates and CMOS image sensors.



### ISO 9001 Standard for Quality Management Systems

Tong Hsing has been accredited to this standard for its multi-chip modules (MCMs), microelectronic packing, metalized ceramic substrates and CMOS image sensors.



### ISO 14001:2015 Standard for Environmental Management Systems

The Company has been certified to this standard since 2002. The scope of certification includes multi-chip modules (MCMs) and other products.



### ISO 45001:2018 Standard for Occupational Health and Safety Management Systems

Tong Hsing has been certified to the ISO 45001 standard for occupational safety and health management systems since 2017. This certification demonstrates our commitment to ensuring sound working conditions, health, well-being and equal treatment of employees.



There were no cases of significant non-compliance with product quality standards in 2021.

## 7. Supply Chain Management (GRI 102-9)(GRI 102-10)

Suppliers are our long-term business partners. Going forward, on top of competitive product quality, delivery time and cost, we will place greater emphasis on the environmental and social aspects of supply chain management and work with all business partners to contribute to sustainable development.

### (1) Industry Value Chain (GRI 102-9)

As part of the electronic component manufacturing and semiconductor packaging industry, Tong Hsing's product portfolio includes multi-chip modules (MCMs), thick film hybrid modules, printed circuit substrates, RF modules, power modules, manufacturing of automotive/industrial/telecommunication electronics, and wafer reconstruction and packaging for automotive imaging sensors. Upstream raw materials involved in our manufacturing process mainly include ceramics, wafers, packaging materials, substrates and so on.

Upstream (Raw Materials)	Tong Hsing's Main Product Category	Downstream Product Application
Ceramics	Ceramic Circuit Board	LEDs and power modules
Chips, packaging materials, substrates	RF Package	RF infrastructure
Chips, packaging materials, substrates	Hybrid Assembly	Automotive and aerospace
Chips, packaging materials, substrates	Image Sensor	Image sensor packaging houses, automotive (Tier 1)

### (2) Significant Changes to Tong Hsing's Supply Chain (GRI 102-10)

As impact of the COVID-19 pandemic persisted in 2021, countries were imposing lockdown and containment measures at different times, causing shortage or unavailability of certain raw materials. In response to the situation and based on results of risk assessments, Tong Hsing promptly activated its second source supplier resources and initiated second sourcing assessment for sole-sourced materials, focusing on geographical diversification to further mitigate supply chain risks. Port congestion at various countries also brought great disruption to shipping schedule reliability. Besides raising inventory levels, we also utilized both air and maritime shipping to shorten shipping time, doing our best to reduce the impact of the pandemic on our production and raw material supply.

### (3) Percentage of Local Procurement (GRI 204-1)

Tong Hsing defines local procurement according to the currency (NTD) used in purchasing. In 2021, 63% of our procurement came from local suppliers, representing an increase from 2020.

Plant	Source	2019	2020	2021
Headquarters, Yingge Plant, Longtan Plant	Local procurement	69%	47%	63%
	Non-local procurement	31%	53%	37%

### (4) Supply Chain Risk Assessment

The Company regularly performs risk assessments on suppliers of key raw materials. Factors considered in the assessment include stability in supply, financial status, product quality, delivery time, overall service quality, among others. In these assessments, we also look at the materials listed in the bill of materials (BOM) based on client requirements. These assessments help us identify medium- and high-risk suppliers to further monitor on.

In 2021, we conducted surveys on 72 suppliers to understand their risk levels and ESG compliance.



#### Scope of Supplier Risk Assessment

1. Place of manufacture and country of origin of raw materials
2. Whether the supplier is impacted by the COVID-19 pandemic/geopolitics
3. On-time delivery
4. Shipping methods and frequency of unexpected delays
5. Whether the quality of supplied raw materials is stable/meets the agreed-upon quality criteria
6. Due diligence on conflict-free mineral compliance



## Addressing Supply Chain Risks

Based on results of supplier risk assessments, Tong Hsing adopted various measures to address potential risks, such as checking inventory levels for threats of complete shortage of specific raw materials, scope of impact of each risk, supply capacity, shipping capacity and so on. We also assessed whether a supplier was a sole-source supplier to consider raising inventory levels and reducing dependence on such suppliers.

## (5) Supplier Compliance with Environmental and Social Criteria (GRI 308-1)

(GRI 308-2) (GRI 412-1) (GRI 414-1) (GRI 414-2)

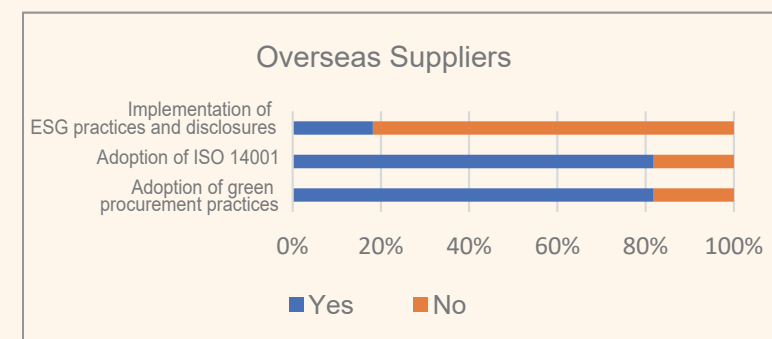
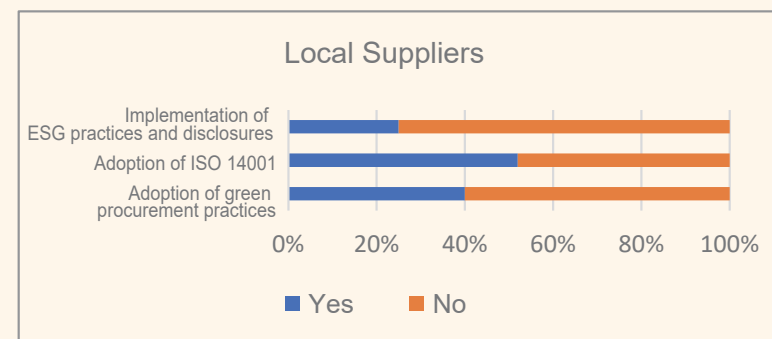
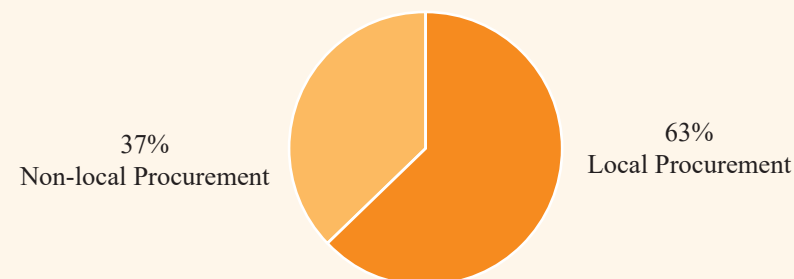
In accordance with international human rights initiatives as well as trends and regulations in environmental protection, Tong Hsing advocates the importance of ESG practices to its suppliers and requires them to comply with social and environmental ESG criteria, such as prohibition of forced labor and child labor. The Company has also created a policy brief for its corporate social responsibility policy for suppliers and regularly promoted the policy to suppliers.

In 2021, we sent out Supplier Evaluation Forms to 64 critical suppliers to understand their performance in environmental and social aspects. The survey results indicated that 25% of the suppliers have been publishing ESG/CSR reports for over 10 years and have been devising management approaches to material topics in sustainability (such as carbon management). The survey also showed that 20% of the suppliers were not familiar with ESG topics. After gathering more information, we continued to monitor these suppliers and provide relevant guidance.

Towards newly-onboarded suppliers in 2021, we also used the Supplier Evaluation Form to understand if their environmental and social compliance levels are similar to our existing critical suppliers. The evaluation results did not raise any concerns.

In 2021, to promote the development of a green supply chain, we also continued to request suppliers to adopt the ISO 14001 standard. The percentage of certification to ISO 14001 among critical suppliers has reached 52% in 2021, with 40% of the critical suppliers also having begun implementing green procurement practices.

Further analysis on the ESG compliance of our critical suppliers showed that levels of ESG compliance, implementation of ESG management practices and disclosure on material topics among local suppliers were slightly higher than those of overseas suppliers, while the latter slightly outperformed the former on ISO 14001 certification and green procurement practices. Tong Hsing will also consider results on these indicators when communicating with suppliers in the future.



To jointly advance the development of a green supply chain, we continued to ask suppliers to adopt the ISO 14001 standard in 2021. As of 2021, 52% of the critical suppliers have been ISO 14001 certified, and 40% of them have also adopted green procurement practices.



# 4 Sustainable Environment

Thorough preparation makes great work. At Tong Hsing, we will continue to develop our environmental sustainability roadmap. With well-defined organizational structure and responsibilities, we aim to fully integrate environmental sustainability concepts into our operations and business strategies.

1. Our Environmental Sustainability Management Approach
2. Environmental Costs & Environmental Performance
3. Water Resource Management & Pollution Prevention
4. Air Pollution Prevention
5. Energy Use and GHG Inventory
6. Financial Impact Assessment of Climate-related Risks and Opportunities (TCFD Analysis)
7. Waste Generation and Treatment
8. Environmental Compliance
9. Other (Chemical Management)





## 1. Our Environmental Sustainability Management Approach

Tong Hsing has implemented various environmental safety and health management measures to ensure sound environmental management. In addition to complying with applicable laws and regulations related to air pollution, water pollution and waste management, we also implement environmental management systems and have obtained the ISO 14001 environmental management system certification (validity period: 2020/4/2–2023/4/2).

Our Environmental Policy	Responsible Departments	Measures Implemented
<p>Tong Hsing manages environmental issues in accordance with the following principles:</p> <ul style="list-style-type: none"> <li>• Ensure regulatory compliance</li> <li>• Achieve continuous improvement</li> <li>• Care for society</li> <li>• Care for the environment</li> </ul>	<p>Environmental health and safety (EHS) teams at each level</p>	<p>We calculate and monitor water consumption, electricity consumption and total weight of waste generated on a monthly basis. We also set water conservation, energy saving and pollution prevention/reduction goals and review implementation results at the end of each year to formulate goals and measures for the following year. Information about our greenhouse gas (GHG) emissions, water consumption and total weight of waste generated over the latest two years has been disclosed on our company website.</p> <p>Dedicated departments have been assigned to manage air pollution, water pollution &amp; prevention and waste management. In addition to complying with applicable laws and regulations, we continue to promote wastewater recycling and cut down on resource consumption, hoping to further reduce pollution. Key measures include the following.</p>



### Water Resource Management:

Calculate monthly water consumption; monitor water productivity intensity (WPI, water consumption per output value in NTD) as a key performance indicator for water conservation efforts



### Energy Management:

Use energy intensity (electricity consumption per output value in NTD) as a key performance indicator for energy efficiency



### GHG Emissions:

Calculate and monitor GHG emissions each month; monitor GHG emissions intensity (emissions per output value in NTD) as a performance indicator; devise and implement GHG emissions reduction policies



### Waste Management:

Calculate total weight of waste generated each month; monitor waste intensity (weight of waste generated per output value in NTD) as a key metric for waste management



### Air Pollution Prevention:

Since our production process does not involve air pollution emission, air pollution prevention is not a material topic for Tong Hsing.

