



# 2023 Sustainability Report



Introduction of the Report	3
From the Chairperson	5
From the Chief Sustainability Officer	6
Message from the Management Team	8

## **I Sustainable Operations and Management 16**

1. Sustainable vision and goals	16
1.1 Group Vision	16
1.2 Sustainable Operations Goals	17
1.3 Actions in response to the United Nations Sustainable Development Goals (UN SDGs)	19
2. ESG execution framework and management platform	22
3. Approach to stakeholder engagement	24
3.1 Identifying stakeholder groups	24
3.2 Stakeholder Communication and Material Issues Management	28

## **II Corporate governance and operational effectiveness 36**

1. Corporate governance	36
1.1 Board of Directors	36
1.2 Functional Committees (GRI 2-19, 2-20)	39

1.3 2023 corporate governance evaluation results	40
2. Ethical corporate management and business integrity	40
3. Compliance with laws and regulations	41
4. Operation performance	41
4.1 Brilliant operating performance and significant revenue growth	42
4.2 Green time deposits	44
4.3 Information on corporate affairs	44
5. Risk management (GRI2-13)	45
6. Information security management	45
6.1 Information security management structure and operation	45
6.2 2023 Information security drill	47
6.3 Information security incidents	47

## **III Innovation and supply chain services 48**

1. Partnerships for the Goals (GRI 2-28)	48
2. Core Values	49
2.1 Capturing global key materials	49
2.2 Horizontal integration and strengthening of professional division of labor	50

2.3 Research, development, and innovation	50
3. Strengthening customer service	51
3.1 Compliance with international quality management standards	51
3.2 Professional services and grasp of customer needs	51
3.3 Improving customer satisfaction and handling customer complaints	55
4. Sustainable supply chain development strategy	58
4.1 Promotion of supplier collaboration and management	60

**IV Environmental Sustainability and Climate Change 65**

1. TOPCO biodiversity policy	65
2. Climate change and environmental management	68
2.1 Climate change management	68
2.2 Environmental management policy	77
2.3 Greenhouse Gas Management	78
2.4 Energy Management of TOPCO	81
2.5 Water Resource Management: Water Consumption and Wastewater	83
2.6 Waste management	84
2.7 Key Investments in Green Transformation of Industries	85

**V Well-being and Social Inclusion 91**

1. Diversity and inclusion policy	91
1.1 Sound employee and recruitment system	92
1.2 Cultivation of Talents with Diverse Abilities	97
1.3 Transparent and fair evaluation system	103
1.4 Affordable Salary and Employee Welfare	104
1.5 Safe Workplace and Labor-Management Harmony	108
2. Social influence	115
2.1 Social input in resource management	115
2.2 Capacity for sustainable action	118

**Appendix 1 : GRI Content Index (GRI) 122**

**Appendix 2 : Sustainability Accounting Standards Board Index (SASB) 133**

**Appendix 3 : FSC Sustainability Disclosure Metrics-Electronics 134**

**Appendix 4 : List of tables 135**

**Appendix 5 : Table of Contents 136**

**Appendix 6 : Certificate 138**

# Introduction of the Report

This is the 2023 Sustainability Report (hereinafter referred to as the “Report”) of TOPCO SCIENTIFIC Co., Ltd. (hereinafter referred to as “TOPCO” or the “Company”). The report is prepared in accordance with TOPCO’s “Rules Governing the Preparation and Submission of Sustainability Reports by TWSE Listed Companies” to disclose TOPCO’s planning and practices regarding corporate social responsibility and sustainable development, enabling stakeholders to understand the achievements of TOPCO’s sustainable development efforts. The reporting and releasing periods, scope, contact information, and other relevant information of this report are as follows:

## Report boundaries and scope (GRI2-2)

This Report discloses TOPCO’s ESG practices and achievements. In addition to TOPCO, part of the information disclosed in this Report also covers engineering and other affiliates of TOPCO, including domestic affiliates ECO Technical Services Co., Ltd. and Jia Yi Energy Co., Ltd., overseas affiliates TOPCO SCIENTIFIC (Shanghai) Co., Ltd., Suzhou TOPCO Construction Ltd., TOPSCIENCE(S) PTE Ltd., and health-related affiliates Anyong Biotechnology, Inc., Anyong Freshmart, Inc., and Yilan Anyong Lohas Co., Ltd., to demonstrate TOPCO’s management performance. For more information, please refer to our annual report or visit the “Stakeholders” section of our corporate website.

## Report release date and cycle (GRI2-3)

This is the eighth Sustainability Report prepared by TOPCO. The information and statements presented herein cover the performance in economic, social, and environmental aspects during FY2023 (from January 1, 2023, to December 31, 2023). The Sustainability Report is published annually. The previous report was published in June 2023.

## Report compilation principles (GRI2-4)

This report is prepared based on the Global Reporting Initiative (GRI) Standards issued by the Global Reporting Initiative (GRI), serving as the foundation for the compilation of this report. It discloses TOPCO’s material topics, relevant strategies, objectives, and specific actions in accordance with reporting principles. The detailed GRI Content Index is provided in Appendix 1. In addition, the compilation process extensively referenced international sustainability indicators and initiatives such as the United Nations Sustainable Development Goals (SDGs), the Science-Based Targets Initiative (SBTi), the Task Force on Climate-related Financial Disclosures (TCFD), and the Sustainability Accounting Standards Board (SASB) Resource Transformation Sector, among others. TOPCO adhered to the “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies” to actively disclose and align with globally significant information, thus following international trends.

## Report verification and assurance (GRI2-5)

To enhance information transparency and reliability, this report was verified by a third-party organization, AFNOR Asia Ltd, using the AA1000:ASv3 (2020) Type 1 moderate assurance level and GRI Standards. The assurance statement is provided in the appendix of this report. All financial data disclosed in this report is extracted from the financial statements certified by certified public accountants.

Guarantee and assurance of information reported	Third-party Inspection Agency	Compliance Standards
Sustainability reports	AFNOR Asia Ltd.	AA1000AP (2018) Account Ability Principles GRI Standards SASB Sustainability Accounting Standards UN SDGs FSC Sustainability Disclosure Metrics - Electronics
TCFD report		Task Force on Climate-related Financial Disclosures (TCFD)
GHG report	AFNOR ASIA LTD.	GHG Protocol
Financial information (annual report, financial statements)	KPMG Taiwan	IFRSs endorsed and issued into effect by the Financial Supervisory Commission Regulations Governing the Preparation of Financial Reports by Securities Issuers



## Report Contact (GRI 2-3)

### Comments and feedback

If you have any comments about our 2023 CSR Report, please feel free to contact us.

Phone: (02) 7710-2632, Chief Sustainability Officer's

Office Address: No. 483, Section 2, Tiding Boulevard, Neihu District, Taipei City

Email: CSR@topco-global.com



ESG website

## From the Chairman (GRI 2-22)

# Harnessing Science and Technology for Excellence and Sustainability

## TOPCO's Successful Management Achievements Revenue reached NT\$49.27 billion Second-highest on record

In 1990, TOPCO started operations in a humble office on Fuxing North Road in Taipei. Thanks to the support of customers and the concerted efforts and dedication of all employees, we have devoted ourselves to the high-tech sector and expanded to the circular economy and health industry for diversification. We have expanded our footprint from Taiwan to China, Japan, the United States, and Southeast Asia, with a total number of employees exceeding 1,800 persons. In 2023, our consolidated revenue reached NT\$ 49.27 billion, the second-highest in the Company's history.

### Investing in forward-looking industries to find solutions for global issues

We have long been committed to the fields of semiconductor, optoelectronics, and photovoltaic energy technology, providing customers with excellent, accurate, and prompt service quality, and creating corporate core values. Besides continuously developing products and services in the semiconductor sector, in response to the rising awareness of environmental sustainability and food safety, in environmental engineering, we actively strive to win major wastewater treatment contracts, develop recycling technology for industrial waste, and implement total quality management (TQM) system in order to realize environmental sustainability and add new growth momentum through strategic investment in, integration with, and expansion to sectors such as renewable energy and the circular economy. Through our investments in Anyong and guided by a technological mindset, TOPCO is developing a healthcare industry ecosystem that introduces concepts of healthy diets and lifestyle, promising a sustainable future for the well-being of the public.

At TOPCO, we remain steadfast in our role as an industry integrator and technology provider, collaborating closely with suppliers and customers to create shared value. Through diversified talent recruitment and training, we take care of our employees, reward our shareholders, implement corporate governance, fulfill corporate social responsibilities, and pursue the sustainable development of the company.



Chairman  
Mr. Jeffery C.L. Pan

## From the Chief Sustainability Officer (GRI 2-22)



TOPCO Group aims to become a company where happiness resonates with all employees. Dr. Robert Lai, Vice Chairperson and Chief Sustainability Officer of the Group, stated, “caring for the physical and mental well-being of employees, cultivating their self-worth, and fostering a sense of accomplishment among employees can lead to higher efficiency and productivity.”

### Linking partners with sports and giving back to local communities through resource integration

TOPCO promotes the integration of sports into daily life, making it a part of both employees’ and customers’ routines. Within the Group, sports clubs are established, and sports courses are offered to encourage employees to develop a habit of exercise. Every year, several baseball and golf tournaments are organized to foster camaraderie among colleagues and to invite customers and suppliers to join in, allowing everyone to sweat and exercise together on the field for physical fitness. We also promote sports to local communities. Apart from being commissioned to manage and operate the Taipei University Sports Center, the Bade Social Housing Sports Center in Taoyuan, the swimming pool of Rongxing Garden Park, Taipei Xinyi Sports Center, and Yongchun Gym, we also promote gymnastics facilities and smart fitness centers for seniors, co-construct multifunctional sports facilities that can be shared by old and young alike. Additionally, TOPCO established the XSPORTS sports training brand to create excellent baseball training facilities. We also integrate the resources of TOPCO Falcons, a first division amateur baseball team, to plan and promote community baseball starting from communities in Sanxia to engage in sports promotion for community seniors.

TOPCO VP and CSO  
Dr. Robert Lai



## ■ Create a performing spaces and foster arts and cultural activities

To support the heritage of art and music culture industries, the group has established its own Anyong Group dining brand, “MD Creative Cuisine” restaurant, and Anyo Museum. These venues serve as performance and exhibition spaces, aiming to connect outstanding musicians and artists through this platform. By promoting cultural participation and nurturing a population interested in the arts, TOPCO Group seeks to achieve a shared and beneficial societal cycle through cultural actions.

## ■ Encouraging R&D and innovation and enhancing Taiwan’s competitiveness with the TSC Thesis Award

Praised as the “Oscars of Management”, the TSC Thesis Award is currently the biggest thesis and dissertation award in Taiwan, and is now in its sixteenth edition, having been held annually since its establishment in 2008. In remarks given at the TSC Thesis Award ceremony, President Tsai Ing-Wen commended the TSC Thesis Award for encouraging innovative research and nurturing management talents in Taiwan, contributing to the country’s development by harnessing greater momentum.

TOPCO will continue to invest resources in organizing thesis and marketing awards, leveraging the power of private enterprises and collaborating with the government to promote industry-academia

cooperation, enhance research and learning capabilities, and drive the transformation and upgrading of Taiwan’s industries. TOPCO’s success over the past thirty years has been greatly aided by social talent cultivation. In return, TOPCO is committed to giving back to society by fostering even more talent, thus contributing to the further growth and prosperity of the nation.

## ■ Fulfill our commitment to environmental transparency

TOPCO SCIENTIFIC disclosed its environmental impact through CDP, participating for the first time in the “Climate Change” questionnaire in 2023. The Company received a management level rating of B in response to the increasing demand for environmental transparency from financial institutions, customers, and policy makers.





## Message from the Management Team (GRI 2-22)

As achieving net zero carbon emissions becomes a global consensus and challenge, TOPCO has also joined the Science-Based Targets Initiative (SBTi), integrating carbon reduction goals with climate science. The Company has committed to a “2030 Net Zero Target,” aligning itself internationally and establishing long-term climate strategy objectives. In its first year of participating in CDP assessment, TOPCO received a B-level rating. In 2023, we received the Executive Yuan’s “National Sustainable Development Award”, the Common Wealth’s “Sustainable Citizenship Award” in the Top 100 Sustainability Awards, BusinessWeek’s “Top 100 Carbon Competitiveness”, “Foreign Investment Taiwan Top 100”, and TSAA’s “Taiwan Sustainability Action Award - Gold”, the TCSA’s “Taiwan Top 100 Model Sustainability Enterprises,” the “Silver Award for Corporate Sustainability Reports,” and the “Senior-Friendly Leadership Award. Additionally, TOPCO has also obtained ISO 14001 certification, demonstrating its continuous commitment to implementing the UN SDGs across the three major dimensions of environment, society, and governance.

### Assisting in the transformation of industrial green manufacturing

Drawing on its rich experience in joint development with customers, TOPCO plays a crucial role as an accelerator in the transition to green manufacturing. Due to its familiarity with processes, equipment, and materials, TOPCO is well-positioned to provide solutions for circular transformation. We are focused on offering circular transformation solutions and actively seek out (and develop) more suppliers of next-generation energy-efficient products, green products, low-energy-consumption equipment, and material recycling and reuse technologies. This is particularly significant for the semiconductor industry’s circular economy, achieving sustainable goals through green initiatives.



Senior CEO  
Mr. Dennis Chen

## About TOPCO SCIENTIFIC

### Company Profile (GRI 2-1, 2-6, 2-7)

TOPCO was officially listed on the Taiwan Stock Exchange in 2003 under stock code 5434. Operating locations include Taiwan, China, Singapore, Malaysia, Vietnam, Japan, Korea, and the U.S.

#### Organizational profile

Name of company	TOPCO SCIENTIFIC Co., Ltd.
Date of establishment	February 17, 1990
Location of headquarters	No. 483, Section 2, Tiding Boulevard, Taipei City, Taiwan.
Date of listing	2003 (stock code: 5434)
Authorized capital	NT\$ 1.887 billion
Number of employees	518 (as of December 31, 2023)
Total number of group employees	1824 (as of December 31, 2023)

勤信為本  
專業為用  
成果共享



▲ 崇越科技經營理念

#### Hi-Tech

IC Foundry Service  
Semiconductor Related Products  
Photoelectric Related Products  
Equipment and Services

#### ECO and Green

Environmental Engineering  
Technology Development and Trading  
Environmental Sustainability  
Resource Circulation

#### Healthcare

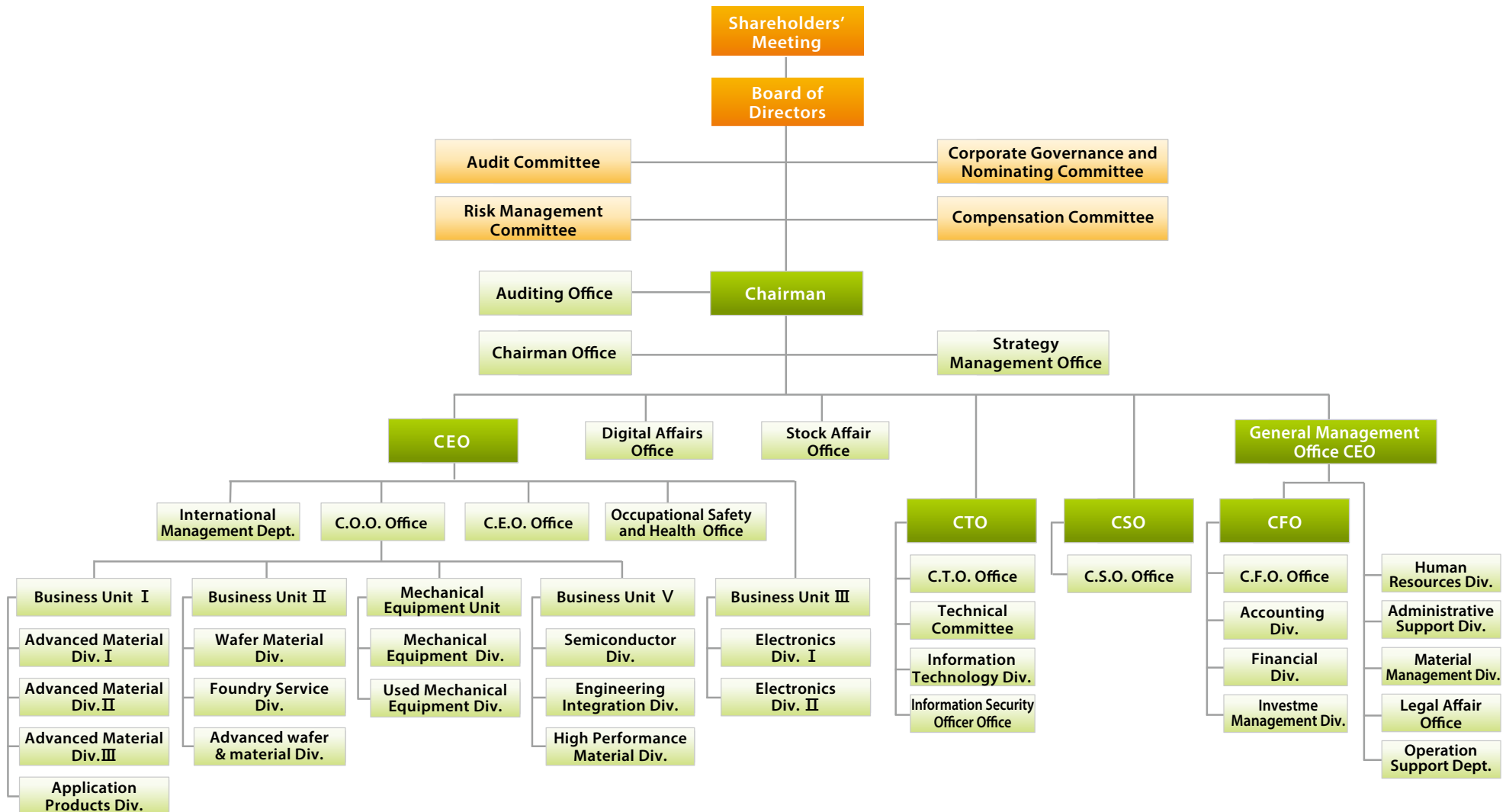
Food Technology  
Sports and Leisure



▲ Three main business domains of TOPCO Group

## Organizational Structure (GRI 2-1, 2-6, 2-7)

To ensure the implementation of internal management mechanisms and supervision, TOPCO integrates and shares resources through a resource platform. We emphasize the integration of back-end management efficiency and coordination of front-end operations to improve overall business efficiency. Different departments are established based on different job responsibilities to enhance the Company's operational performance.



## Product (Service) Introduction (GRI 2-6)

### Major Business Scope

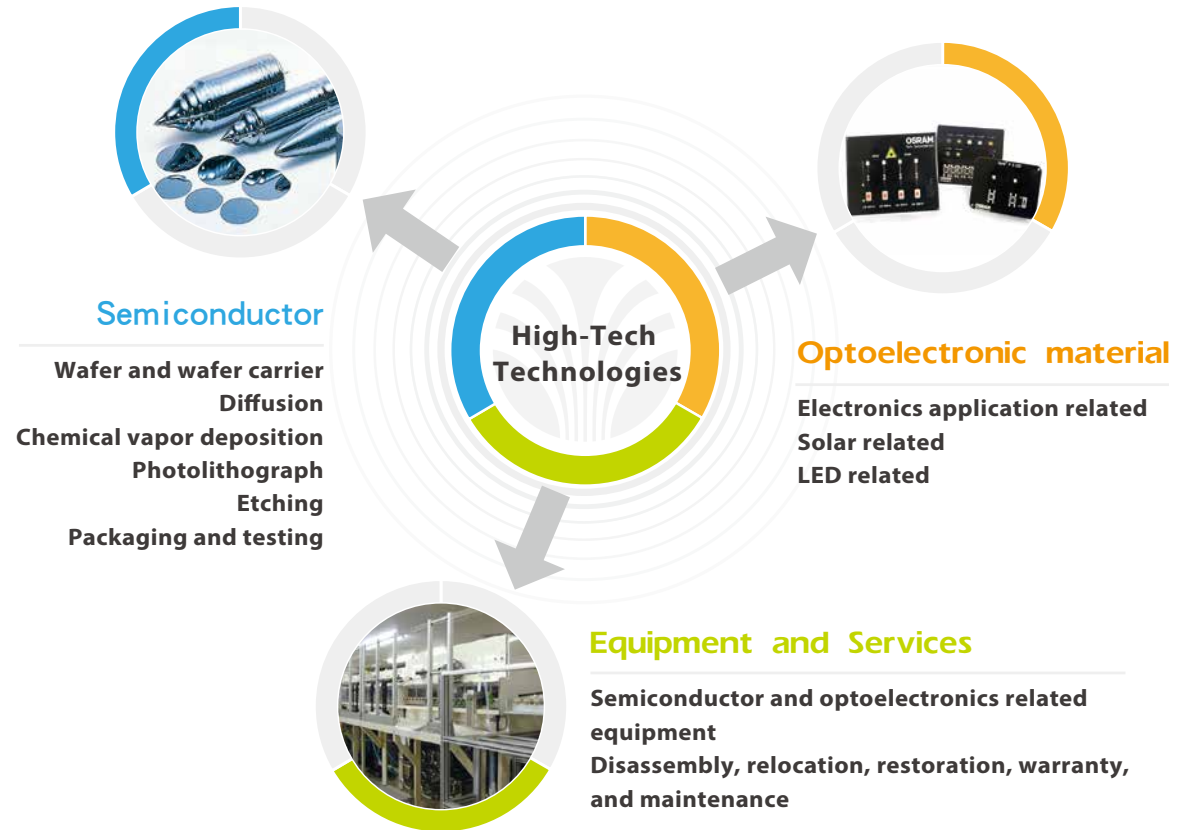
TOPCO provides comprehensive integration services for high-tech industries such as semiconductors and optoelectronics. Leveraging its professional expertise and extensive industry connections, TOPCO has gained a competitive advantage in the industry and offers tailored solutions to meet customer needs. The Company continuously optimizes service quality, striving for excellence, and aims to be the best business partner for its customers.

### Semiconductor Integration Services:

TOPCO offers customers turnkey solutions, encompassing ASIC design outsourcing, semiconductor fab outsourcing, packaging and testing, photomask procurement, IP integration and expert engineering consultation, streamlining the product manufacturing cycle for clients through comprehensive services. Additionally, we provide integrated solutions for 3rd generation semiconductor components, catering to high-performance power ICs, such as SiC and GaN. This includes everything from material substrates to wafer fabrication and packaging testing, aiding clients in swiftly responding to market trends.

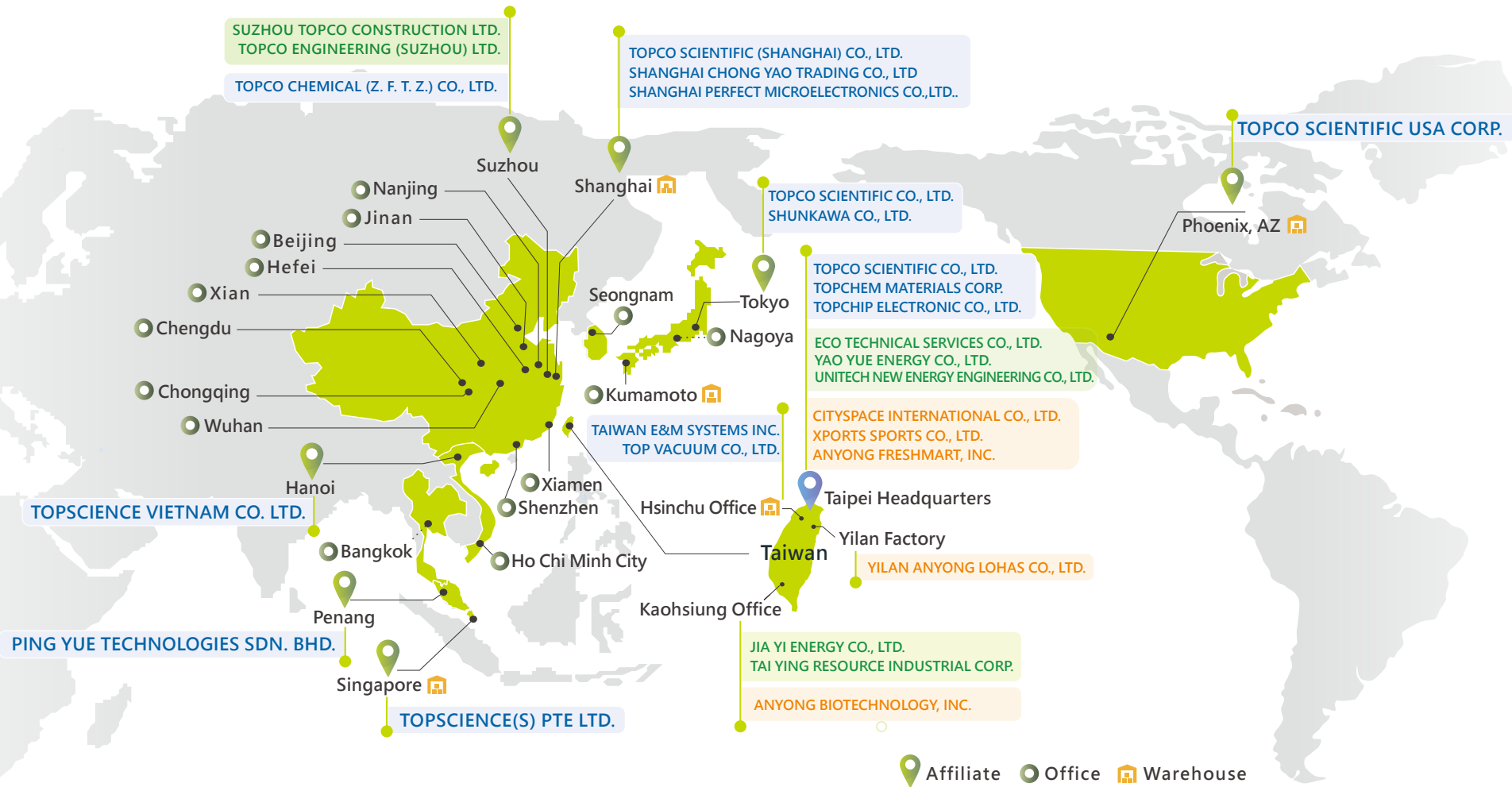
### Group Profile

TOPCO and its subsidiaries are collectively referred to as TOPCO Group. In response to global environmental protection and health trends, TOPCO Group has gradually expanded into the environmental protection, food, and sports and leisure industries. TOPCO Group strives to establish a presence in each field by providing compelling services and offering products that consumers can trust, aiming to become a dependable and iconic enterprise trusted by society.