## 2. Environmental Costs & Environmental Performance

### Environmental Costs

Tong Hsing's environmental costs mainly include regular maintenance related to environmental protection; environmental management system operation and certification; and large-scale projects such as wastewater recycling and treatment system deployment.

For wastewater treatment, the Company has set up sewage treatment facilities and has assigned designated personnel to handle environmental protection issues. We have obtained the required wastewater discharge permits as well as the ISO 14001 environmental management system certification (validity period: 2020/04/02–2023/04/02). The Bade Plant that is currently under construction will also be equipped with environmental management facilities such as wastewater recycling and treatment system, exhaust treatment system, waste collection system, rainwater harvesting system, etc.

### Environmental Performance Indicators

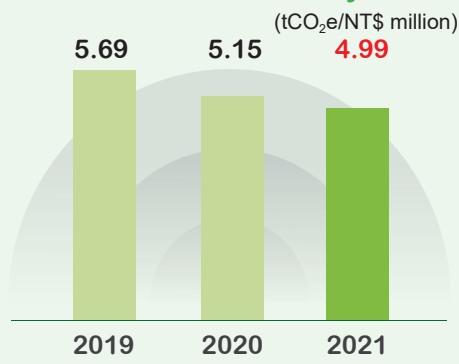
Our production has continued to expand in response to growing market demand. In order to improve efficiency, we use resource consumption and emissions intensities as key metrics to assess environmental performance. These metrics include GHG emissions intensity, water productivity intensity, waste intensity, among others. We have set goals to gradually reduce these intensities year by year and have also linked these goals to departmental KPIs.

As shown in the charts below, trajectory of all metrics indicates a downward trend over the years, representing Tong Hsing's efforts in energy conservation, carbon reduction and resource efficiency improvement.

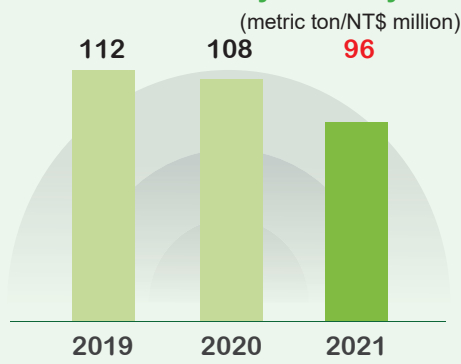
**Electricity Intensity** (kWh/NT\$ million)



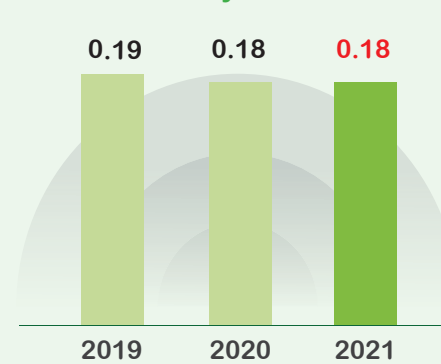
**GHG Emissions Intensity**



**Water Productivity Intensity**



**Waste Intensity** (metric ton/NT\$ million)

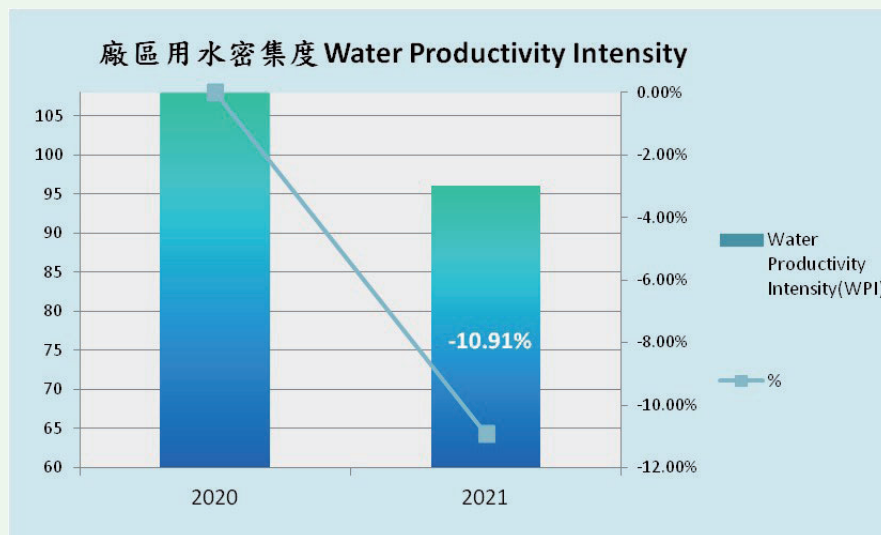


### 3. Water Resource Management & Pollution Prevention (GRI 303-2)(GRI 303-1)

As water is one of the most important resources on earth, Tong Hsing is committed to continuously improving its water resource management, including increasing the water recovery rate in our production processes without compromising product quality and optimizing water efficiency at all plants. Our production sites are equipped with wastewater treatment facilities and designated personnel to address environmental protection issues. We have also obtained all the required wastewater discharge permits, and our environmental management system has been ISO 14001 certified (validity period: 2020/4/2–2023/4/2).

Even with expanding production volume, water productivity intensity (WPI) at our plants has declined significantly by 10.91% from 107.85 metric tons per million NTD of output in 2020 to 96.08 metric tons per million NTD of output in 2021. We will continue to monitor and improve our water productivity to further enhance our water resource efficiency.

Water  
Productivity  
Intensity (WPI)  
decreased by  
**10.91%**  
in 2021



### 4. Air Pollution Prevention

To reduce emission of air pollution, we implement air pollutant reduction programs by the ISO 14001 standard. We also handle filings for application, modification, operation and extension of permits for stationary sources of air pollution in accordance with applicable laws and regulations. We continue to strengthen in-plant inspections and evaluations of the effectiveness of our pollution control measures. Looking ahead, we plan to introduce an exhaust stream separation process that would separate gas streams with acidic and alkaline pollutants for neutralization in wet scrubbers, which would help further reduce environmental impact of these air pollutants.

Although production processes at main plants, such as the Zhubei Plant, involve the emission of a small amount of volatile organic compounds (VOCs), the amount of such emission is lower than the threshold set by the Environmental Protection Administration (EPA) in Taiwan and thus does not require air pollution control fees.

In 2021, no incidents of non-compliance occurred at any of our plants.



## 5. Energy Use and GHG Inventory (GRI 302-1) (GRI 302-3) (GRI 302-4) (GRI 305-1) (GRI 305-2) (GRI 305-4) (GRI 305-5)

### Energy Management

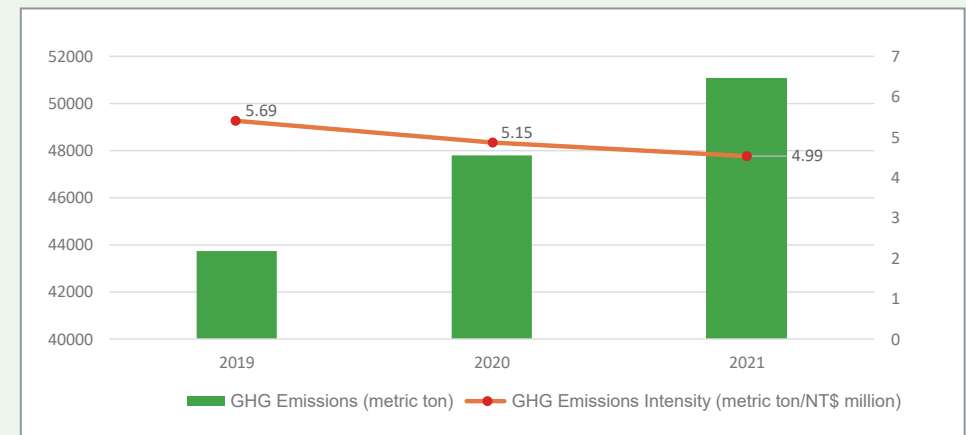
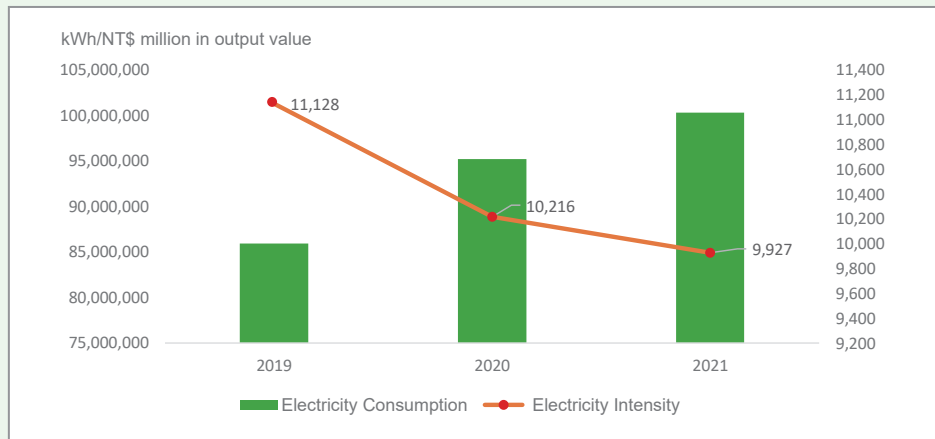
Purchased electricity from Taiwan Power Company is the main energy source used in our operations. In terms of energy management, electricity intensity (kWh/NT\$ million of revenue) is the key performance indicator we monitor at each plant.

In 2021, electricity consumption at all plants amounted to a total of 100,297,376 kilowatt-hours (kWh), which were equivalent to 361,071 joules. Compared to 2020, this represented an increase, but at the same time, overall electricity intensity continued to decrease, mainly thanks to a project launched during the year to enhance the operational efficiency of chillers. Going forward, we will continue to monitor electricity intensity at all of our plants and make progress on reducing electricity intensity each year. We will also further optimize our energy use to contribute to environmental protection through energy conservation and emissions reduction.

### GHG Emissions

The Company's Taipei Plant has begun to conduct greenhouse gas (GHG) inventory in accordance with ISO 14064-1:2018. Measured by electricity consumption data, the Scope 2 emissions of all plants were 50,410.65 tCO<sub>2</sub>e in total in 2021.

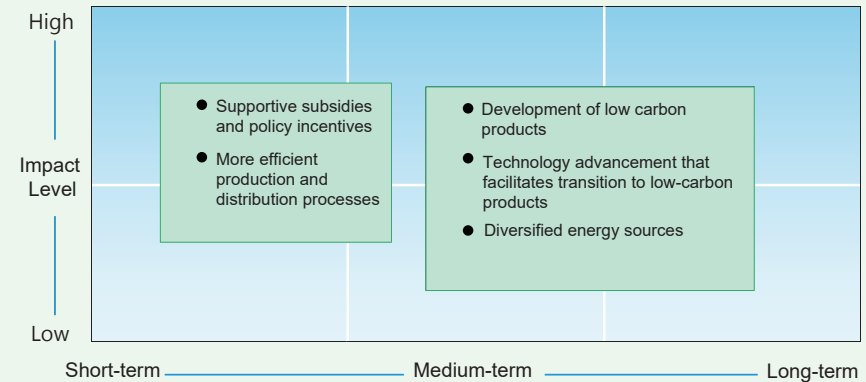
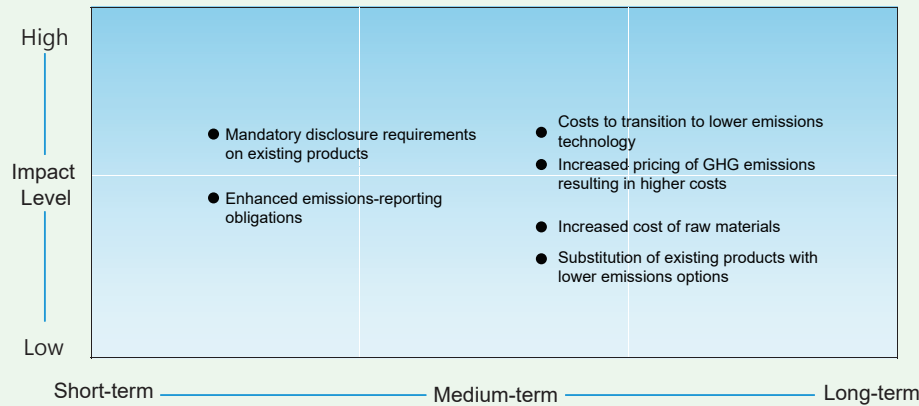
By analyzing changes in total emissions and emissions intensity, we can see that although total GHG emissions increased in 2021, our GHG emissions intensity continued to decline. With improving energy efficiency and reducing emissions intensity as the main indicators to evaluate progress, we can also see concrete results of our efforts in energy conservation and carbon reduction. In 2023 and onward, we plan to gradually implement GHG inventory at the rest of our plants to further monitor our performance in energy conservation and carbon reduction.



## 6. Financial Impact Assessment of Climate-related Risks and Opportunities (TCFD Analysis)<sup>(GRI 201-2)</sup>

The Company has conducted risk assessment on the potential impact of climate change on the Company and formulated various measures to mitigate such impact.

To reduce pollution and enhance energy saving and carbon reduction, we will continue to evaluate opportunities for wastewater recycling, including dicing wastewater recycling. Based on the result of our evaluation, we will consider installing specific frequency converters that could improve energy efficiency, which will serve as a way to respond to regulatory policy emphasis on energy saving and carbon reduction in Taiwan.

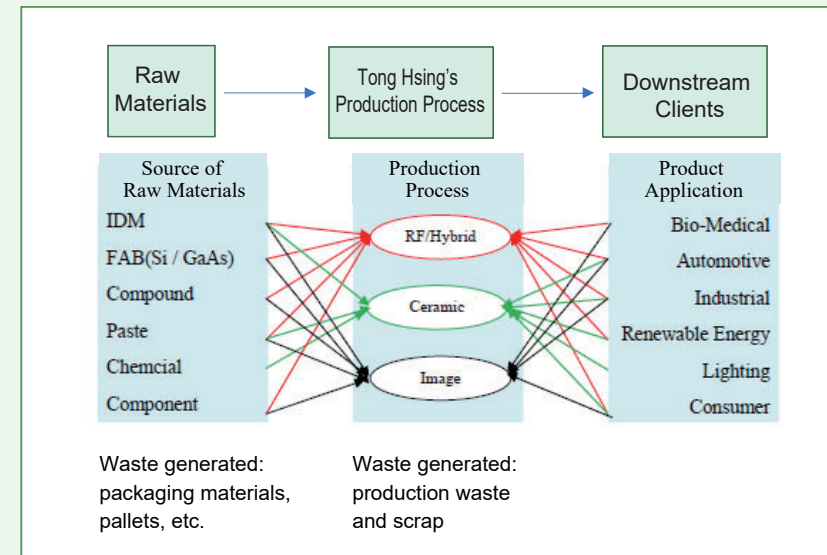


## 7. Waste Generation and Treatment<sup>(GRI 306-1) (GRI 306-2) (GRI 306-3)</sup>

Waste generated from the Company's manufacturing process includes packaging materials, pallets production scrap and so on.

Currently, all of our products have fully complied with the EU RoHS Directive. Our waste disposal process follows Industrial Waste Disposal Plans (IWDPs) developed in accordance with relevant EPA regulations. We also follow other applicable laws and regulations to dispose and recycle waste.

In terms of overall waste management policy, we focus on reducing waste at the source and during production processes, with waste intensity (metric ton/output value in NTD) as the guiding performance indicator.



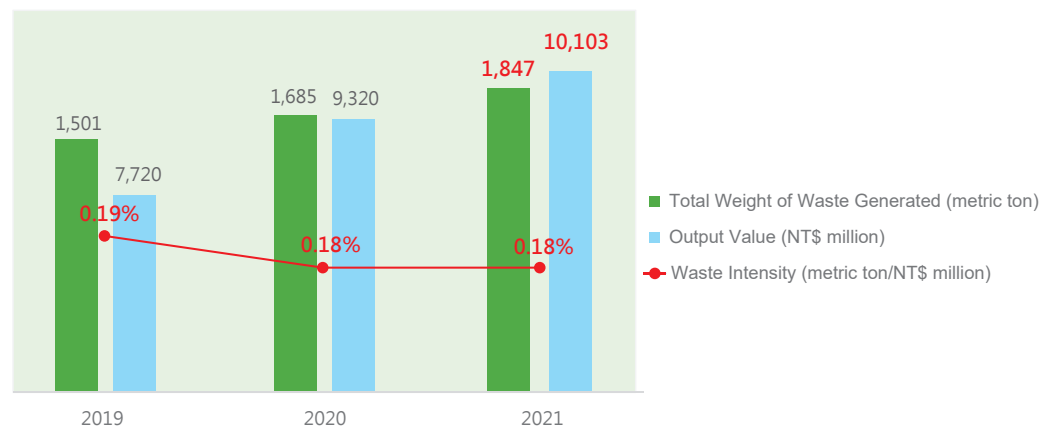
## Total Waste Generated in 2021

Based on our calculation, the total weight of waste generated by all three plants in 2021 was 1,847 metric tons. Measured in per-output-value terms, waste intensity remained at the same level of 0.18 ton per million NTD of output over the past three years. Tong Hsing understands the importance of waste management as an environmental issue and will continue to implement measures for at-the-source and overall waste reduction.

We continue to strengthen waste management measures across the board. In addition to complying with regulations, we actively implement waste reduction. This includes properly sorting reusable waste for third-party processing and repurposing, which helps improve resource recycling and reuse rates.

As noted above, despite increased output, waste intensity at our plants remained at 0.18 metric ton per million NTD of output. We will continue to do our best to protect the environment.

Historical Waste Generation and Intensity



## 8. Environmental Compliance (GRI 307-1)

In 2021, there were no cases of penalties due to non-compliance with environmental laws or regulations.

In response to future needs of plant expansion, we will continue to invest resources in environmental protection and ensure environmental compliance by the highest standards.

## 9. Other (Chemical Management)

### Chemical Management

Depending on client requests, our manufacturing process sometimes involve use of small amounts of chemicals, such as chemicals for wiping production line equipment. All chemical management procedures adhere to the hazard pictograms of the Globally Harmonized System of Classification and Labelling of Chemicals (GHS): chemicals with GHS hazard labels are classified as hazardous chemicals; chemicals without GHS hazard labels are classified as general chemicals; and non-chemical items such as dust or noise are classified under the “Other” category.



# 5 Social Responsibility

Since the Company's founding, providing employees with a safe and healthy workplace has always been Tong Hsing's top priority and commitment. We strive to provide a safe work environment, sound health services and comprehensive benefits for our employees. We are also committed to fostering a supportive and inclusive workplace where employees can enjoy fulfilling work, sound work-life balance and promising career development, which in turn will facilitate the Company's sustainable development.

- 
1. Our Employees
  2. Supportive Workplace
  3. Human Rights Policy
  4. Occupational Safety and Health
  5. Friendly and Inclusive Workplace
  6. Community Engagement



**Happy Employees**

**Community Engagement**

**Supportive Workplace**

Tong Hsing is committed in its efforts to fulfill its corporate social responsibility through a robust benefits policy for its employees and active participation in social welfare. Through a fair and inclusive recruitment policy and comprehensive employee benefits and training, the Company strives to create a workplace that supports its employees. The Company also participates in various activities to actively give back to the community, including taking part in Da Ai Television's nonprofit short video on promoting reading habits and the Step30 shoe donation project.

## 1. Our Employees (GRI 102-8)

In 2021, the Company had 3,747 employees across the world, including 2,688 employees in Taiwan. The Company has a balanced workforce structure in terms of age and gender, with female employees accounting for 61.6% of our workforce and female managers accounting for 52.8% of all managerial positions.

Tong Hsing is committed to fostering a diverse workplace. We have achieved good gender balance in our workforce structure, outperforming many of our peers in the electronics industry. The Company will continue to learn from leading companies to realize the benefits of a diverse workforce.

	Category	Male		Female		Subtotal	% of Total Employees
		Number	Percentage	Number	Percentage		
By Position	Managerial	130	50%	131	50%	261	9.7%
	Non-managerial	917	38%	1,510	62%	2,427	90.3%
By Age Group	Under 30	224	32%	476	68%	700	26%
	31-50	765	42%	1,065	58%	1,830	68%
	Above 51	58	37%	100	63%	158	6%
By Contract Type	Non-fixed term contract	14	29%	35	71%	49	1.87%
	Fixed-term contract	1,033	39%	1,606	61%	2,639	98.13%

### About Our Employees

Total number of employees in 2021

**2,688**

Total number of new hires

**592**



Male



Female

49.77%

50.23%

**592** newly recruited employees accounting for **22%** of total employees



Competitive compensation and benefits



Open communication channels and support



Comprehensive training and career development opportunities



Fulfilling work and good work-life balance

### Creating Stable Job Opportunities



**>98.13%**

Full-time employees



Average employee tenure

**6.72** years



**67.11%**

Employees with college or graduate degrees



Female employees

**61.6%**

Female managers

**52.8%**

## Diversity Recruiting (GRI 405-1)

When recruiting employees, Tong Hsing ensures equal and objective evaluation of every candidate and recruitment based on merit. We do not discriminate against nationality, race, religion, gender or other factors in our recruiting process. The Company also provides competitive compensation and benefits, professional training and education and employee care to attract and retain talents and help employees develop a fulfilling career.

## New Hires and Employee Turnover in 2021 (Taiwan) (GRI 401-1)

In 2021, 592 new hires joined us, while 534 employees left the Company.

Item	Age	Number of Male Employees	% of Male New Hires or Resigned Employees	Number of Female Employees	% of Female New Hires or Resigned Employees	Total (Male + Female)
New Hires	Under 30	101	39%	138	42%	239
	31-50	151	58%	189	57%	340
	Above 51	8	3%	5	1%	13
	Subtotal	260	100%	332	100%	592
Resigned or Terminated Employees	Under 30	81	33%	70	24%	151
	31-50	148	61%	200	68%	348
	Above 51	13	5%	22	8%	35
	Subtotal	242	100%	292	100%	534

## 2. Supportive Workplace

Tong Hsing values employee rights and employee care. We provide employees with an environment that facilitates a good work-life balance as well as reasonable benefits, including comprehensive employee benefits and a supportive workplace. To show our appreciation for employees, we provide benefits such as diverse meal options, comfortable accommodations, commuting support, gender-inclusive facilities, occupational health services and promotion as well as community and group activities to care for the physical and mental health of all employees. We also operate a comprehensive education and training system to help employees develop their careers and gain a sense of accomplishment from their work.