▲ TOPCO provides materials, equipment, and services related to the high-tech industry.

## Serving customers in 27 locations across 8 countries



## Milestones of TOPCO Group

Year	Key Events	Year	Key Events
<b>2023</b>	Established Shunkawa Co., Ltd. Kumamoto Office. Passed ISO 14001 environmental management system certification.	<b>2008</b>	Invested in ECO Technical Services Co., Ltd., and reinvested in Jia Yi Energy Co., Ltd. and Kuan Yue Technology Engineering Co., Ltd.
<b>2022</b>	Invested in Shunkawa Co., Ltd. Kumamoto Office. and Ping Yue Technologies Sdn. Bhd. Passed the certification of the ISO 45001 Occupational Safety and Health Management System.	<b>2007</b>	The Environmental Engineering Business Headquarters passed the OHSAS 18001 Occupational Safety and Health Management System certification.
<b>2021</b>	Invested in Top Vacuum Co., Ltd., Tai Ying Resource Industrial Corp, Unitech New Energy Engineering Co., Ltd., TOPCO SCIENTIFIC USA Corp, and XSPORTS, a professional sports training brand. Topchem Materials obtained IATF16949 certification.	<b>2006</b>	On June 24, the Neihu Corporate Headquarters was inaugurated.
<b>2019</b>	Entrusted with the operation of National Taipei University Sports Center.	<b>2005</b>	Invested in TOPCO International Investment Co., Ltd. and Chong Sheng Investment Co., Ltd.; and reinvested in Suzhou TOPCO Construction Ltd.
<b>2018</b>	Anyong Biotech manufacturing plant was inaugurated.	<b>2004</b>	Invested in Top Science (S) Pte Ltd. in Singapore.
<b>2017</b>	The “Anyo Museum” tourism factory in Su’ao, Yilan, was inaugurated.	<b>2003</b>	The Company’s shares went public on the TWSE in August 25. Reinvested in TOPCO SCIENTIFIC (Shanghai) Co., Ltd. Won the 11th Industrial Technology Development Awards from the Ministry of Economic Affairs.
<b>2016</b>	Invested in the establishment of Yilan Anyong Lohas Co., Ltd.	<b>2002</b>	Won the 2nd Golden Torch Award for Outstanding Achievement.
<b>2012</b>	Reinvested in Jing Yang Energy Co., Ltd, Topchem Materials Co., Ltd, Anyong Biotechnology, Inc., Anyong Freshmart, Inc.	<b>2001</b>	Invested in Taiwan E&M Systems, Inc.
<b>2011</b>	The TSC First Division Amateur Baseball Team was established.	<b>2000</b>	The Company was listed on Taipei Exchange on May 24.
<b>2010</b>	Received the “Outstanding Contribution Award” from DuPont and the Taiwan Golden Root Award in Taiwan.	<b>1997</b>	Passed the ISO-9002 international quality certification.
<b>2009</b>	Obtained ISO-9001 international quality certification.	<b>1995</b>	Invested in Taiwan Shin-Etsu Handotai Taiwan Co., Ltd. Corporation and Shin-Etsu Opto Electronic Co., Ltd.
		<b>1993</b>	Invested in TOPCO Quartz Products Co., Ltd.
		<b>1990</b>	TOPCO SCIENTIFIC Co., Ltd. was established on February 17.

## Sustainability Performance Highlights

Upholding the sustainable development spirit of “Excellence via Performance”, we accomplished a range of ESG achievements in 2023 to demonstrate our efforts in pursuing sustainable development and responding to stakeholders.



## Honors and Recognitions (GRI 203-2)



2023 TOPCO received the "Green Enterprise"



2023 TOPCO received the "Sports Activist Awards- Golden Award" from Sports Administration of Taiwan



2023 TOPCO received the "Sports Activist Awards- Long Term Sponsor Award" from Sports Administration of Taiwan



2023-2024 TOPCO received the "Pioneer in Green Dining Award"



2023 TOPCO received the "Top 100 Carbon Competitiveness Companies" from Business Weekly



2023 TOPCO received the "National Sustainable Development Awards" from Executive Yuan



2023 Co-Founder of TOPCO Scientific, Dr. J.W. KUO received "International Inventor Prize (IIP)" in 2023.



2023 TOPCO received the "Top 100 Sustainability Model Award" from TCSA



2023 TOPCO received the "Corporate Sustainability Report Silver Award" from TCSA



2023 TOPCO received the "Aging-Friendly Leadership Award" from TCSA



2023-2025 TOPCO received the "Taiwan i Sports" from Sports Administration of Taiwan



2023 TOPCO received the "Excellence in Corporate Social Responsibility" from CommonWealth Magazine



2023 TOPCO received Taiwan Best-in-Class 100



2023 TOPCO received ISO 14001 certification



2023 TOPCO received "Taiwan Sustainable Action Golden Award" from TSAA





# I. Sustainable Operations and Management

## 1. Sustainable vision and goals

### 1.1 Group Vision

TOPCO Group continues to invest in creating high-growth, high-value businesses. With solid technical expertise and experience in the high-tech industry, TOPCO vertically integrates business models and horizontally connects industry resources. We incorporate technology, environmental protection and green energy, daily life, and sports and health into our expanding corporate network in order to provide total daily life solutions.

#### **Enhancing visibility and deepening presence:**

TOPCO Group has long been deeply involved in the fields of semiconductors, optoelectronics, and other technologies, providing customers with excellent, precise, and prompt service quality. We actively integrate the application of new technologies, combines innovative business models, creates core corporate values, and becomes the preferred business partner for customers, jointly pursuing innovation and improvement.

### **Creating a supply chain partner platform:**

Connecting micro, small, and medium-sized suppliers in Taiwan, collectively serving overseas customers, and jointly securing orders. Provide supply chain partners with missing links in the value chain, including market intelligence, marketing, logistics, and warehousing.

### **Actively develop new green services:**

In response to the global trends of environmental protection, green energy, energy conservation, and carbon reduction, we uphold our ESG to keep a constant track on environmental protection issues, and make long-term investments in the R&D of wastewater treatment technologies and products complying with the latest environmental protection laws and regulations to resolve the wastewater treatment problems of customers' high-tech plants. Over the years, we have successfully developed wastewater treatment systems for the development process, copper process, grinding and cutting solvents, porous solid biological carrier, and fluorine-containing wastewater, and total recovery, zero emission technology. By offering solar energy, green construction materials, and sludge and wastewater treatment products, technical services, system integration services, and EPC services through subsidiaries such as Jia Yi Energy Co., Ltd. and ECO Technical Services Co., Ltd., we have been engaged in wastewater technology development for years to pursue the best human well-being in daily life and thereby achieve sustainable business development.

### **Continuously develop the healthcare industry:**

Upholding our advantages and core capabilities in high-tech industries accumulated over the years, we will extend technology to the food, aquatic

product, tourism, sports, hospitality, and biomedicine industries; establish and operate sports centers; introduce professional services including healthy diets, scientific testing, and periodic consultation services to correspond to UN's sustainable agenda of health promotion and pursue public well-being in pace with the world based on an attitude of pursuing perfection in semiconductor manufacturing. TOPCO Group will always stay ahead of the changing times, spanning from high technology and environmental green energy to the lifestyle and health industry. Whether in the fields of food and beverage, health care, or sports and leisure, we envision each new business as not only complementing each other but also bringing synergies to the group, enabling us to fulfill our corporate responsibility, address significant human issues, and create new benchmarks and values for the world!

## **1.2 Sustainable Operations Goals**

Starting out from our core business capacity, we engage in ESG with innovative thinking and transform ESG concepts into business missions. Besides strengthening business resilience, we have also created new paths in business models to benefit people and ourselves in order to synergize group profit, sustainable development, and environmental protection.





In 2015, the United Nations (UN) announced the 17 Sustainable Development Goals (SDGs) as the guiding principles for short-, medium-, and long-term sustainable development. TOPCO Group follows four macro trends: environmental friendliness, social wellbeing, corporate governance, and sustainable innovation. These serve as the basis for setting sustainable strategic development goals and guiding action policies in response.






Compliance with international standards	Universal Declaration of Human Rights (UDHR), United Nations Global Compact (UNGC), International Labour Conventions, Social Accountability International (SAI), Ethical Trading Initiative (ETI)		
Vision	Adhering to the business philosophy of “diligence, integrity, professionalism, and shared success,” we aim to build an internationalized business through strong integration capabilities.		
Mission	<ol style="list-style-type: none"> <li>1. Actively introduce the latest manufacturing process and technology, introduce the global operations management model with high-efficiency strategic planning and execution capabilities.</li> <li>2. Construct a complete supply chain and service network to provide customers with integrated services of the highest standard.</li> <li>3. Fulfill the corporate social responsibility of “advocating perfection and pursuing excellence” and make continuous contributions to environmental sustainability and a better life for mankind.</li> </ol>		
Direction	Expand the environmental protection and green energy technology industries, establish the health care industry with science and technology, and invest in forward-looking domains to propose solutions for global issues.		
Strategic Objectives	Short-term	Medium-term	Long-term
	Actively develop the green economy and continuously increase green investment proportion	Support all demands of advanced processes and engage in low-emission supply chain transformation	Make breakthroughs in low-emission technologies and become an agent of market-competitive products
Environmental protection	Introducing and using renewable energy sources	Accomplish net-zero emissions by 2030 (Scopes 1+2)	Achieve net zero carbon reduction, net positive environmental impact, and No Net Deforestation by 2050.
Social wellbeing	Select appropriate tools to assess biodiversity risks across all sites	Conduct regular biodiversity risk assessments to achieve zero net loss	
Corporate governance	Continue to improve SDG 4 Quality Education and promote talent development	Assist with local development based on core competencies	Enforce business continuity management
Sustainable innovation	Deepening involvement in green industry and initiating a low-carbon program.	Strengthen resilience in risk response (including climate risks)	Providing circular economy solutions to move towards net zero transformation

## 1.3 Actions in response to the United Nations Sustainable Development Goals (UN SDGs) (GRI 413-1)

In accordance with the United Nations Sustainable Development Goals (UN SDGs), the following social service scopes and technology R&D actions implemented by TOPCO in 2023 will help to fulfill the SDGs, solve social problems, and even create economic values and bring future development potential for the Company.

Table 1-1 2023 SDG Achievements Overview

	<p><b>Bring warmth to disadvantaged groups and illuminate corners of society that need attention:</b> TOPCO has established the Shang Shui Volunteer Club, allocating special funds for voluntary contributions. Employees spontaneously collect festival supplies and deliver them to the nearby Bo'ai Development Center. Through community-building activities, they express care and support for students with intellectual disabilities and their families. (A total of 4 friendly actions were conducted in 2023)</p>
	<p><b>The goal is to help professional athletes improve their competitive performance and provide the public with a quality sports environment:</b> TOPCO Group operates five sports centers on behalf of the National Taipei University (Sanxia Campus); the Mini Sports Center at Bade 3 Social Housing Complex in Taoyuan; Rongxing Garden Swimming Pool in Taipei; Taipei Xinyi Sports Center. These centers serve as neighborhood hubs for nearby residents to engage in sports activities. TOPCO fulfills its role as a responsible corporate citizen by actively promoting sports, sponsoring athletes from various fields with tangible resources and coaching support. We continue to exert social influence by creating employment opportunities, promoting sports development, and revitalizing the industrial economy. (23,340 participants in 2023)</p>
	<p><b>Promote the transformation of higher education with an "industry-centric" mindset:</b> Continuing for 16 years, the "TSC Thesis Award" emphasizes the development and application of new knowledge, new concepts, and new management techniques. Through this competition, we aim to accelerate the dissemination of management knowledge, stimulate industry innovation, and cultivate academic research talents, thereby contributing our modest efforts to management education in our country. (1,071 papers from 77 universities in 2023)</p> <p>Continuing for 8 years, the "TSC Marketing Symposium" aims to encourage students (including part-time students) from universities and colleges nationwide to demonstrate creative marketing thinking through the marketing competition process. (223 competitions in 2023)</p> <p><b>"Rooted Sustainability" ensures the same development opportunities across generations:</b> For two consecutive years, in response to the Global Views-CommonWealth Publishing Group's "Planting the Seeds of Reading: Giving Children a Bright Future" public charity program, TOPCO Group has been continuously donating books to rural areas in Yilan, Changhua, Kaohsiung, and Pingtung, totaling 19 elementary schools and donating a total of 3,972 books.</p> <p>Children's Day - Sustainable Tic-Tac-Toe: In response to the Green Expo event, we offered free admission to 400 children to visit the Anyong Museum and learn about its aspects related to SDGs (Sustainable Development Goals).</p>
	<p><b>Promote parent-friendly practices and recognize the importance of unpaid care and household work:</b> Promote a series of activities for International Women's Day on March 8 and Mother's Day, offering women access to various sports facilities and equipment, as well as free trial sessions with professional coaches. Express appreciation to those who take on the instrumental role of mothers within the family through festival interactions, and convey the concept of active living and health to hardworking moms. (165 participants in 2023)</p>

	<p><b>Commitment to the field of environmental engineering, aiming to achieve water resource recycling, reduce environmental pollution, and improve quality of life, while enhancing land resilience:</b></p> <p>TOPCO Group's efforts in creating the Water Resource Center have once again been recognized. The center adopts low-impact development, smart, and low-carbon design concepts for water resource recycling. It breaks away from the traditional framework of sewage treatment plants by undergrounding sewage treatment facilities. The surface area is designed as an open recreational park, effectively improving the treatment of household sewage generated by residents near the MRT A7 National Taiwan Sport University Station. This initiative reduces the burden on rivers, enhances the area's permeability and water retention capacity, decreases surface runoff, and transforms the Water Resource Center into a reservoir during the dry season. The first phase of the project has been completed, with an average daily sewage treatment capacity of 4000 cubic meters per day. Currently, the second phase of the project is underway to further expand the treatment capacity.</p>
	<p><b>Assisting in the integration of smart green energy industries:</b></p> <p>TOPCO Group is developing expertise in constructing power stations of various specifications with the goal of becoming a driving force for green alternative energy. In addition to providing existing turnkey solar photovoltaic (PV) engineering, procurement, and construction (EPC) services, TOPCO has also acquired Unitech New Energy Engineering, expanding into the wind power sector and gaining cloud-based monitoring and maintenance technology. Amidst emerging trends in new energy sources like solar photovoltaic and wind power, we deliver tailored solutions to meet the demands of green energy, aiding in the implementation of ideal environmental practices. Through the establishment of a low-carbon, pollution-free environment, we advocate for eco-friendly clean energy, playing our part in safeguarding the Earth.</p> <p>Assisting businesses with environmental assessment and monitoring, sustainable green energy initiatives, and carbon counseling services, we have aided prominent manufacturing firms in Taichung in achieving their RE15 targets. We have also collaborated with Chang Hwa Bank and TXC Corp in planning green energy procurement strategies.</p>
	<p><b>Promote the employment of middle-aged and elderly people:</b></p> <p>TOPCO Group's Anyong Museum and the Labor Affairs Department of Yilan County Government are collaborating to assist individuals aged 55 and above in securing employment opportunities. This partnership aims to increase labor force participation among middle-aged and older individuals and establish workplaces that are friendly to middle-aged and elderly workers. Use Anyong Museum as a venue for internships in the service industry, providing internship opportunities for senior talents. (A total of 25 people participated in 2023)</p>
	<p><b>Driving the semiconductor industry towards green manufacturing transformation and innovative development of the circular economy:</b></p> <p>Assisting customers in the reuse of calcium fluoride sludge generated from the treatment of hydrofluoric acid wastewater, in line with corporate social responsibility and circular economy goals. Calcium fluoride sludge can be recycled and turned into artificial fluorite for the iron and steel industry to use as a flux to effectively save energy and reduce waste disposal costs.</p> <p>The goal of the filter regeneration service is to recycle used filters through a specialized regeneration process. This process aims to extend the lifespan of the used filter cartridges and restore them to values similar to when they were originally manufactured. The filter regeneration service aligns with ESG principles, promoting green environmental protection and achieving energy-saving and carbon reduction effects. (Every month, approximately 1,875 tons of calcium fluoride sludge are successfully recycled and reused, resulting in the production of approximately 1,125 tons of synthetic fluorite.)</p>
	<p><b>Enhance the perspectives of diversity and respect and promote social integration:</b></p> <p>To ensure information equality, the Group's Xinyi Sports Center's website has been certified with the website accessibility mark, guaranteeing equal access and usability for all users. This emphasizes inclusivity and enhances the brand image. By the end of 2024, it is anticipated that the TOPCO official website will also be certified with the website accessibility mark, enhancing its image and generating positive impact in society. This will contribute to long-term competitive advantage and sustainable development.</p>



**Provide safe and inclusive green public spaces, and foster identification with local culture:**

Provide safe and inclusive green public spaces, and foster identification with local culture:

Anyong Museum’s collaboration with the NanTian Temple’s Gold Mazu Pilgrimage during the Lanyang Mazu Cultural Festival strengthens its ties with the local community by participating in local cultural events and partnering with local organizations.

Co-organized the “Su’ao Shopping District - Rainy Encounter” event, hosted by the Su’ao Town Tourism Development Association, aims to connect local businesses in Su’ao and promote local tourism and consumption.

TOPCO participated in the “Su’ao Mackerel Festival” event, which seamlessly combines the promotion of the mackerel industry with the preservation of fishing culture. The 2023 Nanfang’ao Mackerel Festival, held at the Nanfang’ao First Fishing Harbor, marks the centennial anniversary of the harbor’s establishment. The on-site marine-themed market featured mackerel delicacies, sustainable resource recycling, brands created by local youth entrepreneurs, friendly agriculture and fishery snacks, fish-eating education and promotion, and land and water fishery culture fun experiences.

(1,380 participants in 2023)

**Supporting arts and cultural activities**

We joined forces with 151 outstanding music artists (groups) to hold 56 performances with about 1,600 people participating. The events aimed to promote cultural engagement and cultivate an artistic community, achieving a shared and mutually beneficial cultural movement within society.



**Harnessing technological capabilities to reduce food loss in production and supply chains, we are creating new business opportunities:**

To implement low-carbon production and promote the concept of low-carbon consumption, Anyong Sea Bass Essence has obtained Taiwan’s first “Sea Bass Essence Carbon Label.” In order to conduct carbon footprint assessments, we have also assisted the Ministry of Environment in establishing PCR criteria for “extraction.” We hope that through our pioneering efforts, we can lead the industry in responsible production practices and raise consumer awareness of carbon emissions issues.

Embodying the spirit of “whole fish utilization,” we process fish meat into fillets, while previously discarded fish bones and scales are recycled. With pioneering innovative technology in the industry, our whole fish utilization rate has increased from 41% to 82%. We have also pledged to reduce carbon emissions by 3% within five years.



**Breaking cognitive blind spots and initiating a shift in thinking:**

For two consecutive years, TOPCO has continued to support the Changhua County Government’s “Good Air, Bountiful Land” initiative, promoting the idea of using decomposing bacteria instead of burning straw to farmers. We have distributing “straw decomposing bacteria” to assist farmers in implementing sustainable and circular farming practices. (Total carbon savings of 360 tCO2e)

Hosted the “Anyong Artisanal Village” series of workshops - Solar Fan Experience: Through hands-on creation of solar fans, participants gain insights into the operation principles of solar energy and the wonders of green energy.



**Building upon a foundation in environmental education, continue to promote the sustainable development of the marine environment:**

Organized the “Anyong Artisanal Village” series of courses - Reusing Marine Waste: What Can Discarded Fish Scales be Used For? Understand marine debris and use fish scales as an element to create artistic and lifestyle products.

Little Scientist - Eco-bottle: Through observing the world inside the eco bottle, children gain a deeper understanding of ecosystems and the biosphere while constructing and observing micro-ecosystems. (100 children participated in 2023)



**Promote social dialogue and engagement with the credibility of the EIA profession:**

TOPCO Group has ventured into the offshore wind power environmental impact assessment (EIA) and monitoring field. Through professional monitoring, analysis, and interpretation of the current state and trends of the environment, we aim to mitigate controversies over the impact of offshore wind power on ecology and fisheries. It is hoped that, while considering factors such as national defense, aviation safety, visual landscape, coastal environment, socio-economic aspects, and ecological conservation, the development goals of future wind power can be achieved, thereby contributing to the wind power industry in Taiwan. Currently, we undertake EIA business for over 80% of offshore wind farms.



**Link strategic partnerships and forge new types of industrial cooperation:**

TOPCO called for the establishment of the “New Eastbound Alliance” to harness the collective strength of industry, government, academia, and research institutions, as well as the strength of Taiwanese businessmen in North America, aiming to enable Taiwan’s supply chain to seize investment opportunities during the restructuring of industries in the United States.

We joined the “ESUN Bank ESG and Sustainability Initiative” to collaborate with our team to expand positive influence and assist partner companies to work together towards net zero emissions.

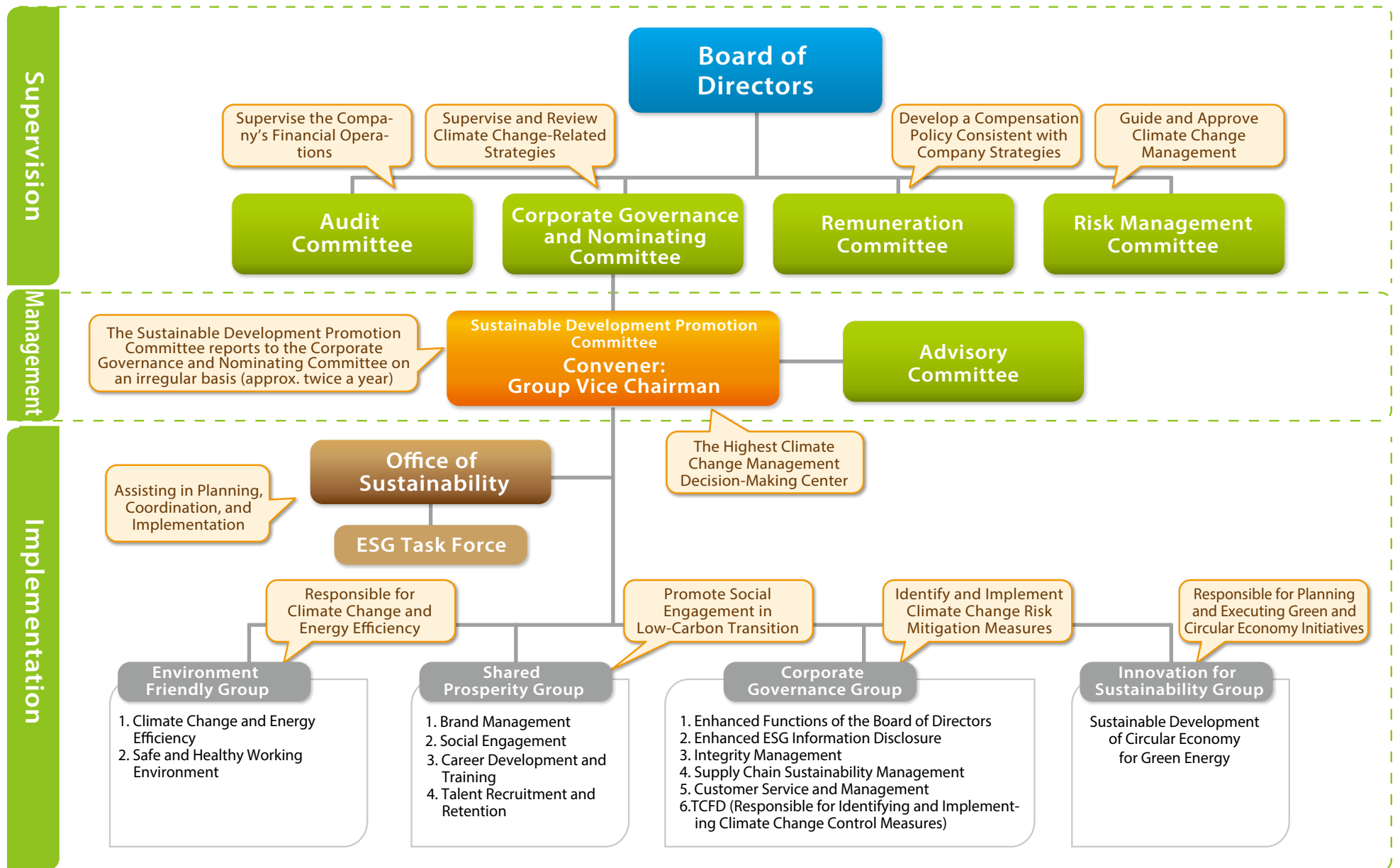
## 2. ESG execution framework and management platform (GRI 2-14)

To fulfill ESG and keep up with international trends, we actively address stakeholders’ concerns about ESG risk assessment and countermeasures in order to achieve sustainable operations. We have thus established the ESG Promotion Committee in accordance with the Company’s “Sustainable Development Best Practice Principles”. The composition of the Company’s sustainable development promotion team is headed by the Chief Sustainability Officer. The convener is responsible for summarizing the opinions expressed by stakeholders and management performance according to the promotion plan, reviewing the operation performance and proposing improvement guidelines, and expanding the responsibility of each unit or department. They are divided into four groups: friendly to the environment, good for society, corporate governance, and sustainable innovation.. The senior officers of the Group serve as the convener to promote the implementation of each strategic group, specifically integrating corporate sustainable development into daily operations. The committee

holds at least one meeting quarterly or extraordinary meetings as necessary. The Sustainability Officer’s Office compiles a written report, regularly reports the progress to the Board, and discloses it on the Company’s website.