## Employee Benefits and Remuneration Policy (GRI 102-35, GRI 102-36, GRI 102-37)

The Company has established and implemented reasonable employee benefits (including compensation, leave and other benefits). The Company's operating performance and results are appropriately reflected in employees' salaries. We also adjust our Remuneration Policy for Newly Recruited Employees in accordance with industry standards. Each year, we assess our operating performance and make sure it is reflected in employee remuneration and incentive policies in a timely manner.

We also conduct employee satisfaction surveys to collect employee feedback and opinions, which help us adjust our remuneration system and build a better workplace for employees.

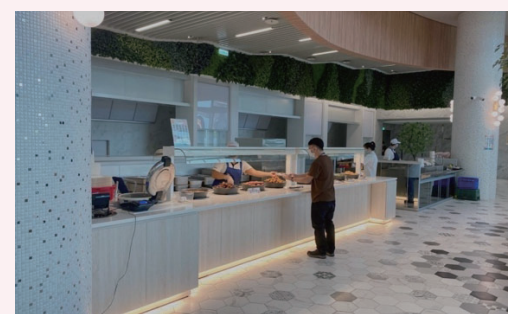




## Employee Support and Care (GRI 201-3) (GRI 401-2)

The Company is committed to creating a more supportive working environment and an ideal quality of life for its employees. The following are the various benefits offered to Tong Hsing employees:

<b>Employee Benefit Plan and Subsidies</b>	In the event of employee injury, hospitalization, or death caused by illness or accidents during employment, to alleviate potential financial burden on the families of employees, Tong Hsing provides labor insurance, health insurance, employee group insurance, dependent group insurance, accident insurance, occupational accident insurance, and regular health checkups in accordance with the relevant laws and regulations. In addition, the Company also provides subsidies for weddings, funerals and other significant life events based on its Standards for Financial Support for Major Life Events of Employees.
<b>Staff Welfare Committee</b>	From time to time, the Staff Welfare Committee organizes gatherings, conducts education and training, holds events with clubs such as the Baseball and Softball Club and the Badminton Club, and has set up a subsidy policy for club activity funding. The Committee also holds regular staff communication meetings and company trips and offers travel subsidies for the betterment of the employees' physical and mental health.
<b>Staff Canteen and Meal Allowance</b>	The Company has set up staff canteens that provide vegetarian meals, light meals and meals geared toward expatriate staff members. In addition, there is a variety of optional benefits such as meal allowance for employees on business trips, so that the diet and health of employees are taken care of.
<b>Staff Dormitory and Shuttle Bus</b>	In addition to dormitories for regular staff, comfortable accommodations are provided to migrant workers. There are also subsidies for short-term rentals and shuttle buses to and from work (Longtan Plant), so that employees have a place to relax and rest without having to worry about securing accommodation or transportation.
<b>Parking Spaces and Facilities for People with Special Needs</b>	Parking spaces are provided for employees to park their cars and motorcycles, including those for people with special needs, such reserved spaces for pregnant women and people with physical/mental disabilities. We also provide individual medical care and breastfeeding rooms for unlimited use to create a working environment that supports gender equality.
<b>Health Promotion</b>	Besides providing free annual health checkups, the Company also has professional medical practitioners stationed at its plants to provide medical care, conduct various activities to promote health awareness, and care for employee's health.
<b>Year-end and Holiday Bonuses</b>	The Company offers employee bonuses, birthday bonus, Labor Day bonus, Dragon Boat Festival/Mid-Autumn Festival/Lunar New Year gifts, and year-end banquet lottery.
<b>Comprehensive Leave Policy</b>	In accordance with the Labor Standards Act, various types of leave, such as special leave, paternity leave, family care leave and menstrual leave for female employees, are provided. Moreover, the Company also offers parental leave, maternity leave, paternity leave, family care leave, epidemic care leave, vaccination leave and unpaid parental leave to meet the needs of employees and their families.
<b>Education Subsidies</b>	Tong Hsing greatly values the education of its employees and their children. The Company provides scholarships for employees and employee's children. Those whose grades meet the standards set by the Company are eligible to apply. Programs include employee education scholarship and scholarship for the children of employees.
<b>Education, Training and Promotion Opportunities</b>	We offer proposal bonuses, comprehensive education and training and a robust promotion system, including diversified training for functional and professional skills as well as management skills courses such as language skills and interpersonal communication.

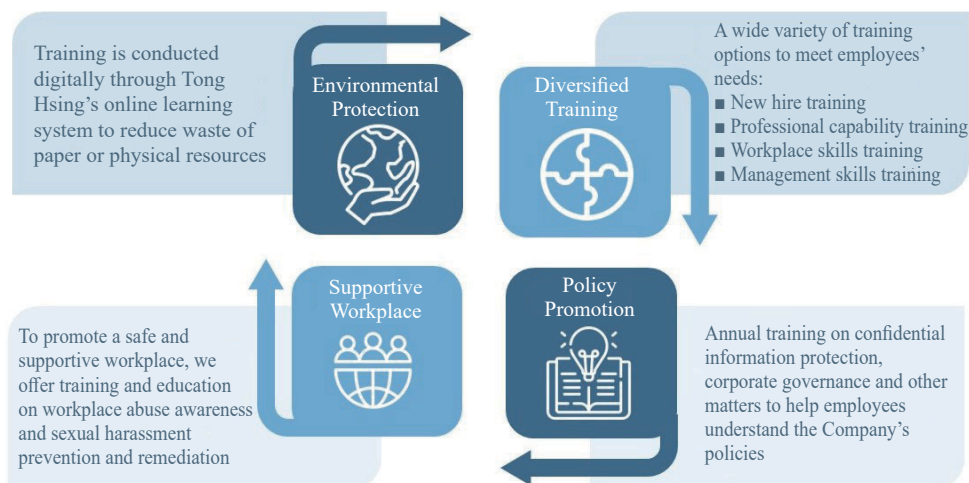


## Reinstatement and Retention Rate for Unpaid Parental Leave, 2019-2021 (GRI 401-3)

Gender	2019		2020		2021	
	Female	Male	Female	Male	Female	Male
Number of employees qualified for unpaid parental leave (A)*	466	248	471	256	500	248
Number of employees who applied for unpaid parental leave (B)	7	2	3	3	5	1
Number of employees due for reinstatement from unpaid parental leave in the current year (C)	3	3	2	4	5	1
Number of employees who returned to work in the current year (D)	2	1	0	3	3	0
Number of employees that remained in service for 12 months after reinstatement (E)	2	1	0	3	1	0
Unpaid parental leave application rate (B)/(A)	1.5%	0.8%	0.6%	1.2%	1.0%	0.4%
Reinstatement rate (D)/(C)	66.7%	33.3%	0%	75.00%	60.0%	0%
Retention rate (E)/(D)	100%	100%	0%	100%	33%	0%

Note: Inclusive of employees who had applied for maternity or paternity leave between January 1, 2018 and December 31, 2021 and who remained employed by the Company as of December 31, 2021.

## Employee Training & Education



## Education and Training (GRI 404-1)

To implement the Company's management philosophy—the growth of employees is the driving force of the Company's progress—we prepare annual education and training plans as well as professional training courses according to the annual development goals, new policies, laws and regulations and job function needs. Training such as external training courses for professional skills, online education and training, presentation skills and on-the-job English training are provided to enhance the professional skills and capabilities of employees. We hope to provide diverse career development opportunities for our employees through a sound education and training system.

For new employees, besides orientation training, we also match new hires with dedicated advisors for general training. In terms of training for professional capabilities for each position, we arrange training by level of experience (novice, semi-experienced and experienced) in combination with general courses on overall knowledge and latest developments in the industry. We also provide training on essential workplace skills (language skills, productivity, interpersonal communication, etc.) and management skills. The total number of training hours in 2021 was about 117,400 hours, with a ratio of 3:1 for men to women. We adjust training plans every year according to the Company's development strategy and goals, so that our training and education can quickly respond to changes in the every-changing industry and enhance the Company's overall competitiveness among peers.

## Supporting Employee Skill Development (GRI 404-1) (GRI 404-2)

The Company's annual internal training can be divided into these categories: general training, professional skills training, management skills training, and quality & occupational safety training. In 2021, the total number of training hours was 126,014.74 hours. In addition to internal training, we also provide employees with opportunities for continuous learning through a variety of channels such as inviting external lecturers and offering external training resources. The total external training expense in 2021 was approximately NT\$ 3.05 million.

Training Type	Description	Training Hours		Total Training Hours
		Male	Female	
General Training	Orientation training and training by dedicated advisors for new hires	7,121	5,062	12,184
Professional Skills Training	Professional capability training for each position: training by experience level (novice/semi-experienced/experienced), common training course on knowledge and the latest industry developments	77,506	24,001	101,507
Management Skills Training	Workplace skills training (including language skills, work efficiency and interpersonal communication); training for junior managers; training for mid- and senior-level managers; training for all managers	754	353	1,107
Quality & Occupational Safety Training	On-the-job training, hazard awareness, safety promotion, license and certification training, etc.	6,868	4,347	11,216
Total		92,250	33,764	126,014

## Training for Essential Workplace Skills

Tong Hsing provides employees with courses on a wide range of workplace and professional skills to support employees' career development. Offered courses include Problem Solving Camp, Excel and Microsoft Office Specialist (MOS) certification courses, Designing Effective Presentations, Top-Down Communication Skills, Performance Management and Getting Charts to Talk. These training courses serve to enhance the employees' abilities in areas such as language skills, interpersonal communication and work efficiency.



## Cultivating Management Skills

Managers and supervisors play an important role in connecting the top to the bottom of an organization. Tong Hsing has thus designed a management skills training system according to the needs of different levels of management. For junior managers, training focuses on cultivating training and supervision capabilities. For managers at the section or department level, the emphasis is on budget control, guiding subordinates and establishing cross-departmental communication among managers. As for managers at the divisional level, training focuses on leadership, change management and strategic planning. This training approach aims to help managers gradually develop management capabilities needed at different levels.





## Employee Performance Review and Career Development (GRI 404-3)

Tong Hsing regularly reviews employees' performance and progress in accordance with its Employee Performance Review Policy.