The committee has been established to assist the Board in constantly promoting ESG and improving corporate governance in order to achieve sustainable operations. Its duties include:

1. Set the direction and goals of ESG and sustainable development and draw up the relevant management approaches and specific implementation plans.
2. Communicate and implement tasks relating to ethical corporate management and risk management.
3. Follow up, review, and revise the status and effectiveness of ESG implementation.
4. Other matters assigned by the Board.



▲ Figure 1-1 ESG Promotion Committee - Organizational framework



### 3. Approach to stakeholder engagement

#### 3.1 Identifying stakeholder groups (GRI 2-16, 2-25, 2-26, 2-29, 3-1)

Since 2016, when we began to implement Corporate Social Responsibility (CSR), we understand that communication with major stakeholders is the key to corporate

sustainability, and we seek to understand and respond to corporate social responsibilities in a timely manner. In recent years, the scope of corporate sustainability has expanded to include ESG. In addition to social responsibility, it also encompasses the fields of environmental protection and corporate governance. In order to fully address the



▲ Figure 1-2 Results of stakeholder identification and significance to TOPCO

issues of concern to major stakeholders, TOPCO SCIENTIFIC has established a diverse communication mechanism to accurately respond to stakeholders' concerns. As for the expected information, the Sustainability Promotion Committee of the TOPCO Group is established to promote the implementation of ESG, and an ESG section has been established on the official website to implement a close communication channel with stakeholders.

The ESG Task Force discussed the stakeholders contacted in the operational activities and interactive meetings to determine the types of stakeholders and stakeholders, and evaluated the stakeholders according to the five principles of AA-1000SES (dependency, responsibility, influence, diverse perspectives, and tension). Discuss with the organization's stakeholders, the ESG Task Force, and senior officers. Since there is no significant change in the sustainability trend of the internal and external

environments, the stakeholders in 2023 and 2022 will remain the same, and five types of major stakeholders, including shareholders, customers, employees, suppliers, external personnel (including the general public, government, community, media, and academic NGOs), considering the Company's long-term efforts in sustainable development, Starting from 2022, in accordance with the revised GRI-2021 revision, conducting stakeholder reassessment and identification every three years. We re-examined and re-identified stakeholders to ensure that the company's sustainable operations can respond to all major internal and external stakeholders in a timely and adequate manner. The next time is scheduled to be implemented in 2025.

Fulfilling the expectations of stakeholders is an important goal of our ESG policy. We communicate and interact with stakeholders in different ways. The communication channels, frequency, and outcomes of engagement with stakeholders are as follows:

Table 1-2 Issues Concerning Stakeholders and Results of Stakeholder Engagement

Stakeholder	Issue of concern	Communication channel and frequency	Response/Engagement result
Shareholders	<ul style="list-style-type: none"> <li>Information security</li> <li>Economic performance</li> <li>Customer service</li> <li>Risk management</li> <li>Energy management</li> <li>Waste management</li> <li>Occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Annual General Meeting of Shareholders (once a year)</li> <li>Financial Statements Released (once a month/quarter)</li> <li>Publication of annual report (once a year)</li> <li>Investor conferences (four sessions per year)</li> <li>Market Observation Post System (MOPS) (announced as required)</li> <li>Corporate website/Investor email (Irregularly)</li> <li>Establishment of biodiversity policy</li> <li>Sustainability Report (once a year)</li> <li>TCFD report (once a year)</li> </ul>	<ul style="list-style-type: none"> <li>Board meetings: 10</li> <li>1st shareholder meeting (May 30)</li> <li>Investor conferences: 4</li> <li>Revenue reports: 16</li> <li>Release 40 breaking news items</li> <li>ESG promotion reports to the Board: 4 times</li> <li>Contact person: Huang, Senior Vice President of the Shareholder Affairs Office (02) 8797-8020 ext. 2250; press contact: Project Manager Wu of the Marketing and Public Relations Department (02) 8797-8020 ext. 2626</li> </ul>

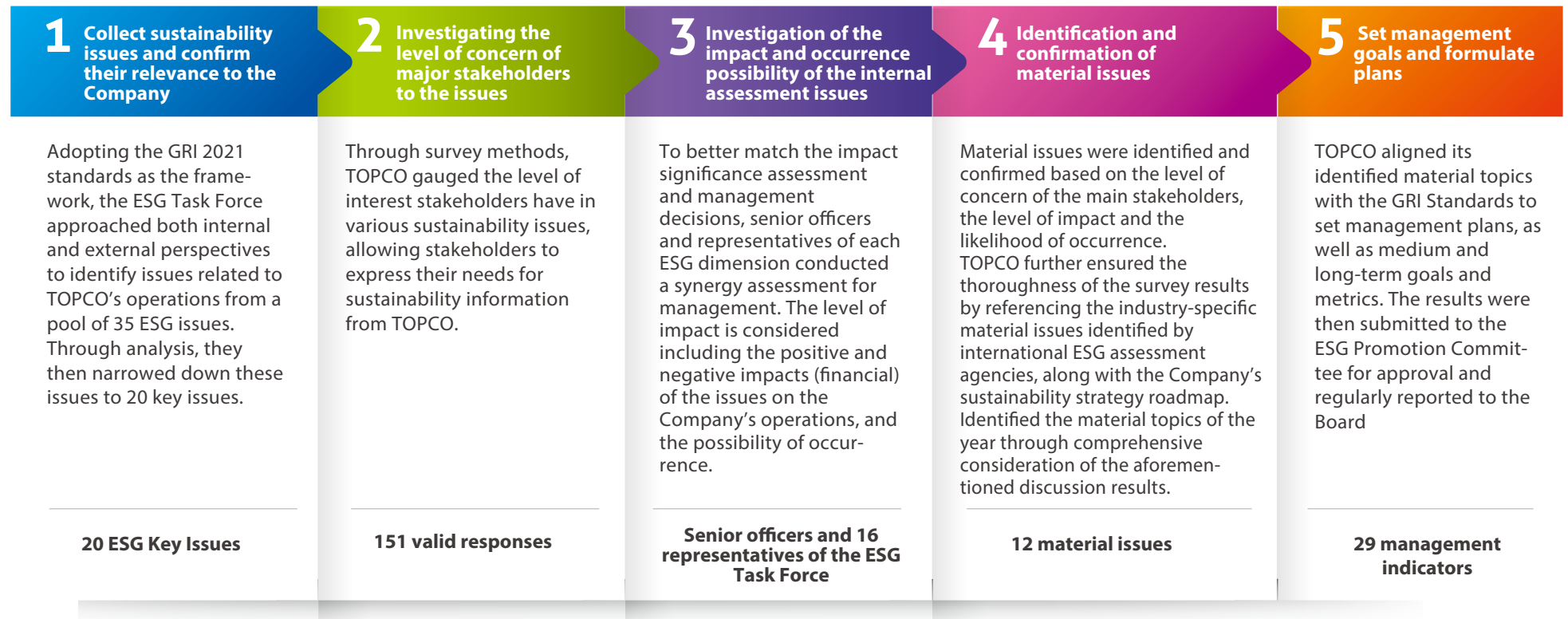
Stakeholder	Issue of concern	Communication channel and frequency	Response/Engagement result
Customers	<ul style="list-style-type: none"> <li>Customer service</li> <li>Information security</li> <li>Supplier sustainability management</li> <li>Risk management</li> <li>Ethical corporate management</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction survey (once annually)</li> <li>Business visits (at least three times a year)</li> <li>Participated in Semiconductor Exhibition (once a year)</li> <li>Company Website/Contact Us (as needed)</li> <li>Telephone and written communication (as needed)</li> <li>Establishment of human rights policy</li> <li>Information Security Committee (at least once a year)</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of the cloud CRM system</li> <li>Customer satisfaction score: 9.18</li> <li>The KPI achievement rate of days to handle customer complaints was 77.8%</li> <li>Sanctions or fines for violation of laws or regulations: 0</li> <li>No complaints regarding breaches of customer privacy and losses of customer data were reported in 2023.</li> <li>Contact person: Company website/product contact person</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Employee care</li> <li>Employee development and talent retention</li> <li>Occupational health and safety</li> <li>Human rights</li> </ul>	<ul style="list-style-type: none"> <li>New employee orientation and life counselor interview (regular setting)</li> <li>Labor-management meeting (quarterly)</li> <li>Education and training (implemented as planned)</li> <li>Performance evaluation (semi-annually)</li> <li>Remuneration Committee (six meetings per year)</li> <li>Employee welfare committee meeting (quarterly)</li> <li>Employee complaint box (Irregularly)</li> <li>Occupational Health and Safety Committee meeting (quarterly)</li> <li>Professional physician in-site consultation (implemented as planned)</li> </ul>	<ul style="list-style-type: none"> <li>4 labor-management meetings; salary adjustment 0~18.5%</li> <li>4 Welfare Committee meetings, Family Day, health checkups, and chartered sports centers to improve employee health.</li> <li>OH&amp;S Committee meetings: 4</li> <li>6 on-site physicians' consultations</li> <li>Complaints from various channels: 0</li> <li>Contact person: Welfare Committee, Ms. Huang (02) 8797-8020ext.2250; Human Services Department, Ms. Zhan (02)8797-8020ext.2881; OH&amp;S Office, Ms. Chien (02)8797-8020ext.3170</li> </ul>

Stakeholder	Issue of concern	Communication channel and frequency	Response/Engagement result
Suppliers	<ul style="list-style-type: none"> <li>Economic performance</li> <li>Customer service</li> <li>Supplier sustainability management</li> <li>Ethical corporate management</li> </ul>	<ul style="list-style-type: none"> <li>Procurement Request (execute as needed)</li> <li>Supplier evaluation (first-time transaction/once a year)</li> <li>Regular supplier audits (implemented in accordance with regulations)</li> <li>Supplier meeting (as needed)</li> <li>Green procurement policy (implemented in accordance with regulations)</li> </ul>	<ul style="list-style-type: none"> <li>Reiteration of the “sustainable supply chain development strategy”</li> <li>Introduce the “Joint Declaration on Corporate Social Responsibility”, with a reply rate of 100% in 2023</li> <li>Inclusion of the Human Rights Assessment in 2023: 100% return rate</li> <li>No material cybersecurity incidents in 2023</li> <li>Onsite audit and communication in 2023: 6 suppliers</li> <li>Tracking net-zero planning of three major suppliers</li> <li>Contact person: Wang, Vice President of the Materials Division (02) 8797-8020 ext. 2840</li> </ul>
External personnel (government, community, media, NGOs and academic institutions)	<ul style="list-style-type: none"> <li>Climate change</li> <li>Green products</li> <li>Energy management</li> </ul>	<ul style="list-style-type: none"> <li>Legal review (implemented according to regulations)</li> <li>Corporate Website/Climate Change Governance and Environmental Policy (as needed)</li> <li>Company website/News Center (as needed)</li> <li>Participation in commercial exhibitions (as needed)</li> <li>Industry-academia exchange (as needed)</li> </ul>	<ul style="list-style-type: none"> <li>Release of ESG report</li> <li>Corporate press room publications: 44 releases</li> <li>A total of 12 columns for the Chairperson of the Group</li> <li>Sanctions or fines for violation of laws or regulations: 0</li> <li>Release of the TCFD report</li> <li>Participated in the following exhibitions: SEMICON Taiwan, SDGs Asia, Mission Greener</li> <li>1,071 papers from 77 universities signed up for the TSC Thesis Award.</li> <li>Contact Person: Spokesperson Huang, Senior Vice President (02) 8797-8020 ext. 2250</li> </ul>

### 3.2 Stakeholder Communication and Material Issues Management (GRI 2-29, 3-2, 3-3)

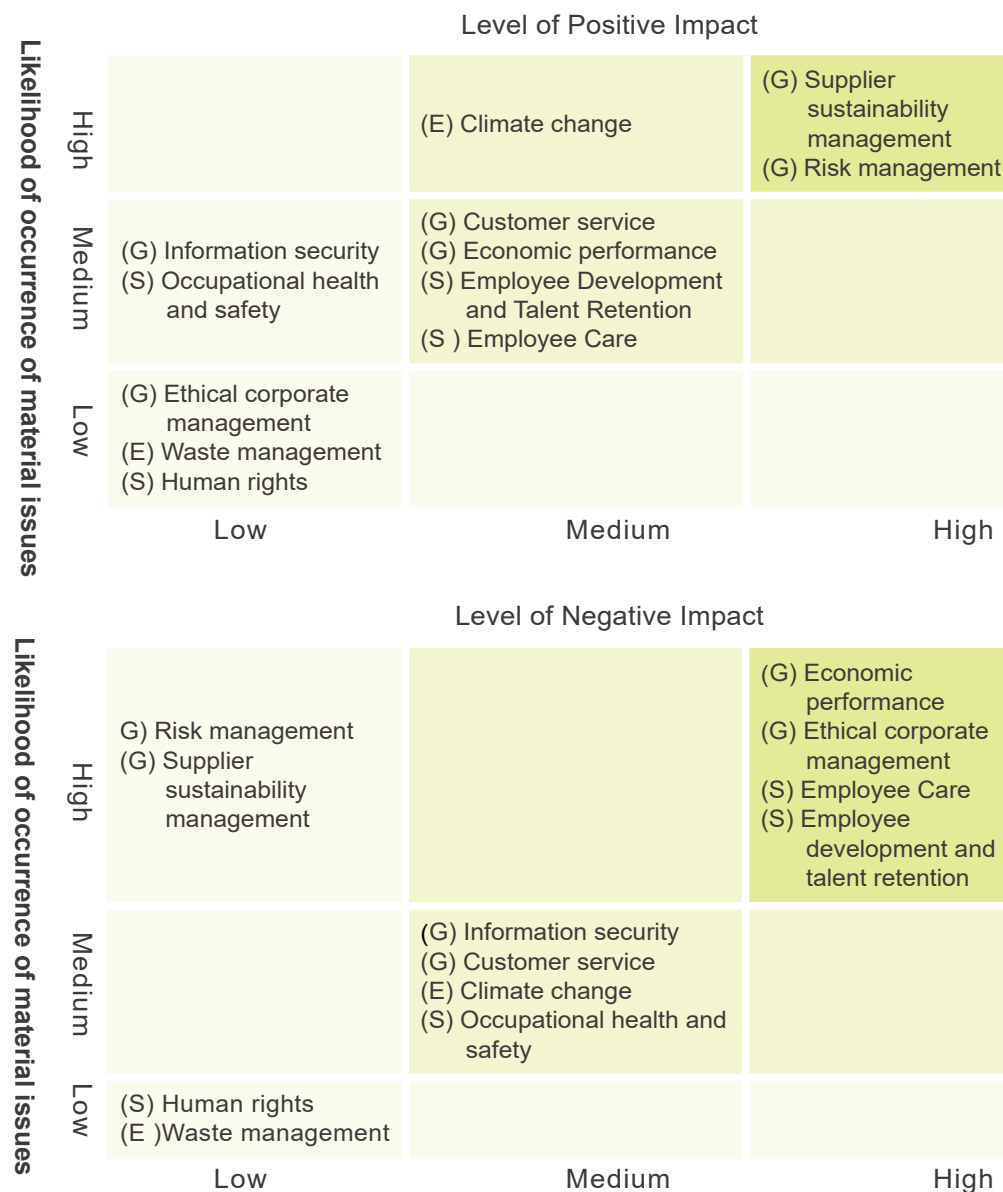
We value communication with stakeholders, and we maintain good communication and interaction with stakeholders in all aspects of daily operations. In accordance with the GRI-2021 revision revamp, and stakeholder inclusiveness, as well as the management process for identifying, prioritizing, confirming, and reviewing material issues. The ESG Promotion Committee convenes an inter-departmental meeting in which

senior officers of the group participate in the identification process. After multiple meetings and discussions, senior officers and heads of various units will identify possible key stakeholders to be communicated with. For issues related to corporate operations, we conducted the “2023 Corporate Sustainability Development Questionnaire” through the ESG questionnaire in the ESG section of the Company’s official website to understand the material issues that stakeholders are concerned about. The identification method and process are explained below:



▲ Figure 1-3 Methods and processes of identification

TOPCO utilized the GRI Universal Standards 2021 as its guiding framework, which encompasses three dimensions: economic, environmental, and social aspects. From both internal and external viewpoints, the Company identified issues relevant to its operations from a set of 35 ESG issues. The ESG Task Force then analyzed and selected 20 key issues that are pertinent to TOPCO’s daily ESG operations and annual plans. These key issues are distributed across the three dimensions as follows: 7 economic, 6 environmental, and 7 social issues. In alignment with the revised GRI-2021 Standards, in 2022 TOPCO collected information on 20 relevant ESG key issues through various channels, and planned to re-identify ESG-related issues every three years, with the next assessment scheduled for 2025. Therefore, in 2023, TOPCO continued to focus on these 20 ESG key issues that are relevant to its operations to provide a comprehensive context for sustainability. To better understand the needs and expectations of stakeholders regarding TOPCO’s sustainable management and their concerns, the Company designed a survey based on the “Stakeholder Level of Concern” of the issues. An online survey was conducted, collecting responses from 151 stakeholders. The survey analyzed the level of concern stakeholders had for each issue and ranked them accordingly. Using a significance criterion set by the ESG Task Force (with 5 being the highest concern and 1 the lowest, and a concern threshold above 4.36), 12 material issues were selected. These issues were categorized into economic, environmental, and social (including human rights) dimensions. To ensure that the impact assessment of these issues aligns more closely with management decisions, senior officers and management representatives of the different ESG aspects conducted a comprehensive assessment of these 12 material issues. The assessment considered the “impact of the issues on the Company’s operations (financially, both positive and negative)” and the “likelihood of occurrence.” These considerations were integrated into a Materiality Issues Matrix.



▲ Figure 1-4 Assessment of the likelihood of occurrence and the level of positive and negative impacts of material issues

After identifying the material issues, further confirmation is conducted to understand the impacts of these issues both inside and outside the organization, focusing on their scope, boundaries, and timelines. These are fully disclosed in the Report. Discussions are held with senior officers regarding the material issues, leading to the development of management plans, medium- and long-term goals, and indicators in accordance with the GRI Standards. A total of 29 management indicators are established, and strategies and response measures are formulated. The outcomes are then submitted to the ESG Promotion Committee for approval and are regularly reported to the Board to enhance communication with stakeholders.

Explanation of Differences from the Previous Year: This year, issues that are of key concern to external ESG assessment bodies and elements from the sustainability strategy roadmap were incorporated into discussions. The results of the 2023 survey deviate somewhat from the previous year, with key stakeholders showing increased concern for issues such as human rights, climate change, and waste management. These topics have now been integrated into the Company's short-, medium-, and long-term management considerations. The differences are summarized below:

**Table 1-3 Changes in Material Issues in 2023**

Changes in material issues	Major Issues	Remarks
Newly Added	Human rights Climate change Waste management	Disclosed in 1.5 Workplace Safety and Labor-Management Harmony of the Report Disclosed in 2.1 Climate Change Management in the Report Disclosed in 2.6 Waste Management of the Report
Continuation	Customer service Occupational health and safety Information security Employee care Ethical corporate management Economic performance Risk management Supplier sustainability management Employee development and talent retention	Continued to be disclosed in this Report.
Not Included	Research, development, and innovation Green products	Disclosed in 2.3 Research, Development, and Innovation Disclosed in 4.1.2 Green Procurement Policy

The working team reviewed the differences of material issues in the previous report, improved the understanding of stakeholder needs, and addressed and communicated such needs. The working team reviewed the report after

completion, included the compilation results as an important reference for the following year's report, and ensured that the issues of stakeholder concern were fully disclosed with correct and appropriate information.

Table 1-4 Material Issue Execution Progress

	Material Issue	Management Actions	Management Indicators	2022 Implementation Performance	2023 Implementation Performance	2024 Goal	2030 Goal
Governance	Ethical corporate management	Establish a sound corporate governance system, such as a code of conduct, anti-corruption policy, procedure and training development, and disclose non-compliance, which are essential to maintain sustainable corporate operations and create value.	Major violations Corruption Cases Employee violation cases Antitrust Cases	0 case 0 case 0 case 0 case	0 case 0 case 0 case 0 case	0 case 0 case 0 case 0 case	0 case 0 case 0 case 0 case
	Customer service	Understand customers' opinions, grasp customer needs, and provide multifaceted customer service, thereby enhancing customer satisfaction and improving market presence.	Customer Satisfaction Rating (out of 10 points) The KPI achievement rate of days to handle customer complaints was 77.8%	9.14 points 80%	9.18 points 77.8%	>9 points >80%	>9 points >80%
	Supplier sustainability management	Set quality, delivery time, capability, flexibility, environmental protection, and labor conditions as the requirements for supplier management and become the best partner of suppliers to seek a sustainable future together.	Signing of the Declaration of Corporate Social Responsibility On-site Audit Communication	97.6% 7	100% 6	100% 6	100% 6
	Economic performance	Ensure the maintenance of growth potential and profitability, strengthen long-term competitiveness, secure a stable dividend policy and taxpaying, and create a quality working environment.	Investor conferences: 4 AGM: 1	4 games 1 session	4 games 1 session	4 games 1 session	4 games 1 session



	Material Issue	Management Actions	Management Indicators	2022 Implementation Performance	2023 Implementation Performance	2024 Goal	2030 Goal
Governance	Risk management	Establish and maintain an effective risk management mechanism, including the management of economic, environmental, and social risks, and establish a business continuity plan (BCP), to achieve sustainable corporate operations.	Regularly rehearse the toughness test	7	Section 6 ( Note 1)	6	6
	Information security	Protect various types of data and maintain data confidentiality to strengthen information security to ensure smooth operations and earn the trust of suppliers and customers.	Conduct stress tests and drills annually Major information and communication security incidents	2 times 0 case	2 times 0 case	2 times 0 case	2 times 0 case
Environmental	Climate Change (new)	Conduct a complete inventory, execute a GHG inventory, and review mitigation and adjustment strategies in accordance with the TCFD framework.	Completion rate of the Group's GHG inventory Disclosure of climate information and progress made in accordance with the TCFD framework	5% Completed	17% Completed	100% Completed	100% Implementation
	Waste Management (new)	Promote environmental management and set reduction targets.	Waste reduction	1%	+138% (Note 2)	1%	1%

	Material Issue	Management Actions	Management Indicators	2022 Implementation Performance	2023 Implementation Performance	2024 Goal	2030 Goal
Social	Employee development and talent retention	Strengthen the core technical competence of employees, focus on the contents, effectiveness, and KPIs of training and development, and establish a career development system for employees to improve employee competitiveness.	Course optimization Course Satisfaction Survey (out of 5)	9 sessions 4.3 points	15 classes (physical) 4.62 points	10 sessions (physical) 4.4 points	12 classes (physical) 4.5 points
	Occupational health and safety	Reduce the likelihood of work-related accidents through the continuous improvement of the safety and health management program to provide employees with a safe, healthy, and quality working environment.	Various grievance channels OH&S Committee meetings	0 case 2 games	0 case 4 games	0 case 4 games	0 case 4 games
	Employee care	Build a happy and friendly workplace, including salary and benefits, maternity leave and paternity leave better than the legal requirements, employee care, employee engagement, and turnover rate survey, for employees to make continuous contributions and grow within the organization.	Annual employee satisfaction survey (out of 5 points) Regular labor-management meetings Analysis of Turnover Rate System and policy optimization	4.18 points 4 games 14.8% 6 items	4.74 points 4 games 13.2% >6 items	4.8 points 4 games 13% >6 items	4.3 points 4 games 13% >6 items
	Human rights (new)	We respect human rights, equality and non-discrimination, and pay attention to the harmony between labor and management. Implement human rights standards for supplier evaluation and implement supplier management.	"Human Rights and Occupational Safety and Health Policy" Promotion Coverage Rate Complaint Case Labor-management meetings Supplier approval rate for the "Human Rights Standards Assessment"	100% 0 4 times 97.6%	100% 0 4 times 100%	100% 0 4 times 100%	100% 0 4 times 100%

\* Note 1: Starting from 2023, disaster drills have shifted from single-topic drills to comprehensive scenario-based drills, reducing the number of drills but increasing overall response effectiveness.

\* Note 2: The increase in waste is mainly due to the planned relocation of TOPCO's Neihu HQ in 2024, resulting in increased garbage clearance.

Table 1-5 Material Issues and Value Chain

	Material Issue	Response Section	GRI Topic Guidelines	SASB Standards	SDGs	Significant Impact	Boundaries of value change impact (topic boundaries)			(Negative) Financial Impact			(Negative) Likelihood of Occurrence			(Positive) Financial Impact			(Positive) Likelihood of Occurrence				
							Upstream	Inside the organization	Downstream	High	Medium	Low	High	Medium	Low	High	Medium	Low	High	Medium	Low		
Governance	Ethical corporate management	Ethical corporate management and business integrity Compliance with laws and regulations	2-23 \ 2-24 \ 2-25 \ 2-26 \ 2-27 \ 205 \ 206	N.A.	SDGs.8	- Incidents of non-compliance	■	■	■			■			■	■				■			
	Customer service	Strengthening customer service	2-25 \ 416 \ 417	RT-IG-440b.1	SDGs.8	+Optimized customer relationship management - Damage to customer rights	△	■	■		■			■				■				■	
	Supplier sustainability management	Sustainable supply chain development strategy	2-23 \ 204 \ 308 \ 414	RT-IG-440a.1	SDGs.10 SDGs.12	+Creating a sustainable supply chain -Insufficient supplier management	■	■	■	■			■					■	■				
	Economic performance	Operation performance	201 \ 203	N.A.	SDGs.8	+Sustainability strategy - Geopolitics		■			■			■		■					■		
	Risk management	Risk management	2-13	N.A.	SDGs.8	+Long-term contracts - Supply chain disruption	■	■	■	■			■						■	■			
	Information security	Information security management	418	N.A.	SDGs.17	+Information security power - Resilience in the face of threats	△	■	△			■		■				■					■

	Material Issue	Response Section	GRI Topic Guidelines	SASB Standards	SDGs	Significant Impact	Boundaries of value change impact (topic boundaries)			(Negative) Financial Impact			(Negative) Likelihood of Occurrence			(Positive) Financial Impact			(Positive) Likelihood of Occurrence			
							Upstream	Inside the organization	Downstream	High	Medium	Low	High	Medium	Low	High	Medium	Low	High	Medium	Low	
Environmental	Climate Change (new)	Climate Change Management	302 \ 305	N.A.	SDGs.13 SDGs.17	+Climate change opportunities - Climate action failure	■	■	■			■			■	■				■		
	Waste Management (new)	Waste management	306	N.A.	SDGs.13	+ Renting instead of buying - Waste not properly managed	△	■	■		■			■				■			■	
Social	Employee development and talent retention	Cultivation of Talents with Diverse Abilities	404 \ 405	N.A.	SDGs.3 SDGs.4	+Enhancing corporate competitiveness and providing quality job opportunities - Brain drain	■	■	■	■				■					■	■		
	Occupational health and safety	Safe Workplace and Labor-Management Harmony	2-25 \ 2-30 \ 403	RT-IG-320a.1	SDGs.3 SDGs.8	+Healthy and safe workplace - Occupational hazards		■				■			■					■		
	Employee care	Generous remuneration and employee welfare	2-21 \ 202 \ 401	N.A.	SDGs.3 SDGs.4 SDGs.8	+Diversity and equality in the workplace	■	■	■	■				■						■	■	
	Human rights (new)	Safe workplace	406 \ 407 \ 408 \ 409	N.A.	SDGs.5 SDGs.10	- Human rights violations	△	■	△				■		■					■		■

Note : 1. ■ Direct impact, △ Indirect impact.

2. Definition of significance of financial impact:

High: Impact with a value over NT\$ 200 million on the organization/company.

Medium: Impact with a value over NT\$ 50 million but under NT\$ 200 million on the organization/enterprise.

Low: Impact with a value under NT\$ 50 million on the organization/enterprise.

3. Definition of likelihood of occurrence:

High: Likelihood of impact on the organization/enterprise > 80%.

Medium: Likelihood of impact on the organization/enterprise > 50%.

Low: Likelihood of impact on the organization/enterprise < 50%.



## II. Corporate Governance and Operational Effectiveness

*Through a CDP questionnaire, the Company fully discloses information related to environmental risks, making key financial decisions while transitioning to a low-carbon economy and safeguarding future development.*

### 1. Corporate governance

#### 1.1 Board of Directors (GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-15, 2-17, 2-18, 2-19, 405-1)

TOPCO's Board of Directors is the highest governing body of the Company, with the Chairman serving as the head of this top governance unit. On May 30, 2023, the 12th Board of Directors (the "Board") was elected. According to the Company's Articles of Incorporation, the Board currently consists of nine directors, including three independent directors, with a term of three years. Directors are nominated through a candidate nomination system and are elected by the shareholders' meeting, and are eligible for re-election. The Company purchases liability insurance covering the business activities of all directors within their scope of duties. The current Board's term is from May 30, 2023, to May 29, 2026.

TOPCO is committed to maintaining corporate ethics and integrity, and has established its “Ethical Corporate Management Best Practice Principles” and a “Ethical Code of Conduct.” These guidelines specifically address avoiding potential conflicts of interest. Directors are required to disclose any significant interests during board meetings and recuse themselves from discussing or voting on issues where their involvement could harm the Company.

Table 2-1 Summary of sustainability governance for 2023

1	The Board approved the purchase of an energy-efficient and carbon-reducing office building for NT\$ 5.4 billion to align with the principles of environmental sustainability.
2	Incorporated “ESG Assessment Analysis” into investment considerations and also implemented green time deposits.
3	Publicly released a “Biodiversity and No Gross Deforestation” declaration.
4	Participated in the CDP Climate Change Questionnaire for the first time, achieving a Grade B rating.

Table 2-2 List of directors

Job title	Name of director	Gender	Major experience (education)
Chairperson	Jeffery C. L. Pan	Male	MBA, EMBA Program, National Chengchi University BBA, National Taipei University.
Director	Simon Tseng	Male	MBA, EMBA Program, National Taipei University
Director	Charles Lee	Male	MBA, EMBA Program, China Europe International Business School BS in Physics, Chung Yuan Christian University
Director	Kuan-Hung Kuo	Male	Vice President, Strategy Office of TOPCO SCIENTIFIC; Advertising Sales Representative, Leo Burnett
Director	Director Representative of Jia Pin Investment Development Ltd: Su-Ching Lu	Female	CFO at TOPCO SCIENTIFIC Co., Ltd, Accounting Manager at Maxim International Construction Development & Textile Co., Ltd, Assistant Audit Manager at KPMG
Director	Pei-Fen Chang	Female	Accounting and Statistics Section, Chungyu Junior College of Business Administration Chairperson, Zhi Jia Investment Co., Ltd. Supervisor, TOPCO SCIENTIFIC Co., Ltd. Securities Specialist, Taiwan Securities Co., Ltd.
Independent Director	Her-Jiun Sheu	Male	Professor/Invited Professor, Department of Finance at Ming Chuan University, Invited Professor, Department of Finance and International Business, Fu Jen Catholic University, former Deputy Mayor of Tainan City, former President of National Chi Nan University
Independent Director	Alex Hsin	Male	Partner and Head of Guo Ju Law Firm, Senior Lawyer at Lee and Li Attorneys at Law, Senior Lawyer at PwC Legal
Independent Director	You-Shan Chen	Male	Professor and Dean, College of Business, National Taipei University, Core Judge and Social Aspects Convener for the Taiwan Corporate Sustainability Awards (TCSA)

Proportion of independent directors: 3/9 (33.3%); proportion of female directors: 2/9 (22.2%) Term: May 30, 2023, to May 29, 2026.

Such abstentions are recorded in the annual report to ensure transparency and help the highest governance body steer clear of conflicts of interest. In 2023, no significant conflicts of interest were reported. To strengthen corporate governance, we have established the “Corporate Governance Best Practice Principles” to implement a policy of diversity among the members of the Board. Board members possess professional backgrounds and work experience in business management, corporate management, finance, and recycling engineering, and policies on diversity concerning gender, age, and educational background are formulated in response to the Company’s operations, business model, and sustainability needs.

Following the diversity policy, the 12th Board of Directors were elected. For information on the professional expertise and independence of each board member, please refer to the table below, which is also disclosed in the Company’s annual report and on the stakeholder section of the official website. (<https://www.topco-global.com/board-of-directors>)

The Board meets at least once every quarter and is convened by the Chairman. Interim meetings are held as needed for extemporaneous matters. In 2023, the Board met a total of 10 times, with an average personal attendance rate of 100%. For detailed information on the latest annual remuneration for directors and senior management, please refer to p. 13~17 of the annual report.

(<https://www.topco-global.com/wp-content/uploads/2024/05/ANNUAL-112CHN.pdf>)

Besides setting the directions and objectives of business operations, the Board also establishes the risk management system and discusses

and draws up the risk management policies and guiding principles for the Company to enforce the guidelines for risk management. The Board manages and supervises the Company’s overall operations and affairs in order to maximize interests for shareholders. To effectively manage customer credit risks, the Company has established an internal online customer alert inquiry system. This system is regularly updated with information about customer financial statements, credit ratings, and risk levels. The Office of the CFO conducts annual reviews of customer credit limits to assess, measure, and manage customer risks. To implement corporate governance and improve the Board’s functions, the Board passed the establishment of the “Evaluation of the Board” in December 2018 to perform internal performance evaluation each year and hire independent organizations or expert teams to perform external performance evaluation every three years. The scope of the Board performance evaluation includes the overall Board, individual board members, and functional committees. In 2023, the external evaluation scores for the Board’s performance ranged from 4 to 5, indicating good overall performance. Details on Board attendance and performance evaluations are disclosed in the Company’s annual report and on the official website. To enhance corporate governance and sustainable operational performance, information regarding succession planning for directors and key management, as well as results from on-the-job training, can be found on the Company’s website. (<https://www.topco-global.com/succession-planning>)

## 1.2 Functional Committees (GRI 2-19, 2-20)

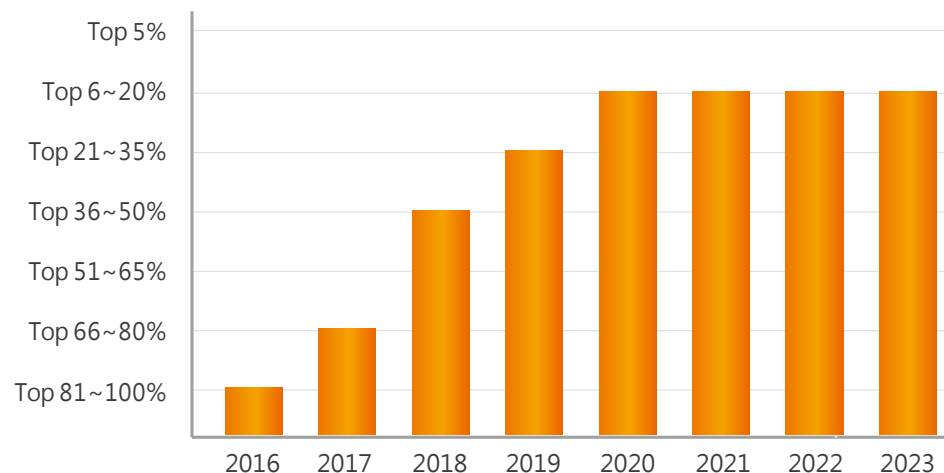
TOPCO's Board of Directors has four functional committees. Each committee is composed as follows, and details on the issues reviewed in 2023 and meeting attendance can be found on the Company's official website

Functional Committee	Description	Number of meetings in 2023
Remuneration Committee	The Remuneration Committee assists the Board in regularly setting and assessing the performance and remuneration standards of directors and senior officers, as well as the overall remuneration policies and benefits systems of the Company. Sustainability goals are flexibly integrated into the considerations for directors' remuneration, effectively linking it with variable pay to create a substantial alignment. Adjustments to the compensation, bonuses, and other rewards for senior officers of the Company are based on the Company's performance, individual performance, and contributions, incorporating contributions and performances in the economic, environmental, and social dimensions. These adjustments are approved by the Chairman before undergoing discussion by the Remuneration Committee. The Remuneration Committee is comprised of three members, all of whom are independent directors.	6 times
Audit Committee	The Audit Committee, made up of three independent directors, aims to assist the Board in overseeing the Company's accounting, auditing, financial reporting processes, and the integrity and quality of financial controls.	9 times
Corporate Governance and Nomination Committee	This committee consists of five directors, including three independent directors. Members possess expertise in legal affairs, business, and corporate management. Subcommittees under this committee focus on corporate governance, corporate social responsibility initiatives, ethical business practices, sustainability management, and risk management, driving the implementation of related operational plans.	3 times
Risk Management Committee	The Risk Management Committee consists of five directors, including three independent directors, with expertise in legal, business, and corporate management. This committee oversees subcommittees focusing on emergency response, operational risks, financial risks, information security risks, and climate change risks.	2 times



### 1.3 Corporate governance evaluation results in 2023

Ranked among the top 6-20% of all TWSE listed companies in the 2023 Corporate Governance Evaluation conducted by the FSC



▲ Figure 2-1 Ranked among the top 6-20% of all TWSE listed companies in the Corporate Governance Evaluation

## 2. Ethical corporate management and business integrity (GRI 2-23, 2-24, 2-25, 2-26, 204, 205, 206)

After Board approval in 2015, TOPCO established the “Ethical Code of Conduct” and “Ethical Corporate Management Best Practice Principles” after board approval. These codes specify that employees must adhere to relevant laws and standards in their duties, help stakeholders understand the Company’s ethical standards, guide

employees towards integrity in their actions, and prohibit the misuse of Company assets, information, or position for personal gain. Annually, the Company conducts educational campaigns on ethical code of conduct for employees. The content of these awareness campaigns is directly distributed by the Legal Affairs Office to each employee’s email inbox. After reading, employees must click to confirm. In 2023, a total of 1,617 issues were distributed, and the Company continuously follows up on employees who do not complete the confirmation on time.

We also have explained our business philosophy in the relevant internal regulations and on the corporate website in order to state our policy for ethical corporate management. Under the Board, we have established the Remuneration Committee, Corporate Governance and Nomination Committee, and Audit Office to supervise and audit the Company’s compliance with ethical corporate management. We have also designated a Chief Corporate Governance Officer and established the Corporate Governance Task Force under the Shareholders’ Affairs Office to establish, supervise, and implement policies for ethical corporate management and prevention of unethical behavior and to periodically report to the Board and management team. In corporate management, we follow the “Ethical Corporate Management Best Practice Principles” and “Ethical Code of Conduct”. In business operations, we have established various standard operating procedures to govern transactions. In internal

management, we have established operating and management regulations and uploaded them to the employee information portal (EIP) to specify the Company's code of conduct and arrange related education and training for employees.

The operations and management regulations stipulate that employee must sign the Statement of Integrity Compliance after signing the employment contract. Additionally, we promote the Company's ethical corporate management concepts through meetings and activities in order to make ethical corporate management part of the Company's corporate culture. TOPCO regularly organizes both scheduled and unscheduled educational and training sessions. These sessions are aimed at reinforcing the Company's standards and compliance requirements: New Employee Training: This includes an introduction to the company's commitment to integrity, emphasizing the importance of confidentiality and adherence to company discipline. Internal Training Programs: These focus on compliance with laws related to business secrets and personal data protection. A reporting email box has been established on the corporate website to report corruption and unethical behavior. All emails will be automatically forwarded to the chief auditor. Under the Company's strict policies and advocacy for corporate integrity and ethics, in 2023, TOPCO conducted corruption-related risk assessments at 27 operational sites, achieving a completion rate of 100%. The actual implementation of the Ethical Corporate Management Best Practice Principles aligns with Company policies, and there were no significant discrepancies or issues.

### 3. Compliance with laws and regulations (GRI 2-27, 206-1, 417-3)

Compliance with various laws and regulations is exceptionally important to TOPCO. We have also established the Legal Affairs Office to help employees clarify various legal and regulatory uncertainties. In 2023, there were no significant records of complaints being filed against TOPCO for violations related to economic, environmental, or social laws and regulations.

### 4. Business performance (GRI 201-1, 203-2)

In 2023, a downturn in semiconductor market demand and inventory adjustments led to an 11.2% reduction in the production value of Taiwan's IC industry compared to the previous year. This was further compounded by global inflationary surges, supply chain restructuring, and geopolitical conflicts. Despite these headwinds, TOPCO has po-sitioned itself as a key provider of integrated material services in advanced manufacturing processes. Additionally, the Company has diversified into environmental engineering and the circular economy. In spite of these adverse economic conditions, TOPCO has still managed to achieve its second-best performance in its operational history.

Semiconductor materials account for approximately 80% of TOPCO Group's con-solidated revenue. With the overall industry outlook

remaining positive, the construction of new wafer fabs and the increased capacity utilization of existing fabs are expected to drive growth in material shipments, including photoresists, silicon wafers, wafer carriers, quartz, and chemicals. Driven by emerging applications such as AI-powered personal computers, electric vehicles, and 6G technologies, there is an increased demand for advanced manufacturing processes and foundry capacity. Additionally, active construction of wafer fabs and investments in equipment by governments in countries like Japan and Germany are boosting the demand for semiconductor materials, which are key to the Company's continued growth.

In response to the global diversification and shifting of supply chains, TOPCO has been actively expanding its overseas operations. In early 2022, the Company established Shunkawa Co., Ltd. in Japan, and in August 2023, it set up a Kumamoto branch to provide closer and better services to semiconductor factories like JASM and Sony in Kumamoto. Through mergers, joint ventures, and strategic alliances, TOPCO aims to collaborate with local Japanese companies and providing technology, equipment, and capital to strengthen localized services.

#### 4.1 Stellar operating performance and significant revenue growth

We believe that the pursuit of outstanding financial performance is a prerequisite for sustainable operations in order to constantly create higher economic value. In 2023, TOPCO reported revenues of NT\$ 26.3 billion, a 6.5% decrease from 2022. The Company achieved a net profit after taxes

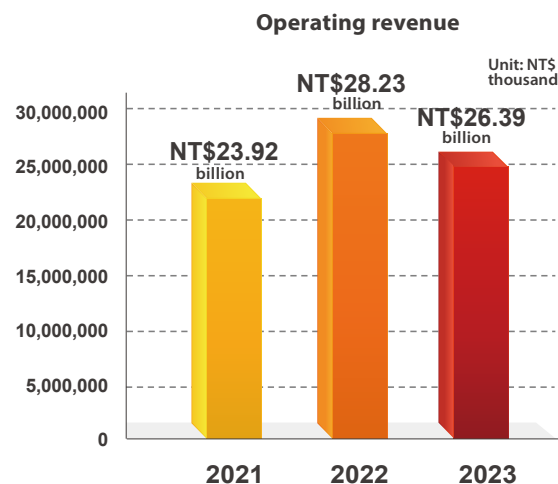
of NT\$ 2.835 billion, with earnings per share of NT\$ 15.36. Despite the downturn, the consolidated revenue of the Group reached the second-highest record to date at NT\$ 49.27 billion. Moving forward, TOPCO plans to continue evaluating and introducing new products. The Company aims to expand its customer base and suppliers through its Foundry Service platform, facilitating foundry manufacturing capacity and accelerating product speed-to-market. Additionally, TOPCO is developing its used equipment business, recycling and cleaning services, and fab construction consulting to provide holistic turnkey solutions. For 2024, the Company anticipates quarterly revenue growth trajectory, reflecting its strategic initiatives and diversified business model.

Table 2-3 Business performance over the last three years

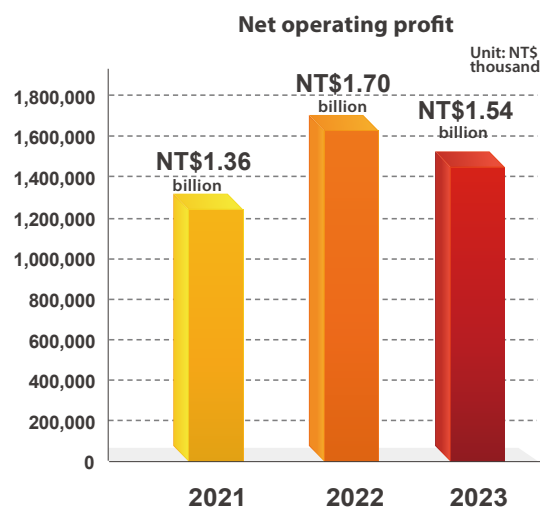
Unit: NT\$ thousand

	2021	2022	2023
Operating revenue	23,916,564	28,231,985	26,389,230
Gross profit	2,884,370	3,617,101	3,385,417
Net operating profit	1,355,559	1,704,386	1,536,877
Net income of the year	2,294,458	3,018,478	2,835,024
EPS (NT\$)	12.63	16.61	15.36

Source: TOPCO (parent company only) financial statements



▲ Figure 2-2 From 2021 to 2023 revenue



▲ Figure 2-3 From 2019 to 2022 net operating profit

Table 2-4 Group business performance over the last three years

Item	2021	2022	2023
Operating Revenue (in NT\$ millions):	42,669	52,978	49,273
Net Profit After Tax (in NT\$ millions)	2,301	3,075	2,853
Research and Development Expenditure (in NT\$ ten thousand)	10,117	15,641	11,748
Return on Equity (ROE) (%)	20.48	24.46	19.94

Source: TOPCO (Consolidated) Financial Statements

In 2023, TOPCO was selected as a component stock of the “TWSE RAFI® Taiwan High Compensation 100 Index” and the “TWSE Corporate Governance 100 Index.” According to the “Taiwan Top 2000 Survey” published in the Vol.798 of Commonwealth Magazine on May 2024, TOPCO is ranked 13<sup>th</sup> in the “ICT and IC Retailing Industry”, and it is ranked 43<sup>rd</sup> in “Taiwan Top 2000 Service Businesses” and 38<sup>th</sup> in the “Most Profitable Service Sector Companies”.



▲ Figure 2-4 Commonwealth Top 2000: 43rd in the service industry and 13th in the IC retail industry  
Source: 2024 Taiwan Top 2000 Enterprises Survey. Commonwealth Magazine, vol.798.

Table 2-5 TOPCO’s rankings in the Commonwealth Taiwan Top 2000 over the years

Taiwan Top 2000 Service Businesses						ICT and IC retailing rankings					
2018	2019	2020	2021	2022	2023	2018	2019	2020	2021	2022	2023
58	54	48	40	35	43	14	12	12	12	12	13

## 4.2 Green deposits

TOPCO actively participates in green finance, creating positive environmental and social impacts through its time deposits, which are an integral part of its long-term sustainability strategy. The Company has established green deposits with Cathay United Bank, ensuring that these funds are utilized for green financing and refinancing projects.

## 4.3 Stock information

TOPCO actively participates in green finance, creating positive environmental and social impacts through its time deposits, which are an integral part of its long-term sustainability strategy. The Company has established green deposits with Cathay United Bank, ensuring that these funds are utilized for green financing and refinancing projects.

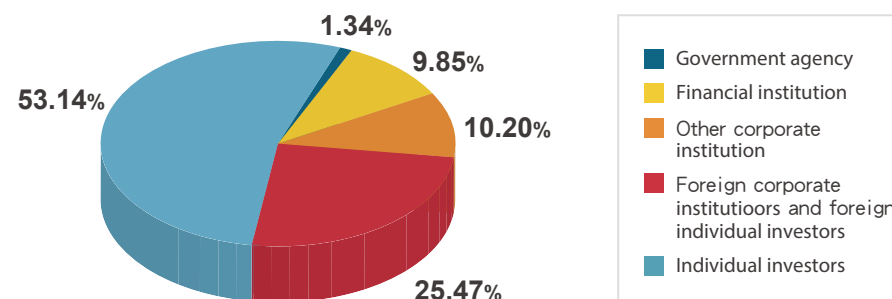
Table 2-6 Basic stock information of TOPCO Scientific Co., Ltd.

Authorized Capital	NT\$ 1.887 billion
Shares Outstanding	188,700,067 shares
Number of Shareholders	30,987
Stock Exchange	Taiwan Stock Exchange (TWSE), Stock Code 5434

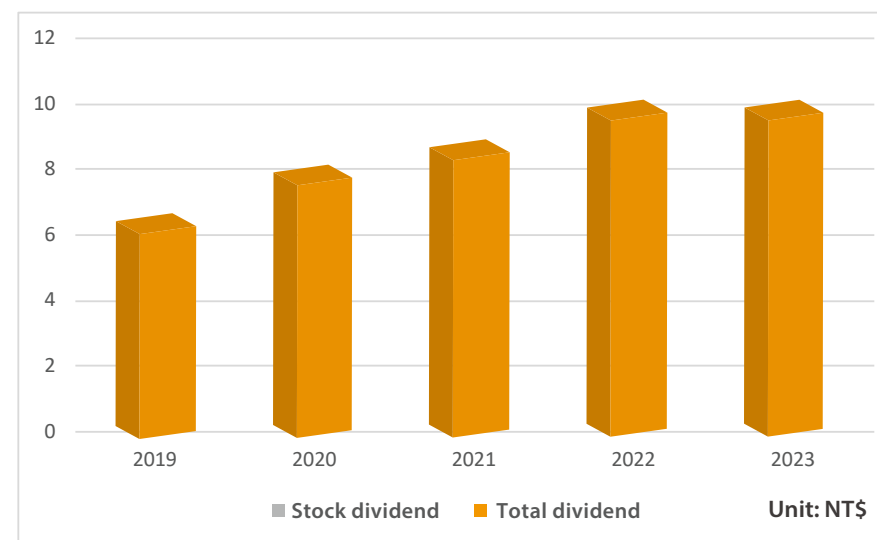
Table 2-7 TOPCO dividend distributions in the last five years

Dividend/Year	Unit: NT\$				
	2019	2020	2021	2022	2023
Stock dividend	0	0	0	0	0
Cash dividend	6.5	8.0	8.8	10.0	10.0
Total dividend	6.5	8.0	8.8	10.0	10.0

Source: TOPCO, Market Observation Post System, 2023



▲ Figure 2-5 Shareholder Structure



▲ Figure 2-6 Dividend distributions in the last five years

## 5. Risk management (GRI2-13)

In response to the COVID-19 pandemic in 2020, TOPCO Group proactively established Business Continuity Management (BCM) standards at the outset of the outbreak. This initiative involved assessing and analyzing risks, and formulating contingency recovery plans to ensure operational resilience. The Group implemented a Business Continuity Plan (BCP) to guarantee that, even at the minimum acceptable operational level, it could continue to deliver critical services to its key customers. Through regular drills and testing, TOPCO Group has optimized its response efficiency, ensuring that the Company is well-prepared to maintain stability in emergency situations, thereby maintaining the trust placed in it by all stakeholders.

TOPCO Group is committed to continuously optimizing its response efficiency and ensuring rigorous preparedness. TOPCO Group's ongoing efforts to enhance response efficiency involve considering additional measures for handling extraordinary events and integrating these into the Company's development policies

Table 2-8 Simulated scenarios of drills

Simulated scenario	Frequency	Test Targets	Status of implementation in 2023
Disaster Scenarios: Fire - Firefighting + Windstorm - Typhoon Prevention + Natural Disaster - Earthquake Evacuation	1 to 2 times	Fires and wind disasters : Scenarios on holidays and weekdays are simulated in the drill to demonstrate the efficiency of emergency mobilization during emergencies. Earthquake evacuation drill : The evacuation scenario is simulated at the office building on weekdays to improve hazard judgment and evacuation smoothness.	2 次

early on. This approach ensures that we can continue to operate during crises, demonstrating robust corporate resilience. In 2023, TOPCO successfully completed resilience testing for two “immediate risk” scenarios.