	Employees who received a performance evaluation in 2021 Number of employees (Percentage)	Employees who received a career development review in 2021 Number of employees (Percentage)
By Gender		
Male	1,038 (44%)	122 (50%)
Female	1,336 (56%)	123 (50%)
Total	2,374 (100%)	245 (100%)
By Position		
Managerial	245 (10%)	245 (100%)
Non-managerial	2,129 (89%)	0 (0%)
Total	2,374 (100%)	245 (100%)

## Retirement Policy (GRI 201-3)

To provide employees with a secure future, Tong Hsing has implemented specific measures in accordance with relevant laws and regulations, including making annual contributions to employees' retirement reserve fund in accordance with the Labor Standards Act. Actuarial calculations for retirement reserves are performed by professional actuaries to confirm that the vested benefits can be fully paid in the future. Pension payment is calculated based on an employee's average salary during the six months prior to retirement and on the employee's years of service. As of the end of 2021, the fair value of the retirement plan assets was NT\$284,951,000. The amount required by law to be paid in the future has already been listed in the accrued pension liabilities, and the balance as of the end of 2011 was NT\$474,712,000.

Also, in accordance with the Labor Pension Act, a monthly contribution of 6% of employees' salaries is deposited into their individual pension accounts with the Bureau of Labor Insurance. The amount of the pension fund contributed (including both the old and new pension systems) was NT\$92,991,000 in 2021.

In addition to the aforementioned laws and regulations related to retirement, retirement plaques are issued to recognize the hard work and contribution of employees and to show the Company's appreciation for the retired employees.

## 3. Human Rights Policy (GRI 412-1)

The Company's total headcount was 3,025 in 2021, including 2,688 employees in Taiwan. With a balanced workforce structure both in terms of age and gender, female employees accounted for 61.6% of total employees and the share of female managers was 52.8%, both numbers showcasing outstanding gender balance compared with our peers in the electronics industry.

Going forward, we will continue to learn from leading companies in terms of diversity practices to further strengthen our operations by fostering a diverse and inclusive workplace.

### Tong Hsing's Commitments

- Prohibition of child labor: We do not use child labor or forced, bonded, involuntary or exploited labor
- Employee rights and interests: We ensure employee working hours and breaks are in line with the Labor Standards Act
- Employee benefits: We pay our workers wages and benefits in accordance with all relevant laws and regulations
- Humane treatment: We treat all employees humanely and never resort to violence, physical punishment, threats, humiliation, abuse, sexual violence, sexual assault or other inhumane means
- Anti-discrimination: We provide equal employment opportunities and do not discriminate against race, color, age, gender, sexual orientation, disability, nationality, pregnancy, religion, political affiliation, membership of an association, marital status or other discriminatory factors based on applicable laws and regulations
- Freedom of association: We respect the freedom of speech and association of all employees and protect them from reprisals and threats

In accordance with the Labor Pension Act (the new pension system), Tong Hsing makes a monthly contribution of 6% of employees' salaries into their individual pension accounts with the Bureau of Labor Insurance.



**To protect the rights and interests of all employees, we are committed to following principles and require all human resource agencies we work with to adhere to these guidelines as well.**

- (1) Respect the human rights of workers:** Ensure workers' right to free choice of employment and freedom of association; ensure zero use of child labor; protect female workers' rights and health; prohibit discrimination and inhumane treatment; ensure wages, benefits, and working hours comply with law and regulations; and require human resource agencies we work with to adhere to all these requirements
- (2) Ensure the health and safety of workers:** Ensure the occupational safety of workers; provide emergency preparedness plans; ensure proper management of occupational injuries and illness; control potential hazards; assess and control hazards of physically demanding tasks; implement machine safeguarding measures; maintain public sanitation; and provide clean canteens and dormitories
- (3) Protect the environment:** Reduce adverse impact on society, the environment and natural resources; protect public health and safety; obtain necessary environmental permits and follow relevant reporting requirements; prevent pollution and conserve resources; control and manage chemical and hazardous substances, wastewater, solid waste and air emissions; and comply with relevant laws and regulations for the control of hazardous substances in products
- (4) Strictly uphold business ethics:** Uphold integrity in all business interactions; prohibit any form of improper benefits; disclose business and financial information; comply with anti-corruption laws and regulations; respect intellectual property rights; enforce fair business, advertising and competition; prohibit use of minerals sourced from conflict zones; protect the personal information of business contacts; comply with laws and regulations on privacy and information security; have anonymous grievance procedures in place to protect the identity of whistleblowers and establish protection procedures to prevent retaliation against whistleblowers
- (5) Establish relevant management systems:** Comply with our commitments to workers, health and safety, the environment and ethics; establish management responsibilities and regularly review them for management accountability; monitor and review applicable legal and customer requirements; conduct risk assessment and risk management; establish performance goals and conduct regular evaluations; and formulate training programs and worker communication procedures

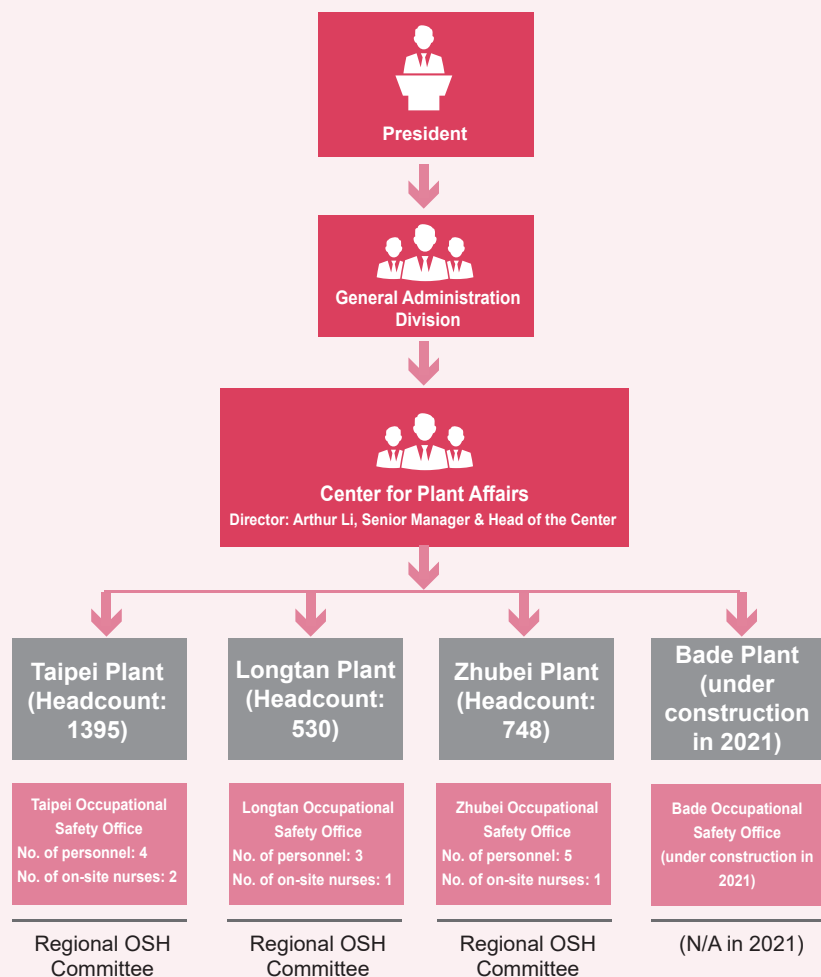
## 4. Occupational Safety and Health

Tong Hsing believes that a safe and healthy workplace is a necessity for employees to work without fear of accidents or injury. We are committed to the occupational safety and health (OSH) of our employees and have adopted necessary health and safety measures to reduce hazardous factors that might impact employees' safety and health and minimize risk of occupational hazards. The Company complies with relevant laws and regulations, including the Occupational Safety and Health Act and the Workplace Monitoring Enforcement Regulations. We also regularly implement employee care and health promotion measures to further ensure the health and safety of our employees.

In 2006, we obtained OHSAS 18001 certification for our OSH management systems and later upgraded to the ISO 45001 standard in 2020, further demonstrating our commitment to ensuring optimal working conditions, health, wellbeing and equality for all employees.

### Robust OSH Management System for a Safe and Healthy Work Environment

Commitments	Management Approach	Our Goals
<p>Echoing our Sustainable Development Policy, we have established the following Occupational Safety and Health Policy:</p> <ul style="list-style-type: none"> <li>● Respect workers' rights and foster a supportive workplace</li> <li>● Maintain health and safety and eliminate potential hazards</li> <li>● Strengthen environmental awareness and implement pollution prevention</li> <li>● Implement risk management and drive continuous improvement</li> </ul>	<p>We provide a safe and healthy work environment in compliance with relevant environmental, occupational safety, fire safety regulations as well as results of internal risk assessments. We have obtained the ISO 45001 certification for our OSH systems and will continue to improve our safety and health measures to further minimize risks and hazards and reduce occupational injuries and illness.</p> <p>Adhering to our OSH policy, we have outlined the following key focuses:</p> <ul style="list-style-type: none"> <li>● Compliance: comply with all applicable safety and health regulations and standards</li> <li>● Hazard Prevention: implement effective safety and health measures to prevent occupational injuries and illness</li> <li>● Employee Engagement: value workers' feedback and participation; provide training and education to enhance safety and health awareness of employees and contractors</li> <li>● Continuous Improvement: implement risk management and drive continuous improvement to further ensure workplace and operational safety</li> </ul>	<p>In order to safeguard employees' health and safety, each plant has a dedicated occupational safety and health department (Occupational Safety Office) and an OSH committee to implement OSH-related measures. Members of the Occupational Safety Office include occupational safety personnel and occupational health nurses. In-plant environment and health management is implemented in accordance with regulations and the OSH management system in place. And on-site nurses deliver health services, health management and medical assistance.</p> <p>Personnel of the OSH units are assigned with clear roles and responsibilities. OSH affair managers and specialist are responsible for overall planning and supervision, including OSH policy, compliance and inspection plans, training and education, hazard and risk assessment, environment monitoring, hazard prevention and management, occupational accident review and internal audits.</p>



## Measures Implemented

The following measures are implemented under the OSH management system at each plant:

1. Obtain ISO 45001 or other OSH certifications and regularly conduct internal/external audits and performance management to assess the effectiveness of the management system
2. Comprehensively assess potential occupational risks and hazards and monitor work environment; devise and implement precautions according to the assessment results
3. Provide education and training and conduct emergency response exercises to enhance safety and disaster prevention awareness among all employees
4. Build robust grievance mechanism and communication channels to ensure employees' engagement
5. Provide various occupational health services and health promotion programs to care for workers

## Goals and Evaluation Mechanism

To ensure workplace and operational safety, all plants utilize the OSH management system to monitor indicators related to occupational hazards, injuries, safety risks and work environment. The frequency-severity indicator (FSI) is the main performance indicator we use to evaluate OSH performance.

We also implement hazard identification, risk classification, internal and external audits to identify risks and shortcomings, based on which we set goals for improvement and implement action plans.

## Grievance Mechanism and Communication

Tong Hsing has established grievance mechanisms and various communication channels for OSH management. Plant-level grievance mechanism includes an OSH committee, labor meetings, suggestion boxes, illegal workplace abuse complaint channel, among others. Towards external parties, communication and interactions related to OSH include government inspections, official documents issued by competent authorities, customer surveys, on-site audits and disclosures on the Company's official website.

## Comprehensive OSH Management System: Certification and Professional Management

(GRI 403-1) (GRI 403-2) (GRI 403-8)

In 2020, we completed the certification upgrade for our OSH systems. Management systems at our plants transitioned smoothly from the OHSAS 18001 to the ISO 45001 standard. In accordance with internationally recognized safety standards, we continue to provide our employees with a safe working environment through robust OSH policy, risk management, training and education, communication, occupational hazard management and other measures.