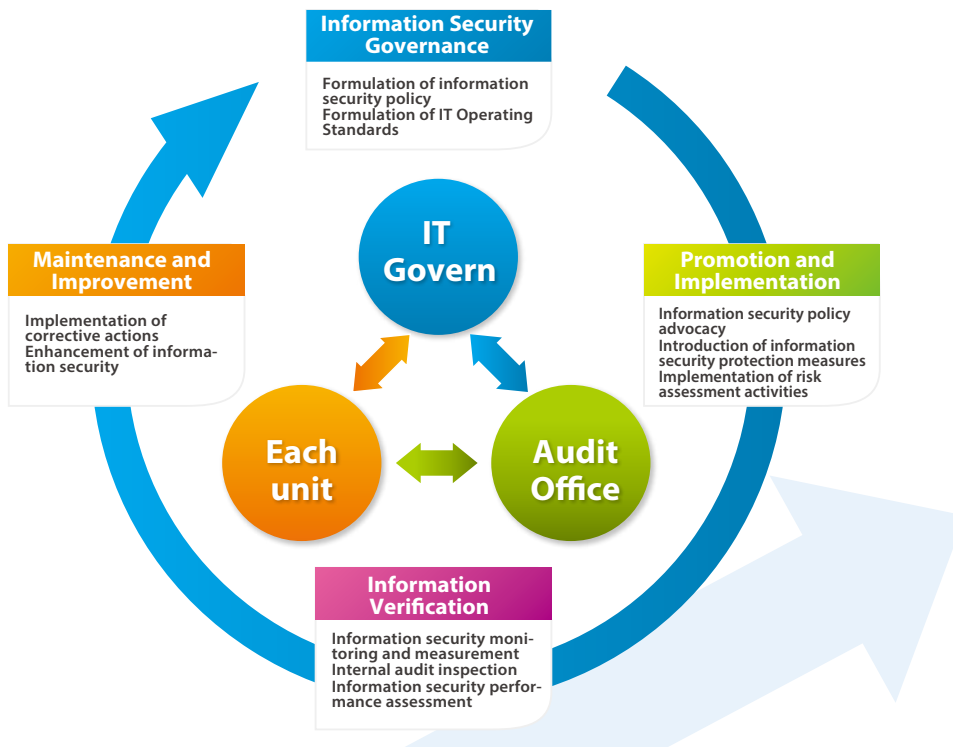
## 6. Information security management

TOPCO has implemented a robust information security management strategy aimed at creating a “resilient, secure, and trustworthy enterprise.” This involves the comprehensive integration of information security mechanisms to prevent unauthorized access and ensure the safety, confidentiality, integrity, and availability of crucial information assets. Regular drills and educational training sessions are conducted to enhance employees' awareness and vigilance regarding information security, ensuring the security of customer and product information.

### 6.1 Information security management structure and operations

Establish an Information Security Committee to take charge of IT-related matters required for our operations. The CEO serves as the chairperson (convener), and the top information unit executive also serves as the Chief Information Security Officer (Chief Information Security Officer) to integrate the business units, information, audit, legal, and risk control. and the top executive of the human resource department. Regularly convenes relevant meetings to decide, manage, and promote information security affairs, fulfill the responsibilities of business operators, and protect

the legal rights and interests of shareholders and the interests of other stakeholders. At least one information security audit is conducted annually, which shall then be submitted to the Board for review. An Information Security Office has been established this year, which is staffed with a dedicated information security manager and personnel responsible for planning and implementing information security tasks. It has been planned to introduce the ISO27001 information security management system in 2024, and certification is expected to be obtained in 2025.



▲ Figure 2 -7 Information security management process

Table 2-9 Information security measures and implementation results

Implemented in 2023		2024 Enhancement Plan	
Data Loss Prevention (DLP)	To protect personal data security, strengthen the information security and personal data inspection mechanisms, and prevent the leakage of the Company's sensitive data.	Security Operations Center (SOC)	Introduce the Security Operation Center (SOC) to monitor and analyze information security threat events 24/7.
Advanced Persistent Threat (APT)	APT email defense systems are equipped with malicious URL protection and the capability to analyze attachments, filtering out spam and blocking emails containing known viruses, spyware, trojans, ransomware, etc. Integration of sandbox systems and gateway-based email protection systems further analyzes and blocks threats, reducing email channel security risks.	Vulnerability Scanning	Regular annual vulnerability scans are conducted to identify security issues related to hosts and networks. By utilizing vulnerability scanning and result assessment reports, the system's security weaknesses are identified early, and timely repairs are made to prevent exploitation of these vulnerabilities.
Intelligence Sharing and Joint Defense	The Company has joined TWCERT and SP-ISAC for intelligence sharing to respond to attack threats within the same industry both domestically and internationally, enhancing the Company's cybersecurity defense capabilities.	Enhancing Application Security	By leveraging source code analysis tools to test and analyze the source code of applications, potential vulnerabilities are identified and patched. Integrating GitLab CI/CD source code management tools allows for automatic testing as soon as developers upload the source code. This enables developers to quickly understand cybersecurity risk issues from the early stages of software development, significantly improving product quality.
Information Security Health Check Services	Information security health check services are conducted by third-party cybersecurity experts. These services assess the security of the company's network architecture, identify existing vulnerabilities and risks, and provide network management planning suggestions. This empowers businesses to grasp overall security status and make improvements where needed to reduce cybersecurity risks.		

## 6.2 2023 Information security drill

TOPCO Group is committed to continuously optimizing its response efficiency and ensuring a rigorous level of preparedness. Our ongoing efforts to enhance response efficiency involve considering additional measures for handling extraordinary events and integrating these into the Company's development policies early on. This approach ensures that we can continue to operate during crises, demonstrating robust corporate resilience.

Table 2-10 Simulated scenarios of drills

	Simulated scenario	Test Targets	Status of implementation in 2023
1	Information security - Phishing mail alert drill	Social engineering drills are performed. Re-education is arranged for those who accidentally click the link to enhance their awareness of information security and capability of emergency response.	1 time
2	Information security - Firewall protection drill	After the handling by firewall administrators, if it is impossible to restore and reactivate the firewall within a short time, administrators will immediately switch to the backup firewall.	Comprehensive exercise 1time
3	Information security - post-disaster recovery drills	Organizations can assess the effectiveness of their disaster recovery plans by testing and evaluation. Through drills, potential issues and flaws within the plan can be identified and addressed. This ensures that in the event of an actual disaster, the organization can effectively resume operations and achieve its objectives for emergency response and operational continuity.	
4	Information security -Offsite backup drills	Considering the various risks that may affect critical host servers, the availability of key systems at remote backup sites is tested. This determines whether backup systems can quickly start up and resume normal services after the main system is damaged, enhancing the organization's response capability and crisis management.	

Table 2-11 Drill results in 2023

Subjects		Goal	2021	2022	2023	Description
Social engineering drill	Trigger		55.95%	49.46%	18.92%	The accidental contact rate is decreasing year by year, and we re-educate those who are accidentally triggered. In 2023, all employees achieved an attendance rate of 100% in cybersecurity education and training.
	Click	<10%	51.62%	36.76%	17.03%	
	Enable		34.86%	30.81	5.14%	
Firewall protection drill		<30 minutes	-	-	5 minutes	

## 6.3 Information Security Incident Status

Over the past three years, no significant information security incidents have occurred, nor have there been any breaches of confidential information affecting the personal data of clients and employees, or any related fines.

Table 2-12 Information security incident statistical table

The quantity of security breach occurrences and the corresponding fines per annum	2021	2022	2023
Number of incidents involving breaches of cybersecurity or network security	0	0	0
The number of incidents pertaining to data leakage.	0	0	0
The number of security breaches involving customer personal data. <sup>1</sup>	0	0	0
The number of customers and employees affected by data breaches.	0	0	0
The number of fines imposed as a result of information security or network security-related incidents (in New Taiwan Dollars).	0	0	0





## III. Innovation and Supply Chain Services

*Grasping insights on geopolitical impacts, understanding the latest developments in international supply chains, strengthening partner relationships to reduce operational risks, and deploying our global strategy.*

### 1. Partnerships for the Goals (GRI 2-28)

Besides pursuing our own sustainable operations, we also join associations related to our scope of services or support the associations of other industries or non-profit organizations to enhance information exchange among industries or with other industries to promote connections among industries. Organizations participated in by the Company are as follows:

Name of association	Role	Name of association	Role
Taiwan Semiconductor Industry Association	Member	High-Tech Facility Association	Member
Taipei Electronic Components Suppliers' Association	Member	Taiwan Academy of Management	Chairperson
Taiwan Electronic Equipment Industry Association	Member	MIH Consortium	Member
Taiwan Electrical Contractors Association	Member	Corporate Operating and Sustainable Development Association	Member
Taiwan CIO Association	Member	Chinese Professional Management Association	Director
Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC)	Member	Global Brands Management Association	Chairperson
Information Management Association	Member	Chinese Life Science Law Society	Chairperson
Straits Economic and Cultural Interchange Association	Supervisor	Taiwan Global Eastbound Association of Launching American	Chairperson
Importers and Exporters Association of Taipei	Member	Institute for Biotechnology and Medicine Industry	Director
Chinese National Association of Industry and Commerce	Member	Kung - Hwa Management Foundation	Chairperson
Taiwan Institute of Chemical Engineering	Director	Taiwan First Division Senior Baseball Promotion League	Chairperson
Chinese Society for Management of Technology	Member	CWS	Member
BCSD Taiwan	Member	Center for Corporate Sustainability	Director

## 2. TOPCO's Core Values

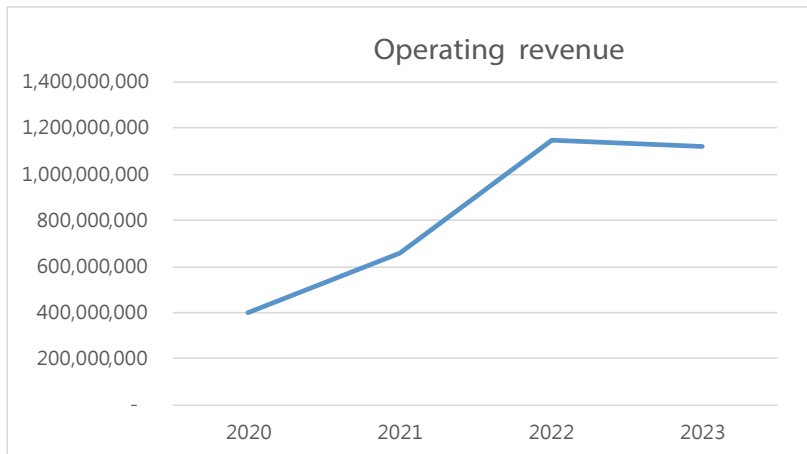
### 2.1 Capturing key global materials

We have established a meticulous supply network for the semiconductor kingdom of Taiwan, with trusted partnership being the key to success. As Taiwan's semiconductor manufacturing prowess advance towards nanoscale technology, the demand for advanced materials such as DUV photoresist and ArF photoresists, essential for semiconductor photolithography processes, has also significantly increased.

TOPCO acts as a distributor for products produced by the Japanese Shin-Etsu Chemical, holding a market-leading position in high-end photolithography processes due to the superior quality of these products. Our market share of photoresists in Taiwan is approximately 50%. In terms of silicon wafers, TOPCO has secured exclusive distribution rights for Shin-Etsu Semiconductor in China and Taiwan. Additionally, TOPCO and Shin-Etsu Quartz Products of Japan have jointly established TOPCO Quartz Products Co., Ltd. in Taiwan. This facility, featuring world-class cleanroom processing capabilities, has become the primary supplier of quartz apparatus in Taiwan and leads the semiconductor quartz material market. The third quartz processing factory located in Chiayi is expected to commence mass production in April 2024. TOPCO actively cooperates with suppliers to promote short-chain and local supply layout to strengthen business continuity management (BCM) and reduce scope 3 carbon emissions.

## 2.2 Horizontal integration to strengthen specialization

TOPCO provides customers with a comprehensive suite of semiconductor integration services, from ASIC design, wafer foundry services, packaging and testing, photomask procurement, IP integration, to professional engineering consultations. This all-in-one service approach offers customers the most streamlined approach for product production cycles. Additionally, TOPCO provides integrated solutions for third-generation semiconductor components, focusing on high-performance power ICs such as SiC and GaN, from material substrates to wafer processing and packaging testing, helping clients quickly respond to market trends. With years of proven success and technological prowess, TOPCO has established a holistic service



▲ Figure 3 -1: Wafer foundry platform performance

ecosystem in Taiwan, Japan, China, and Southeast Asia, serving over 200 IC design companies and wafer fabs. After years of technological accumulation. The operational model has earned the trust of upstream and downstream stakeholders, with revenue growing year by year.

## 2.3 Research, development, and innovation

TOPCO Group continues the momentum of past research and development endeavors, investing resources in the development of new products and technologies. In 2023, the group has a total of 85 granted patents. This is particularly driven by the future explosion of AI, 5G, electric vehicles, and autonomous driving applications, which will propel advances in semiconductor and optoelectronics technologies and increase demand. Additionally, TOPCO remains committed to green energy and environmental stewardship, investing in the research and development of green technologies and circular economy. In 2023, the R&D investment totaled NT\$ 117,479,000. In line with the Company's long-term development direction and operational goals,

In alignment with the Company's long-term development direction and operational objectives, we continue to focus on environmental protection and waste reduction in the wafer-related sectors. We are actively developing advanced technologies for wastewater treatment and recycling in high-tech fab processes, as well as reducing wafer processing steps. In 2023, we filed a total of 10 patent applications related to these technologies.

In the patent application sector, a total of 17 new patents were approved in 2023, demonstrating excellent patent execution effectiveness. As of December 2023, the Group has accrued a total of 85 approved patents.

### 3. Strengthening customer service

#### 3.1 Compliance with international quality management standards

TOPCO has been ISO9001 certified since 1997. The Company maintains its quality management system and extended the certification to a key subsidiary- TOPCO Shanghai-in 2019. Additionally, to meet the demands and high-quality standards of the automotive industry supply chain, TOPCO, along with its subsidiary-Topchem Materials-achieved IATF16949 certification in 2021. Moving forward, TOPCO will continue to extend certifications to overseas locations, comprehensively enhancing the quality of products and services.



▲ Figure 3-2 ISO 9001:2015 certificate



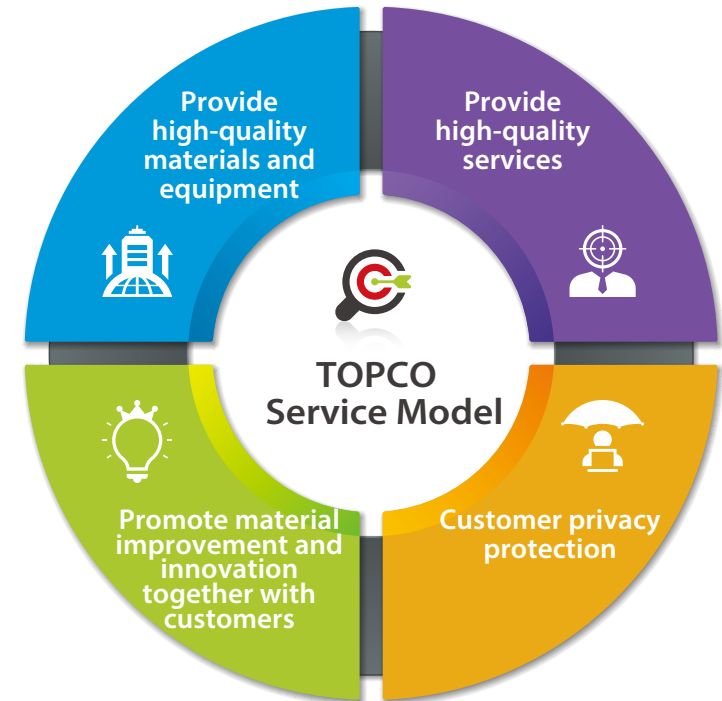
▲ Figure 3-3 ISO 9001:2015 certificate of TOPCO SCIENTIFIC (Shanghai) Co., Ltd.

#### 3.2 Professional services and grasp of customer needs (GRI 416, 417, 418)

As a leading integrated service provider of key semiconductor and optoelectronic materials, we have strong confidence in the supply of key materials with advanced manufacturing processes. In response to the decentralization of the global supply chain, we accompanied major customers to build factories in Japan.

TOPCO is diversifying into environmental engineering and the circular economy, with plans underway for component cleaning and the trade of used equipment. These initiatives will support the industry's transformation towards green manufacturing and extending the lifespan of equipment, achieving the goal of zero waste through circulation and reuse.

We implement continuous innovation and improvement of materials and maintain close collaboration with customers' R&D teams to co-develop optimal products and grow together with customers. TOPCO's professional services are as follows:



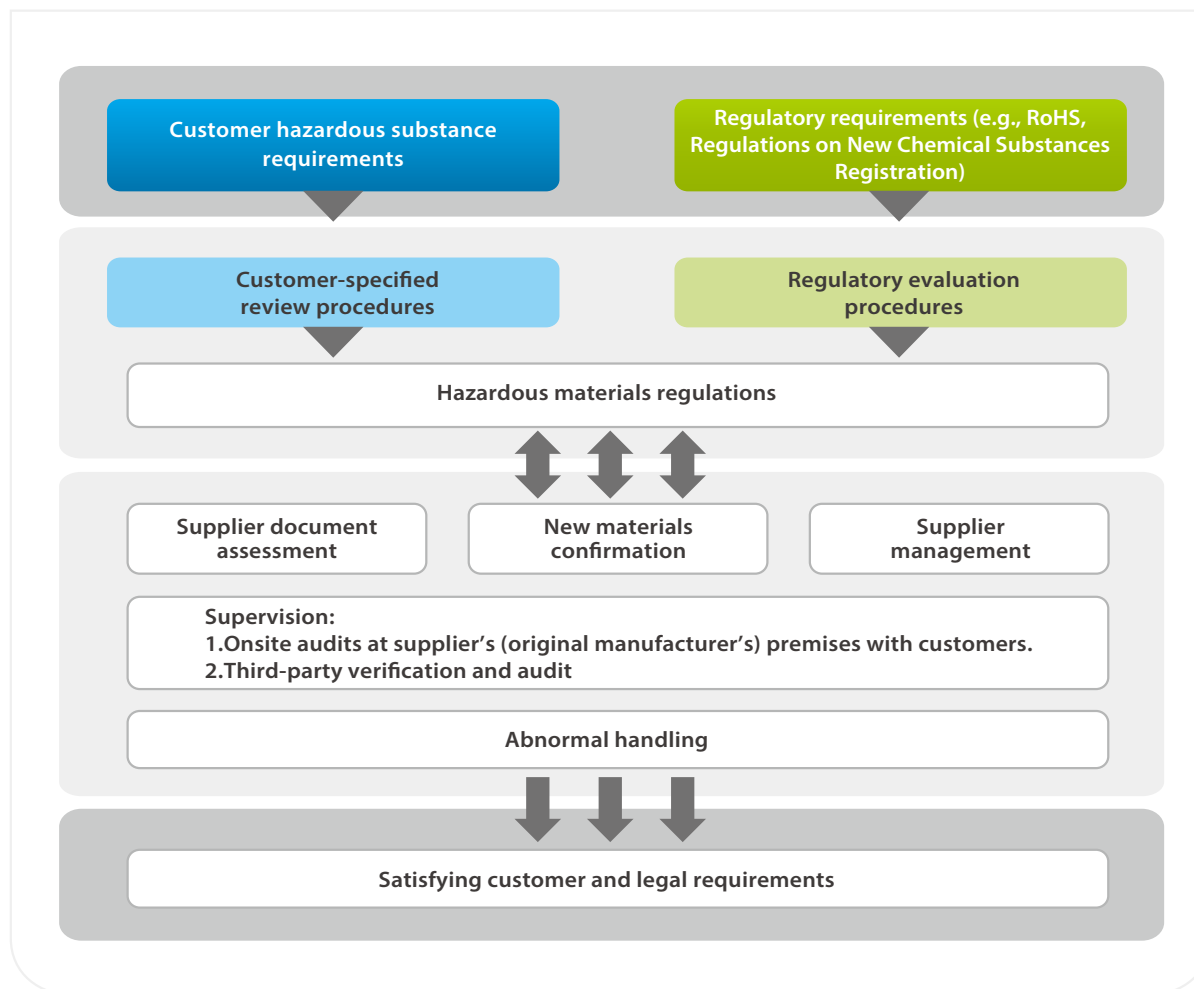
▲ Figure 3 -4 Professional customer service

### 3.2.1 Offer high-quality materials and equipment. (GRI 416, 417)

To provide customers with high-quality, high-stability materials and equipment, we distribute products produced by world-leading manufacturers such as Shin-Etsu Group, NAMICS, TRI CHEMICAL, and FUJIMI.

Based on international environmental legal and regulatory requirements, we stringently examine the restricted/banned hazardous substances contained in the products we distribute and perform strict control through new product/supplier control. We also put labels with clear information on all products and distribute them with their COA and specifications from original manufacturers to ensure the conformity of all products to environmental, social, and safety requirements and disclose all relevant service information and labels with 100% compliance

Additionally, to ensure smooth distribution of products to customers, we maintain conformity to all customer quality requirements of all materials and products and disclose the relevant information according to the customer's specifications, including compliance with green procurement, existence of chemicals restricted/banned/required for disclosure by law or customer requirements, and the intensity and purpose of chemical substances. All disclosed information is supported with relevant documents to ensure conformity to the regulatory and customer requirements.







▲ Figure 3-5 Substance evaluation flowchart

At TOPCO, legal compliance is a basic requirement. In 2023, no significant fines for non-compliance with environmental laws and regulations of products or services were reported. Legal compliance in 2023:

- (1) Laws and regulations relating to product/service labelling.
- (2) Laws and regulations relating to product sales and marketing activities (including adverts, promotions, and sponsorships).
- (3) No complaints or reports of customer data losses.
- (4) No reports of significant fines and non-monetary sanctions.
- (5) No non-compliance with consumer health and safety laws and regulations of products or services.

### 3.2.2 Creating customer service value with high-quality services

Putting customers first, we value the quality of customer service and thus proactively develop talent with professional knowledge and emphasize customer relationship management to enhance customer efficiency, while maintaining steady corporate growth at the same time.

-  We periodically communicate with customers to understand the production line status and direction for materials improvement. Through the efficient and accurate reporting of customer requirements and product use recommendations and operating instructions by the responsible sales personnel, we create differentiated services to enhance customer satisfaction.
-  By reliably consolidating customer requirements and the opinion exchange results with customers in the journal, we create a complete customer database to optimize customer service management and provide a reference for insider experience sharing and succession.
-  By optimizing the internal purchase, sales, and stock management processes, we create higher customer service value.
-  By implementing the cloud CRM system, we maintain effective CRM, understand important customer information at all times, and accelerate new customer cultivation.

### 3.2.3 Continue to collaborate with customers to promote material innovation and improvement

TOPCO's primary philosophy is to establish long-term partnerships with customers, fostering close relationships that help clients continuously improve process efficiency and quality, and thrive alongside them.

To provide customers with the best-in-class solutions, we engage in collaborative development with customers, modify the production equipment of optoelectronic products to enhance process efficiency, promote the application of materials to innovative processes, and help customers apply for certification after mass production. To extend the depth and value of services and integrate new materials and technologies, we established the Technology Committee in 2016 to actively empower customers in solving process-related problems. We also hold meetings to discuss the trends of new materials, new products, or markets to constantly promote creativity beyond traditional channels toward sustainable operations.

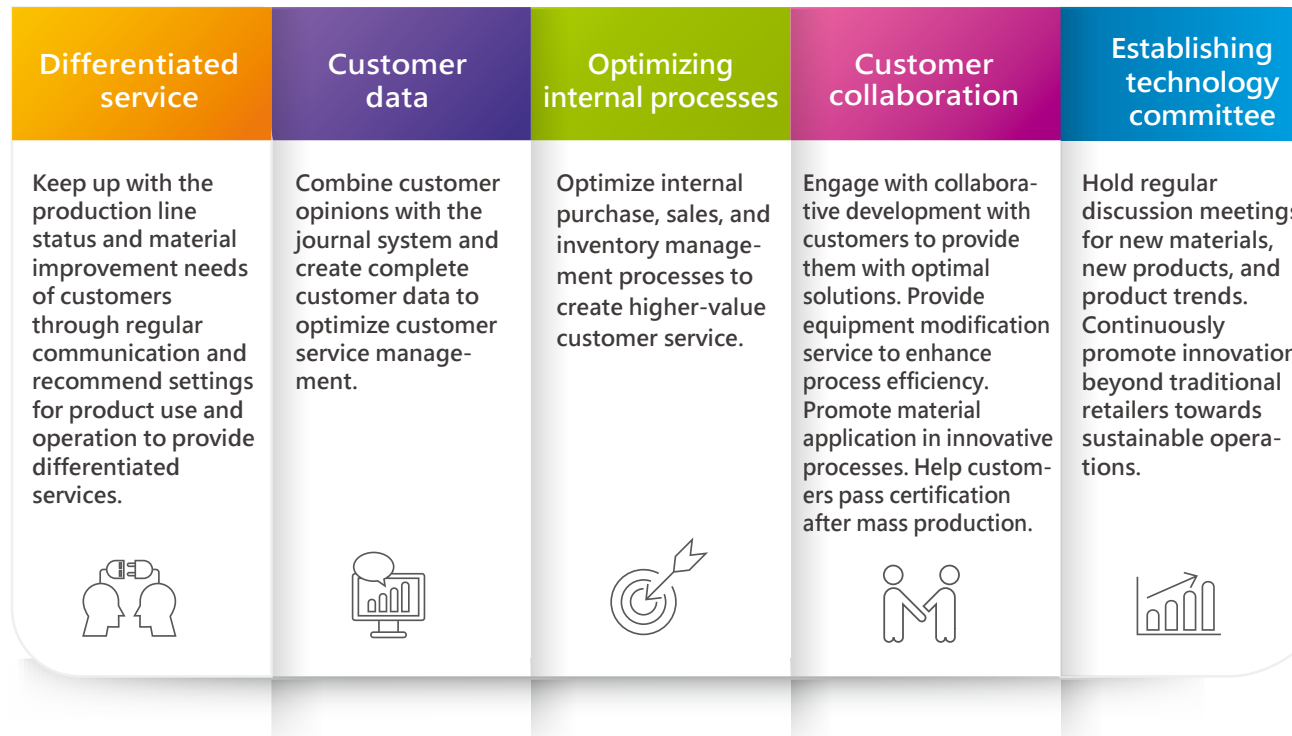
In response to the green trend of the global electronics industry, apart from integrating advanced environmental engineering and continuously developing and distributing important relevant equipment and materials, we also import

green chemical substitutes through collaboration with the world-leading science and technology company Merck. Merck has long been dedicated to the research and development of green chemical alternatives, having introduced 1,400 sustainable products to date that adhere to the 12 Principles of Green Chemistry, sustainable design, or reduce environmental footprint. The aim of product development is to replace commonly used industrial solvents that are harmful to the environment and human health, helping the electronics industry transform to greener processes and creating new opportunities.

### 3.2.4 Respect for customer privacy

(GRI 2-25, 418-1)

We understand the importance of personal data and privacy protection and technology confidentiality. Therefore, we spare no efforts in promoting and implementing data protection and request all employees to carefully protect the confidential and exclusive information that customers hand to us. We have also established the Information Security Policy and relevant regulations to ensure information security. We review the policy and relevant regulations at least once a year to ensure conformity to the latest regulatory requirements and technology and business development to ensure the safe provision of information-related services. No complaints regarding breaches of customer privacy and losses of customer data were reported in 2023. Our measures to protect technology confidentiality include: Each business unit creates own its file folders that can only be accessed by authorized personnel.

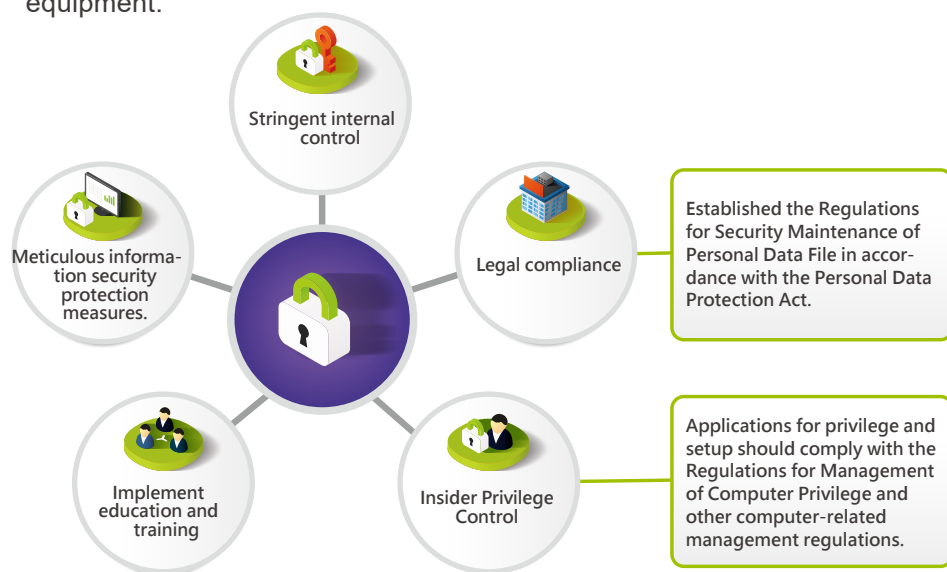


▲ Figure 3-6 Continuous improvement and innovation

1. As each business unit is located on a different floor of the building, access control is implemented on each floor.

Additionally, we protect customer privacy with the following measures:

- (1) Maintenance of customer privacy: We have established the “Personal Data Safety Maintenance Regulations” according to government regulations and the Personal Data Protection Act.
- (2) Stringent internal control mechanisms have been established to ensure that computer-related operations conform to the “Computer Operation Internal Control”, privilege application and setup conform to the “Computer Privilege Management Regulations”, and other computer-related management regulations. Prohibit the transmission of emails containing personal data, and if necessary, sensitive data shall be encrypted prior to transmission.
- (3) Protection of information security hardware and software: Full-range protection and tracking are applied from personal computers to servers and network equipment.



▲ Figure 3-7 Measures for customer privacy protection

### 3.3 Improving customer satisfaction and handling customer complaints (GRI 2-25)

#### 3.3.1 Customer satisfaction survey

Each year we conduct a customer satisfaction survey. Each business unit provides the contact information of important customers in the previous year to facilitate the online survey or personal visit for customers to reflect their opinions for the reference of TOPCO to make continual improvement of products and service processes.

The survey covers customers’ satisfaction in three aspects: corporate image, products, and attitude and professional service of personnel. The survey also includes customers’ satisfaction with our competitors.

Besides analyzing customers’ satisfaction in the three aspects of corporate image, products, and attitude and professional service of personnel with statistical techniques, we also request business units to propose corrective action and preventive action (CAPA) for the opinions and problems reflected by customers and state CAPA in the Customer Satisfaction Survey Follow-up Sheet to complete the customer satisfaction handling procedure.

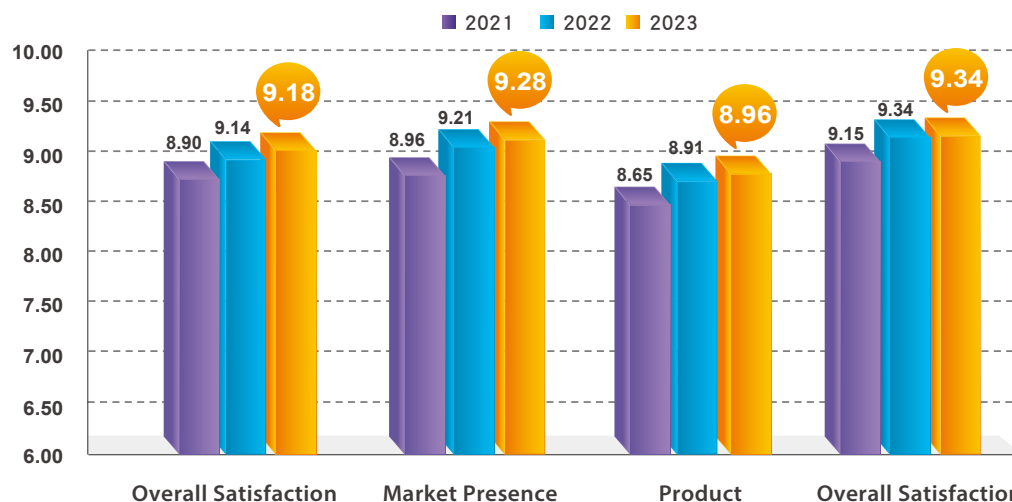
Between April 19 and June 2, 2023, we distributed a total of 338 survey questionnaires to important customers in the previous year and collected a total of 134 responses. At a 95% confidence interval, the overall score was 9.18 out of



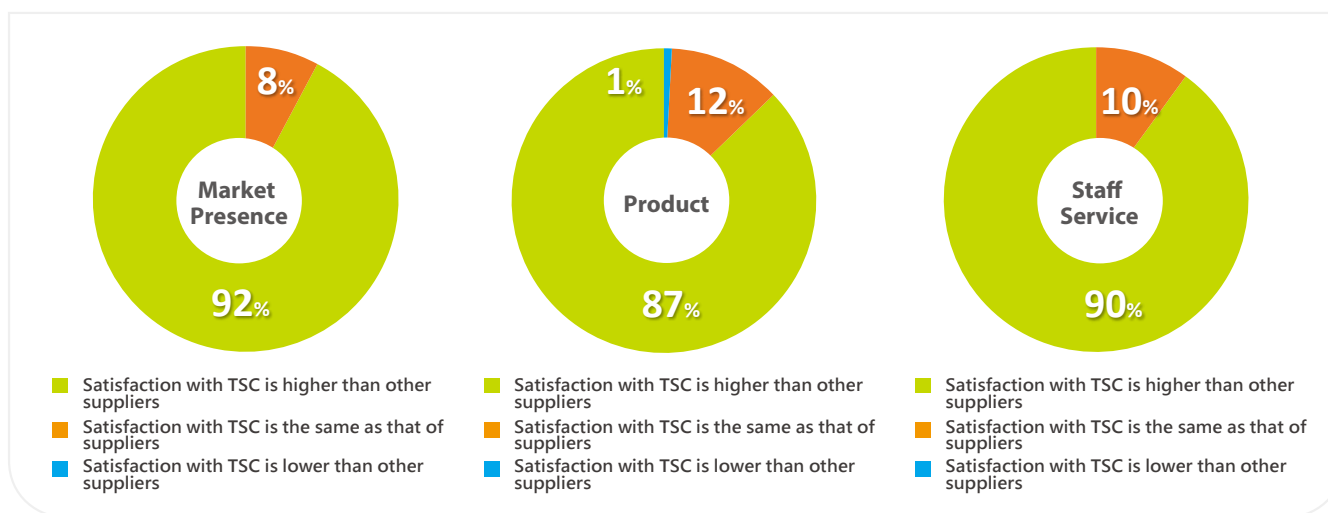
10. After verification, the Company's satisfaction in terms of corporate image and products was significantly higher in 2023 than in the previous two years. Among all aspect, satisfaction with personnel service was the highest at 9.34.

In the satisfaction survey on TOPCO products against products from competitors in the previous year, over 87% of customers satisfied more with TOPCO in all constructs: corporate image, products, and personnel services.

In 2023, a total of 3 interviewed customers put forward other opinions. TOPCO attached great importance to them, reviewed individual opinions one by one, and proposed improvement measures, including: assistance with long product delivery times, price increases, insufficient market trend information, etc., each time The opinions of each customer are listed in the customer satisfaction survey follow-up tracking form: the business department proposes improvement plans, which are reviewed and implemented by the supervisor. Improvement measures include discussing with the original factory to adjust stocking methods, expanding factories and adjusting production capacity, and providing market intelligence information, etc.



▲ Figure 3-8 Customer satisfaction in various aspects in the past three years



▲ Figure 3-9 Results of customer satisfaction survey: Comparison with other suppliers

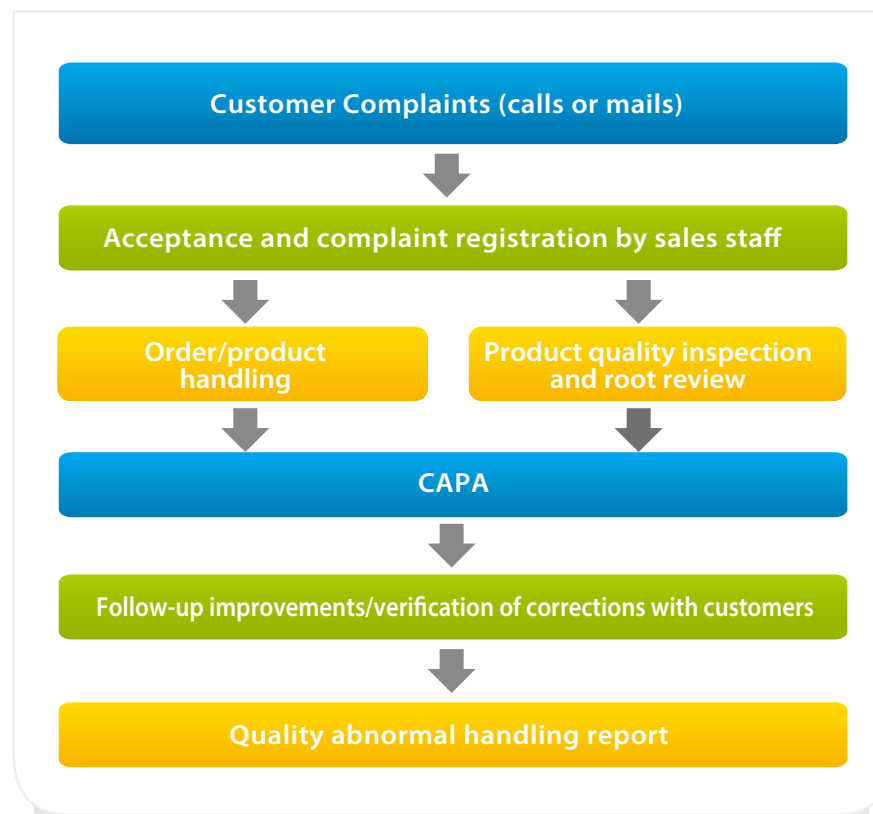


▲ Figure 3-10 Customer satisfaction follow-up flowchart

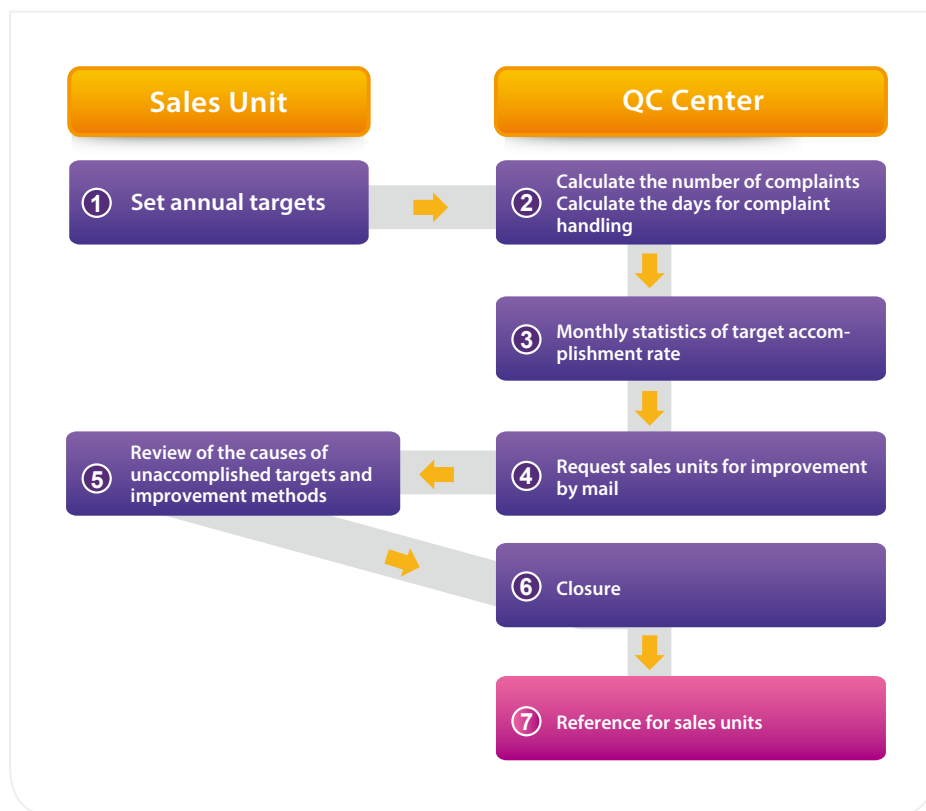
### 3.3.2 Customer complaint handling

“Stable quality, punctual delivery, quick service” is our policy for maintaining long-term development. Besides understanding customer needs through the satisfaction survey, we have also established a complete follow-up mechanism to ensure customer complaints are properly handled and resolved.

In order to improve the quality and speed up the handling of customer complaints, the sales units have set an annual target for the number of days for customer complaint processing, and the Quality Control Center collects the number of cases and the number of days customer complaint processing for each unit, calculates the target achievement rate, and tracks Business units continue to make improvements.



▲ Figure 3-11 Customer complaint handling flowchart



▲ Figure 3-12 Customer complaint quality management procedures

In 2023, we continued to enhance communication with customers to make continual improvement in quality, operations, and services. Through product testing and analysis, comparing the condition of products of the same batch, and confirming the transportation process, the cause of the problem is analyzed, and the preventive improvement measures are discussed with the original manufacturer and explained to the customers in a timely manner. Follow-up and continuous tracking of improvement results Gain customer acceptance. According to the statistics throughout the year, there

are 18 units, of which 14 units have achieved the KPI achievement rate of 77.8%, which is 2.8% less than last year. Every customer complaint case can be handled in a timely and effective manner, but the overall efficiency decreases due to the high complexity involved and long coordination time. Subsequently, the content of special customer complaints is transformed into knowledge and service improvement goals.

Table 3-1 Fulfillment rate in days for handling customer complaints in the past three years

Cause of complaint	2021	2022	2023
Fulfillment rate	73.3%	80%	77.8%

## 4. Sustainable supply chain development strategy (GRI 2-23, 308-2)

Recognizing the mutual effect of sustainable supply chain growth and sustainable corporate development, we actively input the relevant resources and collaborate with suppliers, hoping to continuously promote the sustainable growth of the overall supply chain through the development of a sustainable supply chain. With sustainability standards, sustainability risk surveys, sustainability onsite audit/improvement, and supplier competence development, we control supply chain risks through a set of sustainable management processes so as to lead suppliers to demonstrate greater shared value and influence.

Besides offering multifaceted integrated services for high-tech industries such as semiconductor manufacturing and optoelectronics, we also uphold professional operations and introduce operational strategies

for new products, technologies, and services to develop materials and equipment for semiconductor and optoelectronics, electronics materials, pre-owned equipment system integration, equipment maintenance and repair, part and component investment, and other specialties to earn trust and recognition from the industry and customers.

As an agent, we distribute the quality semiconductor and advanced materials from Shin-Etsu, a leading Japanese manufacturing group, to become the first-choice partner of customers. We also established the joint-venture TOPCO Quartz Products Co., Ltd. with the Japanese Shin-Etsu Quartz Products Co., Ltd. In 1995, we further established Shin-Etsu Opto-Electronic Co., Ltd. and Shin-Etsu Handotai Taiwan Co. Ltd. to steadily supply quality semiconductor and optoelectronic materials to world-leading domestic semiconductor manufacturers such as TSMC, UMC, PSMC, and Nanya to help them enhance process yield rate and reduce production costs. We also collaborate with the R&D teams of customers to co-develop optimal products to enhance production efficiency in order to extend the overall service chain. Over the years, our efforts have earned praise and recognition from global customers.

Risk control of the sustainable supply chain	Enforce the risk assessment of the supplier self-assessment questionnaire and strengthen supplier risk management through audit and improvement follow-up.
Supply chain cooperation and exchange	Based on cooperation and collaboration, we guide suppliers to improve the social, economic, and environmental performance through supplier evaluation so as to achieve sustainable supply chain development.
Enhancement of supply chain sustainability	When pursuing economic performance, we also concern ourselves with environmental and social sustainability issues and continuously implement projects addressing sustainability issues in collaboration with suppliers.
Conflict-free minerals	We are committed to conflict-free mineral management and responsible procurement together with suppliers to meet current and future market, legal, and regulatory expectations.

▲ Figure 3-13 Sustainable supply chain development strategy

1. Sustainability standards	RBA Code of Conduct Supplier code of conduct Regulations and requirements for conflict-free minerals
2. Voluntary risk assessment and survey	Design checklists for management systems based on the RBA-CoC Checklist items include labor, health and safety, environment, ethics, and management systems
3. Sustainability risk assessment questionnaire	Distribute self-assessment questionnaires to major suppliers Determine high-risk suppliers
4. Sustainability onsite audit/improvement measures	Onsite audit Document review Issue correction action reports (CARs) for audited defects Follow up improvement of audited defects

▲ Figure 3-14 Management process of the sustainable supply chain



▲ Figure 3-15 Supplier logos

## 4.1 Promotion of supplier collaboration and management (GRI 308, 414)




As a multifaceted agent of high-tech materials and equipment, our scope of services covers semiconductor materials, optoelectronic materials and equipment, and electronic materials. In 2023, we maintained transactions with amounts over NT\$ 1 million with about 95 suppliers.

Starting out with value creation, we created service quality as expected by customers with stable quality, punctual delivery, quick service, and stringent supplier management through supply chain management. We maintain close collaboration with suppliers to achieve mutual growth, which is an essential part of our sustainable operations.

### 4.1.1 Environmental Sustainability Actions of Important Partners

Currently, all three major suppliers uphold ESG and actively engage in the relevant actions. All products we distribute comply with the relevant regulations, and conflict products are banned. We also request suppliers to comply with these principles to become our important ESG partners.

Table 3-2 ESG actions of three major suppliers

Supplier	Energy Conservation and Carbon Reduction Actions
Shin-Etsu Chemical Co., Ltd. 	Shin-Etsu Chemical has passed the certification of the ISO 14001 environmental management system and is dedicated to environmental protection and chemical substance management. It has also launched Responsible Care activities under its environmental and safety self-improvement program. Shin-Etsu Chemical has achieved the goals of environmental protection including zero pollution accidents, annual reduction of energy consumption by 1%, reduction of greenhouse gas emissions, reduction of waste production, reduction of pollutant emissions, and annual reduction of water consumption by 1%. Emission reduction by 45% in 2025 and carbon neutrality in 2050
NAMICSCORPORATION 	NAMICS has passed the certification of the ISO 14001 environmental management system (EMS) and declared compliance with the EU Restriction of Hazardous Substances (RoHS) directive for both processes and products. Additionally, it has established EMS performance indicators for comparing annual performance. These indicators include: green procurement, eco-friendly products, communication of environmental awareness, chemicals use regulations, resource recycling and reuse, and energy management. The reduction in greenhouse gas emissions (Scope 1, Scope 2) for the 1.5°C scenario at the end of FY2030 is 46% compared to FY2019.
FUJIMIINCORPORATED 	FUJIMI passed the ISO 14001 certification in March 2000. The plant energy conservation committee implemented energy management to reduce carbon emissions and promoted the recycling and reuse of plastic containers. The targets of FUJIMI's 2023 Environmental Action Plan for saving resources and energy and reducing industrial waste are as follows: 1.Reduce energy consumption: 1.0% (compared to 2022) 2.Reduce sludge-producing products: Maintain current status (compared to 2022) 3.Prevent pollutant spills: Zero spills

### 4.1.2 Supplier Collaborative Management in Practice (GRI 414, 308)

We implement the “New Product (Supplier) and Transaction Change Evaluation Form” together with the “Annual Supplier Evaluation” mechanism to ensure that products and processes meet customer requirements and sustainable development environmental regulations, and introduce the “Joint Commitment to Corporate Social Responsibility (CSR)”. the Company’s “Supplier Self-Assessment Questionnaire”, and make a joint commitment with suppliers to incorporate the concept of corporate sustainable development into daily supply chain management; to realize the goal of sustainable operations, in addition to conducting risk assessments on suppliers, and continue to strengthen on-site audits of suppliers with relatively large transaction amounts.

In 2023, a total of 6 suppliers underwent on-site audits. The audit contents included hazardous substance process management systems, conflict minerals, occupational safety and health (OSH), and sustainable management indicator ESG. All 6 suppliers passed the audit results.

Table 3-3 Supplier audit rate in 2023

Transaction amount (NT\$)	Suppliers (Number)	With audit records	Audit rate	Onsite audit
>10 million	51	39	76%	6
5-10 million	9	4	44%	0
3-5 million	13	2	15%	0
1-3 million	22	3	14%	0

### ► Selection of quality and integral suppliers (GRI 205, 308, 414)

We prioritize new suppliers and new products emphasizing environmental protection. We insist on having the sales person initiate the “New Product (Supplier) and Transaction Change Evaluation Form” each time we introduce a new product or supplier. In addition to establishing supplier information, product development status, transaction models, and intended customers, Our Quality Control Center will also review the items including: Supplier Basic Data Sheet, Product Shipping Inspection and Analysis Report (COA), Safety Data Sheet (SDS), ISO 9001, ISO 14001 and other verification documents, as well as the Supplier’s “Corporate Social Responsibility”. Introduce ESG-related strategies to gain a preliminary understanding of suppliers’ sustainability performance.

We voluntarily follow the guiding principles of the United Nations Convention against Corruption (UNCAC) and agree to abide by the anti-corruption regulations of the localities where the Company does business. We have a zero-tolerance policy against corruption. Starting from May 2019, new suppliers must sign the Sonatech “Declaration of Corporate Social Responsibility”, and new suppliers must be screened in strict compliance with environmental standards. In 2023, the feedback response rate reached 100% (including suppliers that have introduced corporate social responsibility).

Engineering suppliers are requested to provide the “Supplier Ethical Transaction Declaration” for the purchasing unit to conduct investigation, create files, and assess their capacity.

Table 3-4 The endorsement rate of the TOPCO “Corporate Social Responsibility Declaration

Year	Collection rate
2023	100%
2022	97.6%
2021	93.5%

► **Periodic assessment**

To meet the demand for innovative and high-quality products of the advanced processes of customers, we distribute products from world-leading materials suppliers, such as Shin-Etsu Group. While products are produced and manufactured at the location of the original manufacturer (e.g., Japan), to undertake ESG, we perform onsite audits of suppliers together with customers periodically to ensure that the manufacturing and services of suppliers comply with local laws and production line regulations.

In December of each year, we conduct the Supplier Evaluation for suppliers having transactions with us within one year. The evaluation items include “quality anomalies, delivery punctuality, and service”, and “frequency and causes for delivery anomalies and delays” are recorded. The engineering unit and purchasing unit will evaluate engineering suppliers together in terms of “quality anomalies, delivery punctuality, and service”. Unqualified suppliers will be alerted by mail to make improvements.