## Tong Hsing's OSH Management System Certification

		Taipei Plant	Longtan Plant	Zhubei Plant
Headcount	Employees	1395	530	748
	Non-employee workers	26	15	20
Obtained ISO 45001 certification		V (Valid by 2023/3/19)	V (Valid by 2022/12/15)	Still in progress*

Note: The Zhubei Plant has adopted the ISO 45001 standard and plans to apply for certification at the end of 2023. The Plant also conduct internal annual audits in accordance with the ISO 45001 standard.



**ISO 45001  
Certification  
(Taipei Plant)**

**ISO 45001  
Certification  
(Longtan Plant)**



The operation of an effective OSH management system relies on the expertise of the occupational safety personnel at each plant. The OSH personnel at all of our plants have received professional training. Their certification includes Certification for Level A Occupational Safety and Health Affairs Managers, Certification for Level A Occupational Health Management Specialists, Certification for Level B Occupational Safety and Health Personnel and so on.

## Performance and Evaluation Mechanism

Clearly defined objectives are key to optimal management. With regard to OSH management, Tong Hsing uses the Frequency-Severity Indicator (FSI) as the key indicator to monitor work environment and occupational hazards. We conduct annual internal and external audits to identify shortcomings in our systems with the aim of reducing health and safety incidents, enhancing safety protection during manufacturing processes and enabling continuous improvement of OSH performance.

## Short-, Medium- and Long-Term Goals

Indicator	Plant	2019	2020	2021	2022 (Goal)	2025 (Goal)	2030 (Goal)
Frequency-Severity Indicator (FSI)	Taipei	0.1	0.44*	0.23	<0.15	<0.12	<0.10
	Longtan	0.36	0.15	0.15	<0.15	<0.12	<0.10
	Zhubei	0.09	0.07	0.07	<0.15	<0.12	<0.10

Note:

1. Frequency-Severity Indicator (FSI) = [(Disabling Injury Frequency Rate X Disabling Injury Severity Rate) ÷ 1000]^0.5
2. The FSI value for the Taipei Plant was higher in 2020 due to three fall incidents (leading to higher lost workdays). The Company subsequently conducted an improvement program. Refer to “Incident Investigation and Follow-up Measures” section below for details.

## Implementing Measures for Improvement Based on Internal and External Audit Results (GRI 403-9)

### Internal Audits

Audit teams consisting of qualified auditors who have received relevant training are responsible for conducting internal health and safety audits every year in accordance with the internal audit plan. Audits cover OSH policy and objectives, employee competence and awareness, information documentation, operation and control of OSH management programs, emergency preparedness and response, regulatory compliance assessment, non-compliance and corrective measures.

#### Overview of Internal Audits in 2021

	Taipei Plant	Longtan Plant	Zhubei Plant
Date of Audit	2021/1/18~1/22	10/15-10/22	2021/9/15
Findings (Number of non-conformities, NC)	2		6
Follow-up Measures	Adjustment to relevant operational procedures Adjustment to documentation forms		Revision of related operational guidelines Revision of OSH policy Additional training for contractors

Note: While the Zhubei Plant has yet to obtain the ISO 45001 certification, internal audits at the plant were conducted using the criteria comparable to the standard

### External Audits

In addition to internal audits, Tong Hsing also engages third-party assurance providers to conduct external audits on ISO 45001-certified plants. In 2021, the external audits were conducted by SGS Taiwan. Audit dates and results are listed in the table below:

#### Overview of External Audits in 2021

	Taipei Plant	Longtan Plant
Date of Audit	2021/3/9~3/10	11/3-11/4
Findings	NC: 11 OBS: 17	NC: 0 OFI: 6
Follow-up Measures	Adjustment to related operational procedures Revision to related documentation forms Process improvement	Made improvements according to the OFIs in 2022

Note: NC refers to non-conformity; OBS refers to observations; and OFI refers to opportunities for improvement



## Continuous Improvement

Committed to continuous improvement, Tong Hsing develops and implements programs and preventive measures in response to the findings of OSH performance evaluation and internal/external audits. Specific actions include revising operational documents (e.g., adding a communication field for better collaboration), improving content of OSH education and training materials (e.g., adding non-compliance case studies into safety training material for contractors) and regularly tracking progress on non-compliance corrections.

## Occupational Hazard Identification and Risk Assessment (GRI 403-2) (GRI 403-9)

Risk management and hazard prevention are integral parts of OSH management. To ensure safety of all employees in the work environment, we conduct occupational safety risk assessment and hazard identification on a regular basis. We also conduct incident and non-compliance investigation and implement corrective measures accordingly.

For occupational risk assessment, we assess the severity, scope of impact and probability of each risk identified in routine and non-routine tasks (including emergencies). We then map out a risk matrix to determine risk scores. A score of 4 and above implies high risk; a score of 3 means moderate to high risk; a score of 2 is moderate risk; and a score of 1 refers to low risk. High risks are unacceptable risks that must be addressed immediately with contingency plans and corrective measures. Moderate or moderate-to-high risks are tolerable for the time being but require a review of existing measures for further improvement. Low risks are acceptable risks.



## Occupational Risk Assessment & Hazard Identification

### Risk Assessment Results in 2021

Plant	High and Moderate Risks Identified (2021)			Follow-up Measures and Implementation Results (2021)		
	Risk Level	Number	Hazard Type	Item	Evaluation Metric	Implementation Status
Taipei Plant	High	1	Mechanical hazard (pinch point hazard)	Equipment safety check throughout plant (725 machines in total)	Compliance with occupational safety regulations	Achieved (December 31, 2021)
	Moderate	1	Fire/chemical hazard	Emergency exercises (32 sessions in total)	Exercise score >90	Achieved (September 2021)
Longtan Plant	High	3	Buildings and fire safety	Partition doors of electrical control rooms replaced with fire doors	Compliance with fire safety code	Achieved (September 2021)
				Adding fireproof stuffing to parts of pipelines	Compliance with fire safety code	Achieved (July 2021)
	Moderate	1	Environmental impact	Processing wastewater from dicing separately	Reduction of environmental impact	Achieved (February 2022)
Zhubei Plant	High	2	Fire hazard, chemical leakage	Emergency response education	Enhanced emergency response capabilities	Completed emergency response training and field drills on schedule
	Moderate	10	Noise hazard that may cause hearing impairment, chemical splash, falling object, cut/laceration, fatigue, food poisoning, worker injury, burns/frostbite, ergonomic hazard (due to repetitive task), crush	Hazard prevention	1. Revising standard operating procedures 2. Regular inspections 3. Safety and health education/training 4. Deployment of protective gear	All completed

## Comparison with Past Risk Assessments

	Risk Level	2020	2021	Comparison and Explanation
Taipei Plant	High	0	1	New risk identified in 2021: mechanical pinch point hazard (The hazard has been rectified)
	Moderate	1	1	N/A
Longtan Plant	High	4	3	Measures implemented: zoning in response to covid-19 infection risk; rectification of information security concerns identified; installation of extra fire escape stairs (Completed: 2020/05/10)
	Moderate	3	1	Measures implemented: adding new PA system functions (Completed: 2020/07/31); installation of purified water system (loop5) (Completed: 2020/07/14)
Zhubei Plant	High	2	2	N/A
	Moderate	8	10	Measures implemented: included contractor operations (including meal preparation and construction services) in risk assessments

## Incident Investigation and Statistics

### Overview of Work-Related Injuries in 2021 (GRI 403-9) (GRI 403-10)

Item	Taipei Plant	Longtan Plant	Zhubei Plant
Absence Rate (AR)	2.28%	0.55%	0.74%
Rate of Fatality Caused by Work Injury	0	0	0
Occupational Diseases Rate (ODR)	0	0	0
Severe Work Injury Rate	0	0	0
Recordable Work Injury Rate	4.68	2.41	2.06
Lost Day Rate (LDR)	15.13	5.63	2.06
Process Safety Total Incident Rate (PSTIR)	0.07*	0	0

Note: Please refer to our official website for definition of each indicator and calculation methods.

\*The process safety incident at the Taipei Plant was a fire breakout from the production line's industrial oven on February 15, which resulted in emergency evacuation.

### Statistics for Disabling Injuries in 2021 (GRI 403-9) (GRI 403-10)

No incidence of disabling injury occurred at any of our domestic or overseas plants in 2021. Tong Hsing will continue to maintain a zero-disabling-injury record.

### Incident Investigation and Follow-up Measures (GRI 403-2)

All plants have procedures for incident investigation and handling. In the event of an occupational injury, the incident shall be addressed immediately. Measures include emergency care at the medical room and accompanying the injured to a hospital. Plants shall also file an incident handling report, occupational injury notification report and complete a form for improvement plan, specifying clear corrective measures and implementation schedule. In addition, patrol inspections as well as follow-up safety education and training shall be conducted to prevent the incident from happening again.

When necessary, a special program for improvement shall be established. For example, towards the three fall incidents that happened at the Taipei Plant due to wet floors on rainy days, besides immediately assisting the injured to seek hospital care, the Taipei Plant also launched a special improvement program, identifying stairways and entrances with slip and fall risk and installing anti-slip tread tapes and warning signs. At the entrances, the plant installed weather protection overhangs and anti-slip floor mats and also replaced the drain covers to prevent slipping. In addition, the plant procured anti-static safety shoes that increase slip resistance for workers. These practices have effectively reduced slip and fall risk, leading to better performance on FSI in 2021.



## Overview of Close Calls in 2021

Type		Close Calls		Safety Incidents	
		On-site	Off-site	On-site	Off-site (commuting)
Number of Incidents	Taipei	3	0	13	16
	Longtan	0	0	2	2
	Zhubei	1	0	3	3

## Environment Monitoring and Chemical Management

In addition to tracking occupational injuries, Tong Hsing regularly conducts work environment inspections to monitor potential hazards in accordance with applicable laws and regulations. These inspections cover noise, illuminance, dusts, carbon dioxide, chemicals, etc. Trend analysis is then performed to identify areas for improvement. The scope of our chemical management is outlined in the table below. In 2021, all inspection results were within legally permitted limits.