► **Joint commitment of TOPCO and suppliers: Implement sustainable development in routine supply chain management**

We adopt the Joint ESG Declaration for important suppliers, invite important suppliers to abide by the

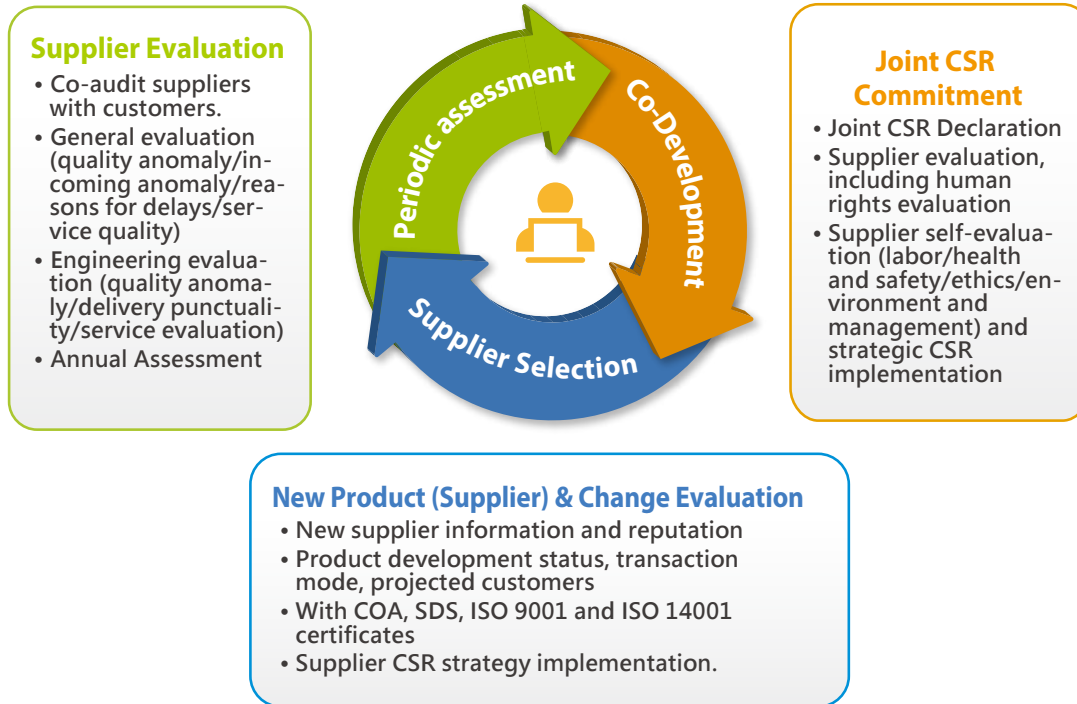
RBA Code of Conduct, commit to enforcing corporate governance, develop environmental sustainability, maintain social welfare, and enhance ESG information disclosure.

We insist that all suppliers must respect workers and include Human Rights Assessment in new supplier selection, request suppliers to respect employee human rights in accordance with international standards, such as the Universal Declaration of Human Rights, Social Accountability International, and Ethical Trading Initiative, and behave in conformity to human rights in issues including voluntary labor, no child labor, statutory working hours, statutory wage, humane working environment, no discrimination due to gender/nationality/race/disabilities, and freedom of association. We request all suppliers to respect employee human rights for employees to work in a friendly working environment without worries.



▲ Figure 3 -16 Supplier Code of Conduct

To further ESG implementation in suppliers, we ask suppliers to answer the “Supplier Self-Evaluation Questionnaire” before the onsite audit. The questionnaire is established in accordance with the latest RBA Code of Conduct, covering five aspects: labor, health and safety, ethics, environment, and management. Suppliers are requested to carefully review all required sustainability issues to increase the positive influence on society and the environment of the overall supply chain. After the audit, we issue an audit report on the audited defects for suppliers to make improvements.



▲ Figure 3 -17 Reliable supplier management

Request suppliers to supply products that comply with environmental regulations to meet customer requirements with safe, eco-friendly, and best-quality products.

All major suppliers have obtained the “ISO14001” certification, the international standard for environmental and safety management; processes and products of major chemical suppliers have met the EU RoHS standard (Restriction of Hazardous Substances Directive).



▲ Figure 3 -18 ISO 14001 Certification and Restriction of Hazardous Substances Directive

► **Promoting Local Supply Chain (GRI204)**

Suppliers are important partners in our sustainable business operations. To reduce the supply risks and costs of the supply chain, we actively engage in supply localization with suppliers. Apart from shortening delivery times and lowering transportation



risks, this can also reduce carbon emissions from transportation and create local job opportunities. Our main suppliers Shin-Etsu, NAMICS, TRICHEMICAL, and FUJIMI used to be “Made in Japan” and now “Made in Taiwan” is added. TOPCO has grown with suppliers and customers and continues to promote the localization of the supply chain on the premise of win-win situation.

► **Green Procurement Policy (GRI 2-23)**

In reference to the “Government Procurement Act” and the “Government Priority Purchase of Environmentally Friendly Products”, TOPCO actively promotes a green procurement policy. Use reduction labels, Taiwan Timber Mark, and recognized foreign label products, or other green products with recycled materials, recyclability, and low pollution to support various operations. Continue to use green procurement to reduce damage to human health. and environmental impacts. Among all general office procurements in 2023, local procurement accounted for 100%; green procurement accounted for 100%.

► **Jointly promote sustainable exchanges in the value chain**

TOPCO promotes sustainable exchanges. Whether it is an NGO organization or a client’s supplier meeting, we are invited to share the promotion of sustainable performance and implementation methods, hoping to drive more companies’ willingness to transform to net-zero and achieve the goal of net-zero carbon emissions in 2025. Learn together, learn from each other, and implement together on the road.





## IV. Environmental Sustainability and Climate Change

*We grasp the risks and opportunities brought by internal and external risk factors, formulate climate change adaptation strategies, reduce and manage greenhouse gas emissions, implement intergenerational justice, environmental justice and just transition, and fulfill our shared responsibility to protect the earth's environment.*

### 1. TOPCO biodiversity policy

The TOPCO Group fully recognizes that maintaining the ecosystem and the natural environment is the key to achieving sustainable development. Therefore, we are committed not only to our own operations but also to work with the supply chain and external stakeholders to adopt technological innovation to reduce ecological risks, jointly maintain and promote biodiversity, prevent various deforestation activities, and further promote ecological restoration. The 6th, 12th, 13th, 14th, 15th and 17th United Nations Sustainable Development Goals (SDGs) are to promote the well-being of human beings and the planet.

**Commitment**



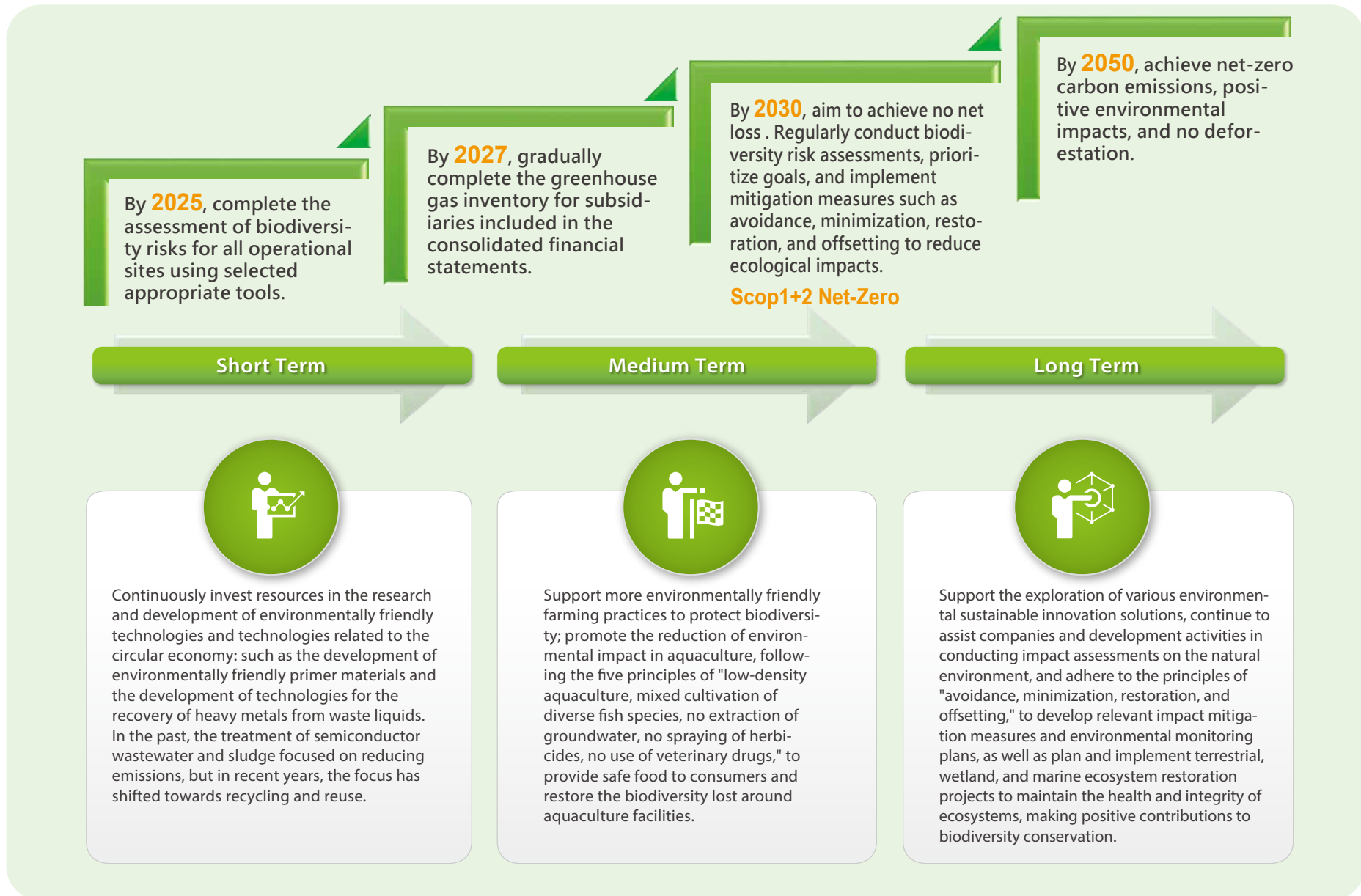
By 2025, TOPCO aims to complete the selection of appropriate tools to assess the biodiversity risks at all our operational sites, ensuring that our business activities comply with international, national, and local biodiversity and No Net Deforestation (NND) related laws and regulations.

We regularly conduct biodiversity risk assessments, set priorities and adopt mitigation measures such as avoidance, minimization, restoration and offsetting to reduce ecological impacts, and achieve No Net Loss by 2030.

With the goal of achieving a Net Positive Impact on environmental ecology by 2050 and ensuring No Net Deforestation, we are committed to biodiversity conservation. We comply with international and local forest-related laws or specific regulations, refraining from indiscriminate deforestation. We actively collaborate with our supply chain and external stakeholders to support biodiversity conservation projects, seeking opportunities together to reduce biodiversity damage. Furthermore, we support research on natural carbon sinks and develop sustainable negative carbon technologies.

**Our policy practice is committed to:**

- 1**.Ensuring all subsidiaries engaging with biodiversity relating to their business operations demonstrate the influence of responsible procurement.
- 2**.Continuously joining various initiatives and activities for employees to understand more about the potential crises of biodiversity through different ways and care about and practice biodiversity.
- 3**.Promoting and arousing concerns about environmental protection and climate change in employees and their families and encouraging the use of natural resources that are most important to biodiversity.
- 4**.Raising the awareness of biodiversity and conservation affairs in employees, customers, suppliers, and those having business with the Company.
- 5**.Strengthening the development of recycling technology in environmental engineering and fulfilling ESG with core competencies.



▲ Figure 4 -1 Our actions

## 2. Climate change and environmental management

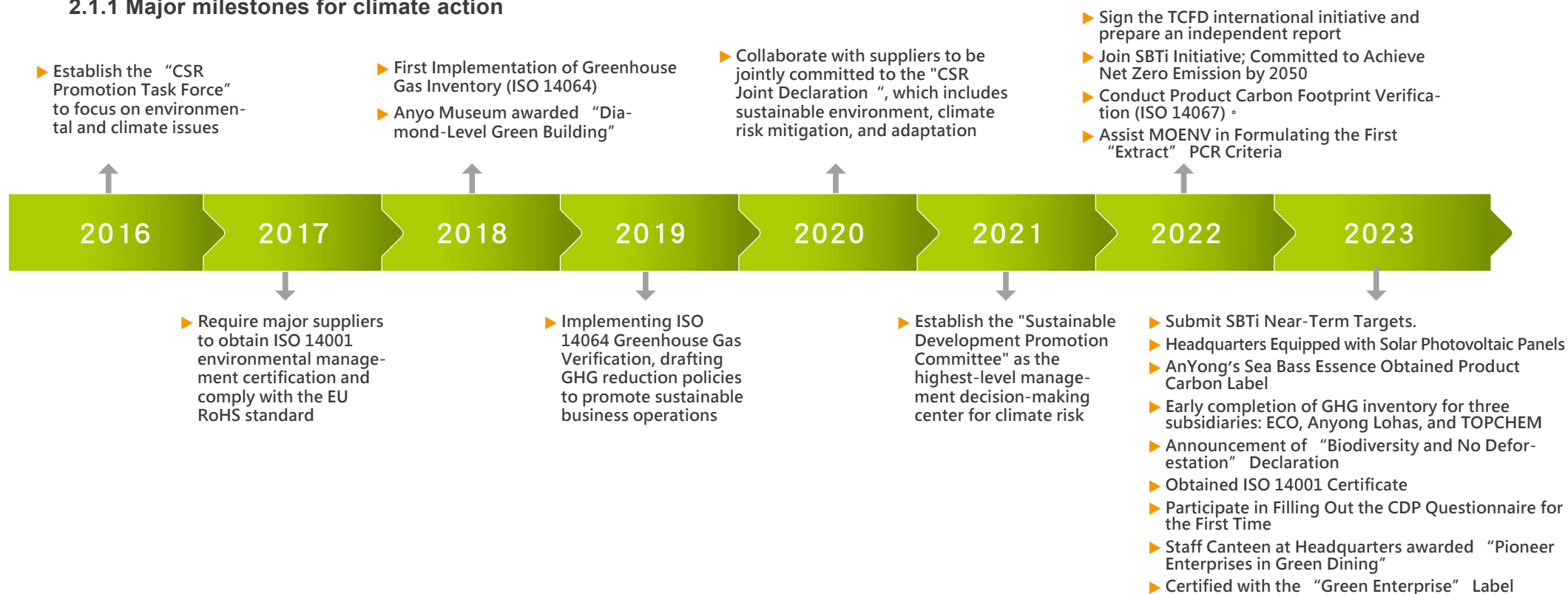
### 2.1 Climate change management (GRI 201)

We also provide various professional knowledge and technical services. As we are not an industrial manufacturer, there is no problem of wastewater and waste gas discharged from the production process of general manufacturing products. For the responsibility for environmental sustainability, the headquarters building continues to carry out energy conservation and carbon reduction actions, starting with energy conservation, water conservation, and paper conservation; in addition, to understand the improvement of the overall environment, in addition to our own actions, we also consider from the perspective of the supply chain. Look for and provide a choice of low-carbon products, energy-saving equipment, and innovative technologies, with emphasis on packaging, logistics, and recycling at all stages, and carefully consider the links in the supply process that may have an impact on the environment, thereby further reducing the environmental load caused by climate change.

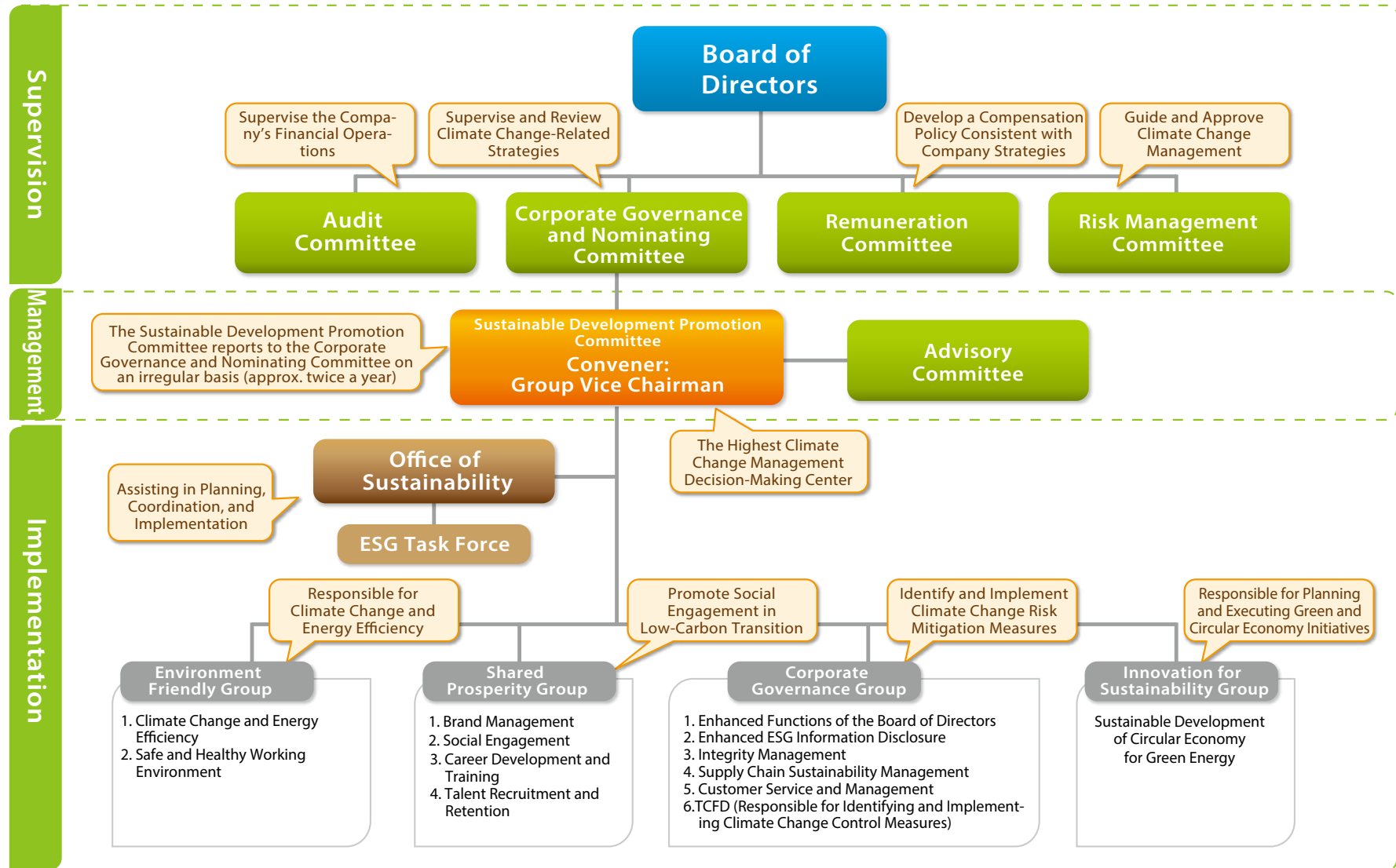


TCFD report download

#### 2.1.1 Major milestones for climate action



### 2.1.2 TOPCO Climate Change Governance Structure and Division of Labor



### 2.1.3 Implementation of the Climate Change Management Framework (TCFD)

Aspect	Management Strategies and Actions		Execution Status in 2023
Governance	Board of Directors	Supervise the overall climate issue management of the group and confirm the achievement of the climate-related goals. Meeting Frequency: Quarterly.	<ol style="list-style-type: none"> <li>1. The Board approved the purchase of an energy-efficient and carbon-reducing office building for 5.4 billion dollars, in line with the principles of environmental sustainability</li> <li>2. Incorporate "ESG assessment analysis" into investment targets and also engage in green deposits</li> <li>3. Incorporate "climate risk" into the risk management policy</li> <li>4. Promote the "Sustainable Innovation Proposal System" to motivate all employees and link it with rewards</li> <li>5. Publicly release the "Biodiversity and No Deforestation" declaration</li> </ol>
	Corporate Governance and Nominating Committee	Responsible for overseeing and reviewing the climate change-related strategies; Meeting Frequency: at least twice a year.	
	Risk Management Committee	Responsible for identifying and monitoring the major risks and opportunities of the company, managing identified risks, and providing recommendations on mitigation plans; Meeting Frequency: at least twice a year.	
	Audit Committee	Responsible for overseeing the financial operation of the company; Meeting Frequency: Quarterly.	
	Remuneration Committee	Responsible for formulating and proposing compensation policy changes consistent with the strategies and objectives of the company; Meeting Frequency: Quarterly.	
	Sustainable Development Promotion Committee	The ESG Working Group is convened by the Vice Chairman and Chief Sustainability Officer of the Group, with an advisory committee composed of external experts. The Sustainable Development Promotion Committee is responsible for setting the strategic direction for the medium to long-term climate change management of the company; Meeting Frequency: Quarterly	
Strategy	Identify Risks and Opportunities	The ESG Working Group discusses and identified short, medium, and long-term climate risks and opportunities	<ol style="list-style-type: none"> <li>1. Identified 7 transition risks, 6 physical risks, and 6 transition opportunities</li> <li>2. Analyze the financial or operational impact of significant risks and opportunities qualitatively or quantitatively</li> <li>3. For transition risks, assess the potential financial impacts under two different climate scenarios (STEPS Scenario and NZE Scenario) and two emission reduction pathways (no further carbon management measures and actively implementing carbon reduction measures) with consideration of carbon pricing. For physical risks, primarily simulate scenarios of floods (sea level rise) and droughts (water stress) under global warming of 1.5°C and 4°C</li> </ol>
	Assess Potential Financial Impact	Conduct potential financial impact assessments for identified significant risks and opportunities	
	Scenario Analysis	Establish net-zero targets according to different scenarios	

Aspect	Management Strategies and Actions		Execution Status in 2023
Risk Management	Implementation of TCFD	Establish a climate risk identification process based on TCFD framework	<ol style="list-style-type: none"> <li>The Board has established a Risk Management Committee responsible for organizing existing departments or units with risk-related responsibilities to manage risks within their operational scope. They have developed robust internal management practices and operational procedures and have incorporated climate change risks into long-term corporate operational management</li> <li>The ESG team, through workshops and high-level interviews, discusses the financial qualitative and quantitative impacts of climate risks</li> <li>Disclosed climate risk and opportunity assessment results and response measures in the TCFD report as a foundation for climate mitigation and adaptation actions</li> </ol>
	Reporting of Identified Outcomes	For major risks and opportunities with high impact and likelihood of occurrence, relevant units should review and develop mitigation and adaptation measures	
Indicators and Objectives	Carbon Reduction Target	Establish company goals for renewable energy usage and achieving net zero emission	<ol style="list-style-type: none"> <li>Obtained ISO14001 certification</li> <li>Submitted SBTi target setting review</li> <li>Implemented the use of 70,000 kWh of solar photovoltaic energy</li> <li>Participated in the CDP questionnaire for the first year to disclose environmental information</li> </ol>
	Climate Adaptation Strategies	Establish climate change-related management indicators	
	GHG Emission Disclosure	Disclose the emission data in Scope 1 and Scope 2 in the sustainability report annually and review the reasons for increases or decreases regularly	

### 2.1.4 Identification of Climate Risks and Opportunities Evaluation

A list of examples of climate-related risks/opportunities and financial impacts collected by the ESG Task Force every year for TOPCO, as well as potential risks are identified by horizontal scanning based on the characteristics of its own business format, including regulatory, technological, and market demand changes. The internal business team then conducted an evaluation. In 2023, issues relevant to the Company's development were screened and corresponding strategies were planned. A total of 7 transition risks, 6 physical risks, and 6

transition opportunities were identified, totaling 19 climate-related risks and opportunities. Compared to 2022, transition risk removed: net zero emission trend, transition risk of ESG investment; increased: geopolitical-related regulations. Physical risk removal: Actual catastrophe insurance premiums increased. Removal of transition opportunities: Construct green buildings, cooperate for carbon emission reduction to obtain incentives from the public sector, participate in the carbon trading market, and increase the diversification of financial assets.