Plant	Item	Type	Description	Inspection Frequency
Taipei Plant	General Chemicals	General Chemicals	N/A	
		Hazardous Chemicals	Potassium cyanide, ethylene glycol monobutyl ether, xylene, methanol, isopropyl alcohol, acetone, nickel, hydrofluoric acid, sulfuric acid, dichloromethane	Semiannual
			Lead, methanal	Annual
	Other		Noise, carbon dioxide, respirable dust, total dust	Semiannual
Longtan Plant	General Chemicals	General Chemicals	N/A	
		Hazardous Chemicals	Sulfuric acid, sodium hydroxide, ethanol, isopropyl alcohol	Semiannual
		Other	Noise, carbon dioxide, illuminance	Semiannual
Zhubei Plant	General Chemicals	General Chemicals	Carbon black	Annual
		Hazardous Chemicals	Methanol, acetone, isopropyl alcohol, xylene, cyclohexanone, butyl acetate, sulfuric acid	Semiannual
			Hydrochloric acid, ethylene diamine, sodium hydroxide	Annual
	Other		Noise, carbon dioxide, illuminance	Semiannual

## Operational Permit Management

Before undertaking operations of a high-risk nature, all plants of Tong Hsing complete the necessary permit application and protective measures. The numbers of permits applied in 2021 are listed in the table below:

Types	Fire	High Altitude	Confined Space	Temporary Power	Rooftop Operation	Other (Hoist)
Taipei Plant	8	5	3	0	0	12
Longtan Plant		5	1			
Zhubei Plant	174	185	1	0	0	Hoist (52), Temporary suspension of safeguarding measures (55)

## Occupational Education & Training and Emergency Response (GRI 403-5)

OSH education and training is one of the most practical ways to protect employees. To ensure that all employees understand operational safety and relevant OSH regulations, Tong Hsing regularly provides OSH education, training and promotion based on employees' needs. Training includes certification courses and general courses about hazards. The total OSH training hours were 11,216 hours in 2021. The Company has also established emergency response teams at each plant and formulated procedures for communication, emergency response, investigation and recovery. Emergency drills for fire and chemical hazards are held routinely with all workers participating to enhance disaster prevention awareness.

### OSH Training and Education in 2021

Type		Orientation Training	License and Certification Training		On-the-job Training
Plant		Training for New Hires and Transferred Employees	Initial Training	Recurrent Training	Specific or General Training
Taipei Plant	Number of Trainees	240	19	21	General (1,291), Hazard Awareness (1,041)
	Hours	720	359	63	2,332
Longtan Plant	Number of Trainees	120	10	4	General (482), Hazard Awareness (4)
	Hours	360	216	30	420
Zhubei Plant	Number of Trainees	201	4	14	General (407), Hazard Awareness (407)
	Hours	603	68	51	1,221

### Emergency Response Drills in 2021 (Number of Drills Held)

Plant	Type	COVID-19	Fire Safety	Toxic Chemicals	Specific Chemicals	Emergency Evacuation	Dye/Dust Leak	Other
Taipei Plant		0	15	3	6	32	6	
Longtan Plant		3	2	0	1	2	0	
Zhubei Plant		1	4	0	0	2	2 (Chemical and exhaust leak)	Earthquake (1), power outage (1), typhoon (1), wastewater system outage (1)

## Grievance Mechanism and Communication (GRI 403-4)

Opinions and feedback from frontline workers and external parties are important bases for the improvement of our OSH management system and procedures. Hence, we make sure that members on OSH committees include employee representatives. We also provide various communication and counseling channels to invite feedback from all parties to facilitate progress and improvement.

Meetings of Occupational Safety and Health Committees (2021/1/1-2021/12/31)

Plant	Number of Meetings	Number of Committee Members	Number and Percentage of Employee Representatives		Note
Taipei Plant	4	39	13	33%	Dates of meeting: 4/26, 7/26, 10/20, 3/17
Longtan Plant	4	27	9	33%	
Zhubei Plant	4	17	6	35%	

## Diverse Participation and Communication Channels

### Internal Participation and Communication Channels

- Labor-management meetings (quarterly)
- OSH committee meetings (quarterly)
- Year-end employee symposiums (annual)
- Environmental compliance satisfaction surveys and impact assessments (annual)
- OSH suggestion forms (ad hoc)
- OSH risk assessments (annual)
- Non-compliance review meetings of the OSH committee (quarterly or annually)
- Incident investigation and review meetings (quarterly or ad hoc)

### External Communication Channels

- Government inspections or on-site audits
- Official letters from competent authorities
- Environmental, safety and health questionnaires from clients and on-site audits by clients
- Calls from members of nearby communities
- Company website and press releases
- Shareholders' meetings

## Occupational Health Services and Health Promotion (GRI 403-3) (GRI 403-6)

Tong Hsing places significant emphasis on the care and promotion of employees' health. We offer occupational health services, on-site health services, physical and health examinations and the four major health protection programs. Other focuses include occupational disease risk management (e.g., special health examinations and hearing loss prevention programs) and health promotion (e.g., health education newsletters, lectures, workout classes, weight management classes, etc.).



## Occupational Health Services

Tong Hsing provides various occupational health services to help identify and eliminate occupational hazards early on, minimizing risk of occupational injuries.

### Overview of Occupational Health Services in 2021

Plant	Type of Occupational Health Services	Evaluation of Effectiveness
Taipei Plant	1. Monthly on-site medical services by occupational medicine physicians (three hours per session) 2. Monthly on-site medical services by family doctors (three hours per session, twice per month) 3. Health examination for current employees engaging in particularly hazardous operations (once per year) 4. Monthly survey on maternal health protection at the workplace	Keep records of on-site medical service Arrange qualified hospital personnel for onsite services Arrange on-site services by occupational medicine physicians for eligible employees
Longtan Plant	Monthly on-site medical service by qualified physicians specialized in labor health services (three hours per session)	Interviews and documentation forms completed by on-site doctors, occupational health nurses and employees for record-keeping (available for inspections by Hsinchu Science Park Bureau and internal/external audits)
Zhubei Plant	1. On-site medical services by occupational medicine physicians (three hours per session) 2. Health examination for current employees engaging in particularly hazardous operation (once per year) 3. Care for high-risk groups (The number of recipients in 2021 are listed below: High risk of ergonomic hazards: 25 High risk of abnormal workload: 8)	Interviews and documentation forms completed by on-site doctors, occupational health nurses and employees for record-keeping Utilize health checkups, surveys and interviews to identify groups with high-risk hazards and provide posture guidance, consultation and assessment with on-site doctors to reduce hazard risks

### On-site Medical Services Provided in 2021

	Taipei Plant	Longtan Plant	Zhubei Plant
On-site medical services by physicians	36	9	12
On-site medical services by nurses	36	9	0
Number of employees that attended health education activities	30	25	94
Number of employees that met with counselors for guidance	187	33	94



### Implementation of Physical and Health Examinations in 2021

Type	Subject	Frequency	Coverage	Number of Employees that Received the Examinations		
				Taipei Plant (including Headquarters)	Longtan Plant	Zhubei Plant
General Physical Examination	New hires or transferred employees	Before onboarding	Checkup items specified in the Labor Health Protection Regulations	240	45	201
Special Physical Examination	New hires or transferred employees engaging in particularly hazardous operations	Before onboarding or transfer	Checkup items specified in the Labor Health Protection Regulations	68	0	1
General Health Examination	All current employees	Annually or biennially	Checkup items specified in the Labor Health Protection Regulations, abdominal ultrasound, pulmonary function tests, bone density tests and cancer screening for all employees; additional electrocardiogram for employees at the age of 40 and above	0	0	432
Special Health Examination	Current employees engaging in particularly hazardous operations	Annually	Checkup items specified in the Labor Health Protection Regulations	109	10	52
Health Examination for Senior Staff	Employees with job tenure of 10, 15, 20, 25, 30, 35, 40 years	Annually if there are eligible employees (in lieu of general health examination)	General health examinations specified by health examination organizations, gastroscopy, colonoscopy, magnetic resonance imaging, computed tomography, echocardiogram	0	0	0
Health Examination for Senior Executives	Managers at associate vice president level or higher	Biennially	Health examinations for seniors specified by health examination organizations, and cardiovascular examinations	0	0	8

### Implementation of the Four Major Health Protection Programs in 2021

Plant	Maternity Health Promotion (Number of Employees)	Reports of Extreme Workload	Number of Human-Factors Engineering Improvement	Complaints of Illegal Workplace Abuse
Taipei Plant (including headquarters)	Pregnant: 14 Within one year after childbirth: 5 Still breastfeeding beyond one year after childbirth: 1	5	1	1
Longtan Plant	Pregnant: 1 Within one year after childbirth: 4 Still breastfeeding beyond one year after childbirth: 0	5	0	2
Zhubei Plant	Pregnant: 4 Within one year after childbirth: 0 Still breastfeeding beyond one year after childbirth: 0	8	1	1

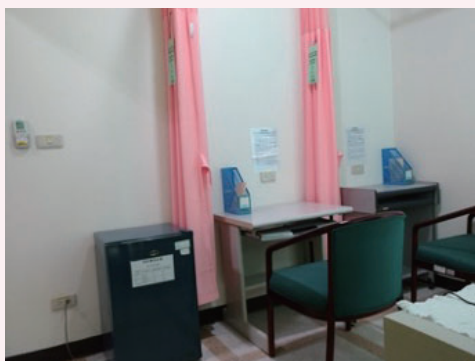
## COVID-19 Response and Prevention

In response to the COVID-19 pandemic, the Company's headquarters has established an Epidemic Response Team. In 2021, each plant implemented public health measures based on the government's Covid-19 four-level epidemic alerts, such as moving meetings, education and training campaigns online; conducting rapid testing for new hires on day one; alternating work arrangement; installing partitions in dining areas; conducting more frequent disinfection practices, etc. In addition, all plants monitored the number of cases reported in real time. Other epidemic control measures taken included rapid test kit distribution, engaging third-parties for professional environmental disinfecting measures, strict fever screening or close-contact tracing measures and health education.

## 5. Friendly and Inclusive Workplace

Tong Hsing is committed to creating a diverse and gender-friendly workplace. We provide maternity parking spaces, accessible parking spaces, breastfeeding rooms and staff lounges. In addition to providing broad benefits, we also staff canteens, club activities and massage events to care for employees.

### Breastfeeding Rooms and Facilities

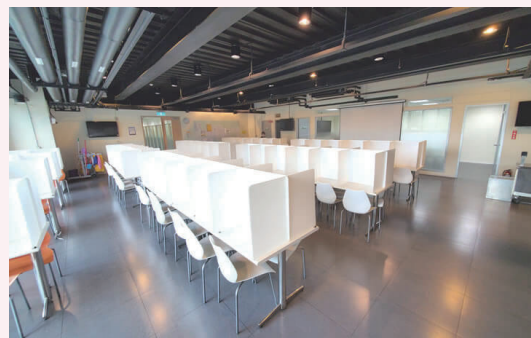


### Maternity and Accessible Parking Spaces



### Staff Canteen

The staff canteens provide employees with diverse meal options. During the covid-19 pandemic, meals are served in food boxes to protect employees from infection risk. Free meals are available for employees working overtime.



### Massage Sessions for Stress Relief

Organized by the human resource department and medical offices, visually-impaired massage therapists were invited to station at our plants, providing shoulder and neck massages for employees by reservation. The massage sessions intend to help employees relieve work stress and muscle fatigue. The therapists benefit from the stable income and fixed work locations and hours, gaining better and secure employment where their skills are appreciated.



### Clubs and Social Events

To foster team spirit among employees and reduce stress, Tong Hsing runs various clubs where subsidies are provided for club events. Currently, there are the Tong Hsing Baseball/Softball Club and Badminton Club. From time to time, the Company holds departmental gatherings, company trips and a team-bonding Family Day, where employees are encouraged to bring along their family to enjoy a day of indoor or outdoor activities.





## 6. Community Engagement

Tong Hsing has adopted a Corporate Social Responsibility Policy for several years is committed to giving back to the society. Here is a summary of our community engagement.

### (1) Da Ai Television's Nonprofit Videos

We have been participating in the nonprofit video project run by Da Ai Television for three consecutive years. The video project featured a different theme each year: "Reading Bridges Gaps" in 2019, "Reading Enriches Life" in 2020, and "Knowledge Reshapes the Environment" in 2021. Through the extensive network and channels of Da Ai Television, we hope these videos can help promote reading habits. For more information, please visit this website: <http://friends.daai.tv/2019/06/26/tonghsing/>

The nonprofit videos are broadcasted on even days of the year, seven times a day on Da Ai Television Channel One and four times a day on Da Ai Television Channel Two. The objective is to promote reading among the general public.

#### Reading Bridges Gaps (2019)

Reading helps people grow. Books enlighten the mind. Reading sows the seeds of ideas, and knowledge bridges gaps.



#### Reading Enriches Life (2020)

Memory and aspirations grow hand in hand. Reading enlightens and refreshes the mind and is a way to learn about the environment and ourselves better.



#### Knowledge Reshapes the Environment (2021)

Children can read and learn about how to protect and preserve nature. Adults can read and learn about how to make the world better.



### (2) Step30 Shoe Donation Charitable Event

In 2021, the Company invited employees to participate in donating used shoes to help the disadvantaged. Around 100 employees participated in charitable project, donating a total of 259 pairs of used shoes.



## GRI Content Index

GRI Code	Disclosure Title	Corresponding Chapter or Explanation	Page Number
GRI 102: General Disclosures 2016			
GRI 102-1	Name of the organization	Chapter 1: About Tong Hsing	8
GRI 102-2	Activities, brands, products, and services	Chapter 1: About Tong Hsing	8
GRI 102-3	Location of headquarters	Chapter 1: About Tong Hsing	8
GRI 102-4	Location of operations	Chapter 1: About Tong Hsing	8
GRI 102-5	Ownership and legal form	Chapter 1: About Tong Hsing	8
GRI 102-6	Markets served	Chapter 1: About Tong Hsing	10
GRI 102-7	Scale of the organization	Chapter 1: About Tong Hsing	8
GRI 102-8	Information on employees and other workers	Chapter 5: Social Responsibility	47
GRI 102-9	Supply chain	Chapter 1: About Tong Hsing	37
GRI 102-10	Significant changes to the organization and its supply chain	Chapter 1: About Tong Hsing Chapter 3: Corporate Governance	37
GRI 102-11	Precautionary Principle or approach	Chapter 3: Corporate Governance	32
GRI 102-12	External initiatives	Chapter 1: About Tong Hsing	16
GRI 102-13	Membership of associations	Chapter 1: About Tong Hsing	16
GRI 102-14	Statement from senior decision-maker	Message from the President	3
GRI 102-16	Values, principles, standards, and norms of behavior	Chapter 1: About Tong Hsing Chapter 3: Corporate Governance	10, 30
GRI 102-17	Mechanisms for advice and concerns about ethics	Chapter 3: Corporate Governance	30
GRI 102-18	Governance structure	Chapter 3: Corporate Governance	27
GRI 102-19	Delegating authority	Chapter 2: Sustainable Management	18-19
GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	Chapter 2: Sustainable Management	27
GRI 102-21	Consulting stakeholders on economic, environmental, and social topics	Chapter 2: Sustainable Management	20-22
GRI 102-22	Composition of the highest governance body and its committees	Chapter 3: Corporate Governance	27
GRI 102-23	Chair of the highest governance body	Chapter 3: Corporate Governance	28
GRI 102-24	Nominating and selecting the highest governance body	Chapter 3: Corporate Governance	27
GRI 102-25	Conflicts of interest	Chapter 3: Corporate Governance	31
GRI 102-26	Role of highest governance body in setting purpose, values, and strategy	Chapter 2: Sustainable Management	18
GRI 102-27	Collective knowledge of highest governance body	Chapter 3: Corporate Governance	28
GRI 102-28	Evaluating the highest governance body's performance	Chapter 3: Corporate Governance	29
GRI 102-29	Identifying and managing economic, environmental, and social impacts	Chapter 3: Corporate Governance	32
GRI 102-30	Effectiveness of risk management processes	Chapter 3: Corporate Governance	32

GRI Code	Disclosure Title	Corresponding Chapter or Explanation	Page Number
GRI 102-31	Review of economic, environmental, and social topics	Chapter 3: Corporate Governance	32
GRI 102-32	Highest governance body's role in sustainability reporting	Chapter 2: Sustainable Management	18
GRI 102-37	Stakeholders' involvement in remuneration	Chapter 5: Social Responsibility	48
GRI 102-40	List of stakeholder groups	Chapter 2: Sustainable Management	20
GRI 102-42	Identifying and selecting stakeholders	Chapter 2: Sustainable Management	20-22
GRI 102-43	Approach to stakeholder engagement	Chapter 2: Sustainable Management	20-22
GRI 102-44	Key topics and concerns raised	Chapter 2: Sustainable Management	20-22
GRI 102-45	Entities included in the consolidated financial statements	About This Report	2
GRI 102-46	Defining report content and topic Boundaries	Chapter 2: Sustainable Management	23-24
GRI 102-47	List of material topics	Chapter 2: Sustainable Management	24
GRI 102-48	Restatements of information	N/A	NA
GRI 102-49	Changes in reporting	N/A	NA
GRI 102-50	Reporting period	About This Report	2
GRI 102-51	Date of most recent report	N/A	NA
GRI 102-52	Reporting cycle	About This Report	2
GRI 102-53	Contact point for questions regarding the report	About This Report	2
GRI 102-54	Claims of reporting in accordance with the GRI Standards	About This Report	2
GRI 102-55	GRI content index	Appendix: GRI Content Index	67-68
GRI 103: Management Approach 2016			
GRI 103-1	Explanation of the material topic and its Boundary	Chapter 2: Sustainable Management	20-25
GRI 103-2	The management approach and its components	Chapters and sections corresponding to each material topic)	20-25
GRI 103-3	Evaluation of the management approach	Chapters and sections corresponding to each material topic	20-25

## GRI Topic Standards

GRI Code	Disclosure Title	Corresponding Chapter or Explanation	Page Number
GRI 200 Economic Series			
GRI 201: Economic Performance 2016			
GRI 201-1	Direct economic value generated and distributed	Chapter 1: About Tong Hsing	9
GRI 201-2	Financial implications and other risks and opportunities due to climate change	Chapter 4: Sustainable Environment	44
GRI 201-3	Defined benefit plan obligations and other retirement plans	Chapter 5: Social Responsibility	49, 52
GRI 204: Procurement Practices 2016			
GRI 204-1	Proportion of spending on local suppliers	Chapter 3: Corporate Governance	37-38
GRI 205: Anti-Corruption 2016			
GRI 205-1	Operations assessed for risks related to corruption	Chapter 3: Corporate Governance	31
GRI 205-2	Communication and training about anti-corruption policies and procedures	Chapter 3: Corporate Governance	31
GRI 205-3	Confirmed incidents of corruption and actions taken	None of such incidents occurred.	NA
GRI 206: Anti-Competitive Behavior 2016			
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None of such incidents occurred.	NA
GRI 300 Environmental Series			
GRI 302: Energy 2016			
GRI 302-1	Energy consumption within the organization	Chapter 4: Sustainable Environment	43
GRI 302-3	Energy intensity	Chapter 4: Sustainable Environment	43
GRI 302-4	Reduction of energy consumption	Chapter 4: Sustainable Environment	43
GRI 302-5	Reductions in energy requirements of products and services	Chapter 4: Sustainable Environment	5
GRI 303: Water And Effluents 2018			
GRI 303-1	Interactions with water as a shared resource	Chapter 4: Sustainable Environment	42
GRI 303-2	Management of water discharge-related impacts	Chapter 4: Sustainable Environment	42
GRI 305: Emissions 2016			
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Chapter 4: Sustainable Environment	43
GRI 305-4	GHG emissions intensity	Chapter 4: Sustainable Environment	43
GRI 305-5	Reduction of GHG emissions	Chapter 4: Sustainable Environment	43
GRI 305-6	Emissions of ozone-depleting substances (ODS)	N/A	NA
GRI 305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	N/A	NA
GRI 306: Waste 2020			
GRI 306-1	Waste generation and significant waste-related impacts	Chapter 4: Sustainable Environment	44-45
GRI 306-2	Management of significant waste-related impacts	Chapter 4: Sustainable Environment	44-45
GRI 307: Environmental Compliance 2016			
GRI 307-1	Non-compliance with environmental laws and regulations	No cases of non-compliance occurred.	45
GRI 308: Supplier Environmental Assessment 2016			
GRI 308-1	New suppliers that were screened using environmental criteria	Chapter 3: Corporate Governance	37-38
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	Chapter 3: Corporate Governance	37-38

GRI Code	Disclosure Title	Corresponding Chapter or Explanation	Page Number
GRI 400 Social Series			
GRI 401: Employment 2016			
GRI 401-1	New employee hires and employee turnover	Chapter 5: Social Responsibility	48
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Chapter 5: Social Responsibility	49
GRI 401-3	Parental leave	Chapter 5: Social Responsibility	50
GRI 403: Occupational Health And Safety 2018			
GRI 403-1	Occupational health and safety management system	Chapter 5: Social Responsibility	54-61
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Chapter 5: Social Responsibility	54-61
GRI 403-3	Occupational health services	Chapter 5: Social Responsibility	54-61
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Chapter 5: Social Responsibility	62
GRI 403-5	Worker training on occupational health and safety	Chapter 5: Social Responsibility	54-61
GRI 403-6	Promotion of worker health	Chapter 5: Social Responsibility	62-64
GRI 403-8	Workers covered by an occupational health and safety management system	Chapter 5: Social Responsibility	54-61
GRI 403-9	Work-related injuries	Chapter 5: Social Responsibility	54-61
GRI 403-10	Work-related ill health	Chapter 5: Social Responsibility	54-61
GRI 404: Training and Education 2016			
GRI 404-1	Average hours of training per year per employee	Chapter 5: Social Responsibility	50-51
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Chapter 5: Social Responsibility	50-51
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Chapter 5: Social Responsibility	52
GRI 405: Diversity and Equal Opportunity 2016			
GRI 405-1	Diversity of governance bodies and employees	Chapter 3: Corporate Governance Chapter 5: Social Responsibility	27, 48
GRI 412: Human Rights Assessment 2016			
GRI 412-1	Operations that have been subject to human rights reviews or impact assessments	Chapter 3: Corporate Governance Chapter 5: Social Responsibility	52
GRI 414: Supplier Social Assessment 2016			
GRI 414-1	New suppliers that were screened using social criteria	Chapter 3: Corporate Governance	37-38
GRI 414-2	Negative social impacts in the supply chain and actions taken	Chapter 3: Corporate Governance	37-38
GRI 417: Marketing and Labeling 2016			
GRI 417-1	Requirements for product and service information and labeling	Chapter 1: About Tong Hsing	16
GRI 417-2	Incidents of non-compliance concerning product and service information and labeling	No such incidents occurred during the reporting period.	NA
GRI 417-3	Incidents of non-compliance concerning marketing communications	No such incidents occurred during the reporting period.	NA
GRI 419: Socioeconomic Compliance 2016			
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	No such incidents occurred during the reporting period.	NA