### 2.1.5 Financial impacts of risks and response strategies

Type	Type of Risk	Driving Factors	Occurrence Period	Potential Financial Impact +/-	Response Strategies
Transition Risk	Policies and Regulations	GHG emission control and carbon tax and carbon fee	Medium Term	<ul style="list-style-type: none"> <li>– Operating costs increase</li> </ul>	<ul style="list-style-type: none"> <li>• Set ambitious carbon reduction targets, committing to achieve net-zero emissions by 2050</li> <li>• Plan for a long-term layout of carbon credits, investing in green energy and developing green energy platforms</li> <li>• Internally cultivate expertise in geopolitics and keep abreast of current geopolitical patterns and trends</li> <li>• Establish an inventory warning mechanism to evaluate geopolitical changes and monitor the status of the supply chain, enhancing supply chain resilience</li> </ul>
		Geopolitical regulatory requirements	Short Term	<ul style="list-style-type: none"> <li>– Supply chain security and resilience are affected, scarcity of materials exacerbates inflation</li> <li>– Impact on company reputation</li> <li>– Unfair trade sanctions increase operating costs</li> </ul>	
	Technical Risk	Replacing existing products and services with low-carbon alternatives	Medium to Long Term	<ul style="list-style-type: none"> <li>– Uncertainty and higher costs in the development and mass production of new low-carbon products</li> <li>– Concerns about the quality and stability of supply of low-carbon raw materials leading to a decrease in demand for products and services</li> </ul>	<ul style="list-style-type: none"> <li>• In response to the global trend of greening the electronics industry, explore alternatives to organic solvents, bringing new opportunities for green manufacturing process transformation</li> <li>• Participate annually in semiconductor exhibitions, various trade shows, and electronics expos to actively showcase and communicate regarding the items, sources, features, and development prospects of low-carbon products, promoting awareness among relevant manufacturers and customers and expanding demand for low-carbon products</li> <li>• TOPCO continues to develop relevant suppliers according to customer energy-saving and carbon reduction needs, providing energy-saving air suspension blowers, IoT energy-saving inventory systems, and other low-carbon products.</li> </ul>
		Uncertainty in the development of new energy-saving and carbon-reducing technologies	Medium to Long Term	<ul style="list-style-type: none"> <li>– Ineffectiveness of suppliers' energy-saving and carbon reduction efforts leading to fines for non-compliance, resulting in increased procurement costs</li> <li>– Customers' ineffective energy-saving and carbon reduction efforts leading to penalties, affecting order transactions</li> </ul>	

Type	Type of Risk	Driving Factors	Occurrence Period	Potential Financial Impact +/-	Response Strategies
Transition Risk	Market Risk	Increase in raw material costs	Short Term	<ul style="list-style-type: none"> <li>– Seeking low-carbon raw material suppliers increases uncertainty in procurement. The uncertainty in the source of goods may impact income composition and sources.</li> <li>– There is uncertainty in the profit margin for low-carbon raw materials</li> </ul>	<ul style="list-style-type: none"> <li>• Actively review the demand and supply capacity of upstream and downstream orders to facilitate early communication and planning within the industry supply chain (including costs)</li> <li>• Regularly communicate with clients to understand production line status and material requirements, respond promptly and accurately to clients' needs, and reflect material costs</li> </ul>
		Decrease in production capacity (such as shutdowns, supply chain disruptions)	Medium to Long Term	<ul style="list-style-type: none"> <li>– Suppliers experiencing extreme weather impacts, such as outbreaks of disease, strong winds, floods, droughts, heatwaves, etc., leading to a decrease in production capacity and inability to supply goods normally, resulting in supply-demand imbalances. Our company may face the risk of default fines from downstream customers, increasing operational costs.</li> <li>– Increasing inventory levels will add pressure to cash flow</li> </ul>	
	Reputation Risk	Impact on corporate reputation	Long Term	<ul style="list-style-type: none"> <li>– Failure to manage climate risks may affect stakeholders' assessment of the company and reduce investors' willingness to invest</li> </ul>	<ul style="list-style-type: none"> <li>• Increase the proportion of low-carbon products</li> <li>• The Group continues to develop the green economy and enhances corporate green image through transparent disclosure</li> </ul>
Physical Risk	Immediate Risk	Floods : Impacts on own operation/supply chain Droughts : Impacts on own operation/supply chain Tropical cyclones (typhoons) : Impacts on own operation	Short Term	<ul style="list-style-type: none"> <li>– Production disruptions in both upstream and downstream processes can lead to a decrease in revenue</li> </ul>	<ul style="list-style-type: none"> <li>• Establish comprehensive emergency response procedures and conduct regular drills</li> <li>• Strengthen understanding of climate adaptation measures and resilience capabilities upstream and downstream</li> <li>• Establish an Environmental Management Committee led by senior executives to lead greenhouse gas reduction actions</li> <li>• Implement ISO 14001 environmental management system</li> </ul>
	Long-Term Risk	The rise in temperature	Short Term	<ul style="list-style-type: none"> <li>– Electricity usage, costs, and carbon emissions increase</li> </ul>	

### 2.1.6 Financial Impacts of Opportunities and Response Strategies

Type	Type of Risk	Driving Factors	Occurrence Period	Potential Financial Impact +/-	Response Strategies
Transition Opportunities	Resource Efficiency	Promoting green and low-carbon production	Short Term	<ul style="list-style-type: none"> <li>Utilize new technologies for recycling and reuse</li> </ul>	<p>"Zero Waste Resource Circulation" is an important part of achieving the "Taiwan 2050 Net-Zero Emissions Pathway." It assists clients in changing their resource usage patterns, promoting product reuse, reducing waste, and contributing to the promotion of a circular economy to support a net-zero future.</p>
	Energy Source	Participate in Renewable Energy Projects	Short Term	<ul style="list-style-type: none"> <li>The return on investment for developing low-carbon technologies, such as generating biogas from livestock wastewater for power generation, establishing solar power stations, and investing in the solar energy industry.</li> </ul>	<p>Responding to national renewable energy policies, promoting aquaculture transformation, assisting in upgrading development, integrating the group's solar power stations and environmental engineering business, developing "Fishery and Electricity Symbiosis," aligning with the international trend of net-zero carbon emissions, and collaborating with aquaculture operators and local fishermen to utilize intelligent aquaculture models, leveraging AIOT and big data to enhance fishery catch.</p>
	Product and Service	<ul style="list-style-type: none"> <li>Develop Low-Carbon Products and Services</li> <li>Enhance Customer Product Efficiency</li> </ul>	Short Term	<ul style="list-style-type: none"> <li>Develop low-carbon raw material supply sources to increase revenue through the demand for low-carbon products and services.</li> <li>Improve competitive positioning to reflect changes in consumer preferences and increase revenue.</li> <li>Develop recycling and reuse technologies to assist the value chain in implementing low-carbon strategies, improve competitive positioning, and increase revenue.</li> </ul>	<ol style="list-style-type: none"> <li>Increase revenue through the demand for low-carbon products and services</li> <li>Return on investment in low-emission technologies</li> <li>Provide semiconductor wafer box and spare parts cleaning equipment and services to reduce the number of new product uses through product reuse, thereby reducing energy consumption and waste generation in the production process.</li> </ol>

Type	Type of Risk	Driving Factors	Occurrence Period	Potential Financial Impact +/-	Response Strategies
Transition Opportunities	Market	Enter New Markets	Medium Term	<ul style="list-style-type: none"> <li>⊕ Increase revenue by meeting the demand for climate adaptation through new solutions.</li> <li>⊕ Responding to the green and energy-saving market trends, the company actively enters markets including EV and third-generation semiconductor markets, providing customers with materials and components that offer higher energy conversion efficiency.</li> </ul>	<ol style="list-style-type: none"> <li>1. Provide "natural remedy" services, developing new energy and energy storage markets (e.g., geothermal energy and small hydro power, ecological restoration).</li> <li>2. Expand into the Southeast Asian market on the basis of existing markets, while adapting to the global market layout by establishing business locations in the Americas and Europe.</li> </ol>
	Resilience	Strengthen Resilience to Natural Disasters	Short Term	⊕ Enhance climate resilience to reduce the probability of operational disruptions and potential losses	Enhance understanding of suppliers' climate adaptation measures and resilience capabilities Moderate increase in inventory levels Optimize fund allocation to alleviate cash flow pressure
		Enhance Resilience	Short Term	⊕ Increase stakeholders' trust	Deepen involvement in the green industry, initiate low-carbon layouts, responde to the "YuShan ESG Sustainable Advocacy Action", jointly advocating for ESG sustainable development; participate in various sustainability exhibitions to communicate corporate values and initiate green office buildings.

## 2.1.7 Indicators and Objectives

To reduce the impact of climate change, we also set goals for environmental adaptation indicators, regularly review the achievement status, and further develop improvement plans.

Table 4-1 Climate-related Indicators and Targets

Item	Short-term Objectives (2025)	Middle-term Objectives (2030)	Long-term Objectives (2050)
Climate Change	Achieve CDP Class -A by 2025	Continuously complete and upgrade the CDP level	Continuously reduce climate risks and enhance transparency of climate-response information through international advocacy competitions
	Include the greenhouse gas verification of subsidiaries (100%)	Include the greenhouse gas verification of subsidiaries (100%)	
Green Products	Compliance with laws and customer requirements	Introduced green chemical substitutes	Assisting the green transformation of manufacturing process in electronics industry
	Compliance with laws and customer requirements	Filter regeneration service	Comply with ESG to achieve energy saving and carbon reduction
	Reduct carbon emission by 3% for Anyong's Seabass Extracts	Strengthen the integration with technology to establish a smart production system.	Grasp the business opportunities of low-carbon products, actively invest in eco-friendly product, and promote the transformation of the aquaculture industry
Supplier's Sustainability	Completion of CSR declaration signed by global business partners (100% retrospective).	Construct sustainable supplier capability, reward/eliminate mechanism for continuous improvement	Strive to comply with the management system related to RBA contents
	Promote the "Anyong Select" label for food safety control.	Promote responsible supermarkets	Establish a trend of sustainable and environmentally friendly consumption
Waste Management	Assist clients in increasing waste recycling ratio	Continuously innovate recycling technology	Integrate green product design, minimize waste production at the source, gradually increase the waste recycling rate, and develop a circular economy
	Continuously increase the ratio of whole fish utilization	Develop innovative value-added fishery products	
Chemical Management	Comply with laws and regulations and customer requirements	Establish a comprehensive chemical management system	Develop safer and better chemical substance management in line with international trends
Biodiversity	Select appropriate assessment tools and introduce TNFD to identify natural risks and opportunities	Achieve "No Net Loss"	Achieve Net Positive Impact and avoid deforestation

## 2.2 Environmental management policy

The introduction of ISO 14001 environmental management system was completed in 2023 and passed the certification of ISO 14001 EMS for the Company to provide a sound environmental protection framework to control and reduce environmental impact, prevent environmental impact from accidents, and ensure regulatory compliance. Additionally, ECO Technical also provides employees with a safe and trustworthy working environment. With a proactive and creative attitude, ECO Technical will always be committed to environmental engineering to realize the corporate responsibility to serve people and love Earth. In terms of environmental management courses, we continued to plan the “Outline and Practice of Occupational Safety and Health” course in 2023 to enhance employees’ understanding of current international green product standards and regulations and safety and health management system.

As a materials and equipment distributor, we provide knowledge and technical services and engage in no manufacturing activities. Although we do not produce wastewater or exhaust, we still uphold our responsibility for environmental sustainability. By constantly implementing energy conservation and carbon emissions reduction at the HQ building through energy conservation, water conservation, and paper conservation, we deeply understand the significant environmental impact of products and services. Hence, from the selection of product sources, packaging, and recycling, we carefully consider their potential environmental impacts in order to reduce their environmental burdens to contribute to our environment. In 2023, the Company was granted the “Green Label”

and the employee cafeteria was recognized with the “Green Food First Award.”

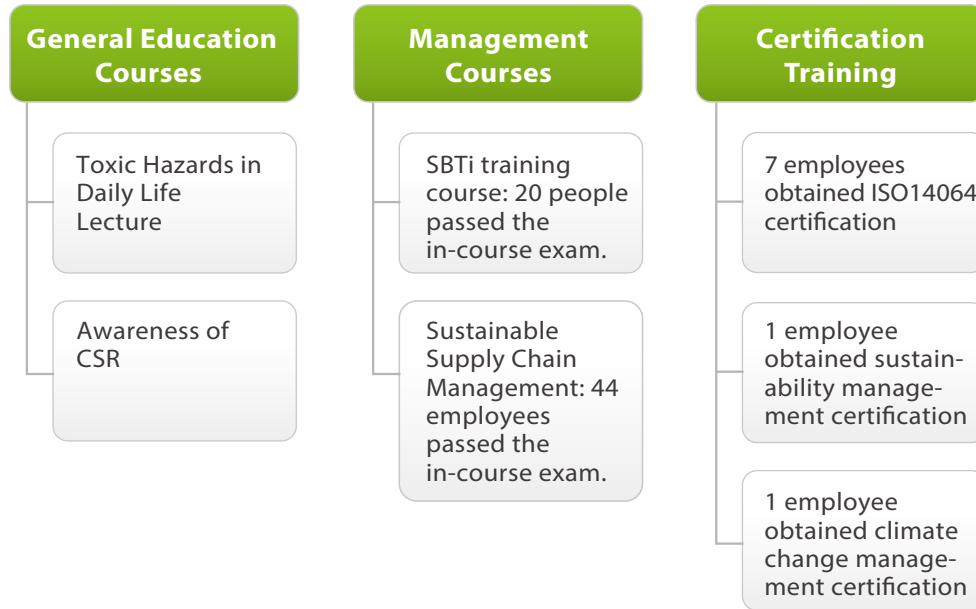
### 2.2.1 Digitalizing Carbon Reduction: Making Good Use of Videoconferencing

We have business and service locations across the globe. In routine operations, we promote and encourage employees at different locations to communicate and discuss using videoconferencing in order to enhance operational efficiency and save time and cost for traveling between locations to achieve energy conservation and carbon reduction. Currently, there are five sets of videoconferencing equipment under the central control and regular maintenance of the administrative unit to ensure their optimal condition.

### 2.2.2 Advocate “Habit Green”

Business process digitization	e-Marketing resources	Light clothes and no neckties in summer
Improve operating procedures and approve documents electronically to reduce paper consumption in the office.	Implement Chinese (Traditional), Chinese (Simplified), English, and Japanese e-company profiles to reduce the use of paper announcements.	To support the government’s energy conservation and carbon reduction measures, male employees only need to wear shirts and do not have to wear neckties between May and September each year to support energy conservation and carbon reduction through real action.

### 2.2.3 Cultivation of environmental sustainability talents

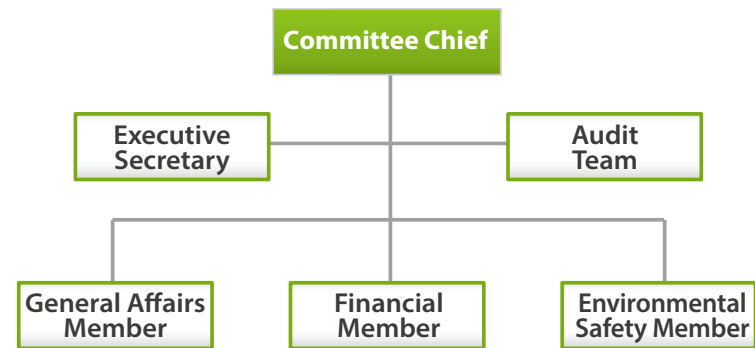


## 2.3 Greenhouse Gas Management (GRI 302, 305)

Out of concern about global climate change, smart use of resources, and ESG fulfillment, besides performing GHG emission inventory and establishing an emission data system according to the ISO standards, we have also established documented verification procedures for the reference of effective GHG emissions and improvement in the future. Hence, we began to develop the GHG management system and implement GHG verification in 2018 to

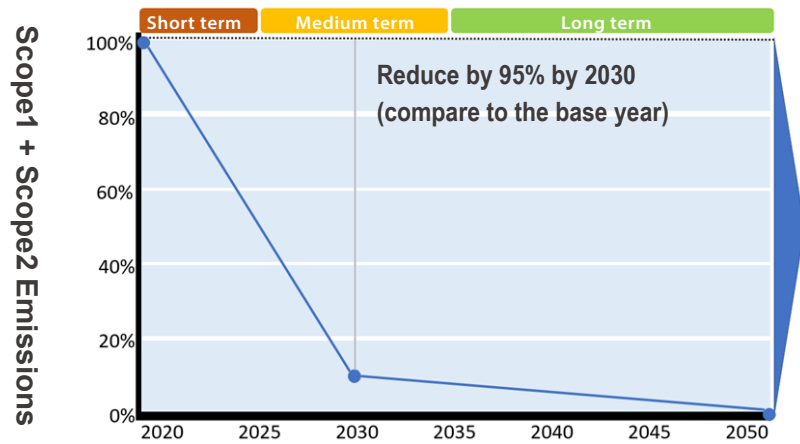
effectively manage GHG emission risks and further improve our sound environmental protection image.

To ensure the effective operation of the GHG management system, we have established the GHG Inventory Promotion Committee to effectively implement the GHG management system through the committee chief, executive secretary, audit team, environmental safety member, financial member, and general affairs member. Figure 5-2 shows the organizational chart of the Committee:



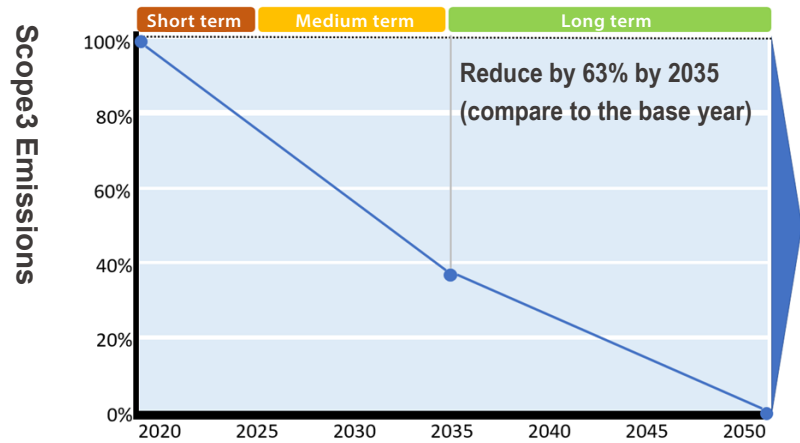
▲ Figure 4 -2 Greenhouse Gas Inventory Implementation Committee

In response to the SBTi 1.5°C scenario, the TOPCO has proposed countermeasures (the base year is 2021) to linearly reduce greenhouse gas emissions by 4.2% per year and achieve carbon neutrality before 2050.



**Countermeasures:**

- (1) Replacement of company cars with EVs in 2030.
- (2) Actions to reduce the energy consumption of IT infrastructure.
- (3) Green electricity introduction plan: will be used up to 10% in 2024, 25% in 2025, and 100% in 2030.



**Countermeasures:**

- (1) Assist upstream suppliers in setting up nearby factories to reduce transportation distances.
- (2) Centralize procurement to reduce transportation frequency.
- (3) Reduce inventory and make direct supply as much as possible.
- (4) Gradually switch to electric vehicles for land transportation.
- (5) National policy: 50% of heavy-duty trucks are electrified.
- (6) The three major suppliers strengthen the transformation of transportation mode: Switch from aircraft to sea-going vessels.

Since 2019, TOPCO has continued to conduct GHG inventory checks. We prepare the “Greenhouse Gas Inventory Report” and obtain the GHG Validation Declaration every year. The Company also conducts inventory checks according to ISO 14064-1 verification criteria and submits a report. In view of the need for complete disclosure, the

GHG Protocol was switched to in 2023 to verify data into reasonable measurements and calculations. The verification results did not find any violation of substantive restrictions, and the inventory data was at a reasonable assurance level.



Table 4-2 2021-2022 GHG Emissions Statistics

Certified to ISO 14064-1	2021	2022
Direct GHG Emissions (Scope 1)	334.2366 tCO <sub>2</sub> e	315.5690 metric tons of CO <sub>2</sub> e
Energy indirect (Scope 2) GHG emissions	741.2594 tCO <sub>2</sub> e	825.1117 metric tons of CO <sub>2</sub> e
Indirect GHG emissions from transport (Category 3)	2362.2033 tons of CO <sub>2</sub> e	2,788.5488 metric tons of CO <sub>2</sub> e
Indirect GHG emissions from the organization's products (Category 4)	227.2711 tons of CO <sub>2</sub> e	233.8426 metric tons of CO <sub>2</sub> e
Total GHG Emissions (Scope 1+2)	1,075.496 tCO <sub>2</sub> e	1,140.2234 metric tons of CO <sub>2</sub> e
Carbon emission intensity	0.05	0.04

Note: Carbon emission intensity = carbon emissions / revenue (million NT\$)

Electricity and fuel for transportation are the main sources of our GHG emissions. In response to the UN SDGs and ESG development, we enforce our environmental protection and energy conservation measures featuring “environmental protection, energy conservation, and love Earth” in routine operations. Total emissions in 2023 (Scope 1+2) decreased by 2.9% compared to 2022. This is mainly due to the introduction of 70,000 kWh green electricity in 2023.

Table 4-3 2023 GHG Emissions Statistics

GHG Protocol for verification	2023
Direct (Scope 1) GHG emissions	317.9018 tons of CO <sub>2</sub> e
Energy indirect (Scope 2) GHG emissions	789.3551 tons of CO <sub>2</sub> e
Other indirect GHG emissions (Scope 3)	505,829.3310 tons of CO <sub>2</sub> e
Category 1 Purchases of Goods and Services	493,462.3957 metric tons of CO <sub>2</sub> e
Category 2 Capital Products	9,064.3079 metric tons of CO <sub>2</sub> e
Category 3 Fuels and Energy-Related Activities	237.3169 metric tons of CO <sub>2</sub> e
Category 4 Upstream Transportation and Distribution	2,016.9324 metric tons of CO <sub>2</sub> e
Category 5 Waste generated from operations	13.7951 metric tons of CO <sub>2</sub> e
Category 6 Business travel	488.7826 metric tons of CO <sub>2</sub> e
Category 7 Employee commuting	114.6036 metric tons of CO <sub>2</sub> e
Category 8 Upstream leased assets	189.0458 metric tons of CO <sub>2</sub> e
Transportation and distribution of category 9 downstream	242.1510 metric tons of CO <sub>2</sub> e
Total GHG Emissions (Scope 1+2)	1,107.2569 metric tons of CO <sub>2</sub> e
Carbon emission intensity	0.04

## 2.4 Energy Management of TOPCO (GRI 302, 305-5)

Table 4-4 TOPCO’s Energy Management Strategy and Carbon Reduction Management

Committed to enhancing the energy efficiency of operational sites, we set the ISO international environmental standard as the standard for the annual management approach and various energy conservation measures. To realize smart energy conservation, we monitor and manage air conditioning, lighting, electricity consumption, and electricity-using equipment with the Internet of Thing (IoT) using the energy service company (ESCO) system. Save energy and expenses through digital transformation of buildings and implementation of power management. In 2023, total energy consumption: 10,131.17GJ, sales intensity (GJ/million of revenue): 0.38, percentage of purchased electricity: 56.7%, and renewable energy utilization rate: 4.2%.

Employee Consensus on Energy Conservation	Energy management item	Monitoring Methods	Action plans	2023 Performance	2024 Targets
1. Turn off lights after use 2. Save water 3. Take the stairs more often 4. Use paper on both sides 5. Report anomalies immediately	ESCO building digitization: Electricity consumption management	Lighting facility monitoring Space temperature and CO2 monitoring Equipment automation control	Build thermal-sensing lighting systems Keep air conditioner and chiller filters clean Purchase Green Mark products	-1.6%	-3%
	ESCO building digitization: Water consumption management	Water meter reading monitoring	Use two-stage toilet flushing Use pressured water-efficient taps	-3.6%	-1%
	Company car fuel management	Mileage management	Carpooling for business trips Optimal route planning Smart use of videoconferencing	+5.6% (Note1)	-2%
	Paper consumption management	OA equipment login control	Use e-documents in the ERP system Registration for claiming paper	-1.5%	-2%
	Wastewater management	Discharge of domestic sewage only	-	N/A	N/A
	Waste management	Recycling - Green procurement Zero waste - Lease	Professional recovery and disposal of waste cartons Professional destruction (incineration) of expired documents Accurately control the number of employee meals to reduce kitchen waste Discounts for using own cups	+138% (Note2)	-1%
Greenhouse Gas Emissions (Scope 1+2)				-2.9%	-4.2%
Carbon reduction management	1. Internal carbon pricing for 2022: US\$250/t. Review annual performance based on SBTi's annual linear reduction of 4.2%. Calculate the carbon cost for the amount not meeting the reduction target for the reference of carbon risk management and assessment. 2. If the carbon reduction target was not achieved in 2023, the carbon fee income will be invested in education and training related to carbon management, and the Company will also cultivate and obtain management licenses. 3. Established the "Regulations for Management of Sustainability Innovation Proposals" to encourage employees to brainstorm on innovation for sustainable development and reward their efforts.				

Note 1: In 2023, two additional vehicles were added to meet increased operational demands, resulting in a 5.6% rise in fuel consumption.  
 Note 2: Waste disposal in 2023 increased by 138% compared to 2022, mainly due to preparations for TOPCO’s Neihu headquarters relocation in 2024.

**Table 4-5 Energy usage statistics in the last three years**

Item	2021	2022	2023
Total energy consumption (GJ)	9,206.63	9,975.11	10,131.17
Purchased electricity%	55.8	58.5	56.7
Renewable energy usage rate%	0	0	4.2
Sales intensity (GJ/million revenue)	0.45	0.35	0.38

### 2.4.1 Management of power consumption

Progressive development of building digitization using the ESCO system. In electricity consumption for lighting, to enforce environmental protection and energy conservation, we began to progressively replace all lamps with LED lamps in 2013. Also, we installed sensor lighting fixtures at the motorcycle parking lot and turn off office lighting for 1.5 hours each day. In terms of air conditioning, we set the startup sequence through the remote monitoring devices under the energy conservation project. Besides automatically turning air conditioning on and off at 07:00 and 19:00, and the temperature of each floor is set to reduce electricity consumption. Additionally, chillers, elevators, and air conditioner fans are maintained regularly, and some elevators are shut down on Saturdays, Sundays and national holidays to reduce electricity consumption. Actions to reduce IT infrastructure energy consumption: To reduce electricity consumption, we eliminated 23 physical servers and 81 virtual servers.

In 2023, the total electricity consumption was reduced by 1.6%

compared to 2022. TOPCO's electricity demand is for office electricity consumption, and the annual reduction performance is limited, and it relies heavily on the introduction of green power to achieve emission reduction performance.

**Table 4-6 Total electricity consumption in the last three years**

Electricity consumption information (year)	2021	2022	2023
Total electricity consumption of telecommunication facilities	2,391	2,067	1,922
Total electricity consumption of public facilities	535,606	649,518	704,550
Total electricity consumption of 1-9F	734,434	771,891	775,929
Other business locations	143,846	197,567	112,256
Total(kWh)	1,416,277	1,621,043	1,594,657
Total (GJ)	5,098.59	5,835.75	5,740.76

### 2.4.2 Transportation

At TOPCO, we have a total of 82 company cars divided into officer (personal) cars and business cars. Besides equipping all company cars with GPS (except for officer cars), we also set mileage limits and maintain regular maintenance as necessary to ensure vehicle condition to maximize their efficiency. Additionally, the better the vehicle condition is, the less environmental impact company cars will cause. The Company

has tracked and improved the vehicles with excessive mileage, violations, and abnormally increased fuel consumption to control the annual decrease in fuel consumption. In 2023, due to business needs, two more vehicles will be added, resulting in a slight increase of 5.6% in vehicle fuel consumption.

Table 4-7 Total fuel consumption in the last three years

Company car use	2021	2022	2023
Number of company cars	77	80	82
Fuel consumption (Liter)	125,782	126,741	133,962
Fuel consumption (GJ)	4,108.04	4,139.36	4,390.41

### 2.4.3 Paper consumption management

Through centralized procurement, we unify the lease of multi-function printers on all floors of the HQ building and replace them with new equipment when the three-year lease is due to maintain equipment in the best condition and enhance equipment efficiency and performance. All multi-function printers on each floor are equipped with access control to facilitate management units to effectively manage paper consumption through system setup and analyzing the paper consumption of each department with statistical techniques.

In the future, we can make continual improvement through constant monitoring and provide correct data management reports for all units to review the fairness of paper consumption in order to request users

to take self-control through this transparent model for machine paper consumption management to avoid a waste of resources. We will also enhance the promotion of energy conservation, carbon reduction, and paper conservation. In 2023, the total paper consumption will be approximately 1.5% less than that in 2022.

Table 4-8 Total paper consumption in the past three years

Paper use	2021	2022	2023
Paper consumption	692,000	650,000	640,000

Unit: pieces

## 2.5 Water Resource Management: Water Consumption and Wastewater (GRI 303)

We have no factories and all operational sites are office buildings. Hence, the water consumed by all of our facilities is tap water 100% supplied by the Taipei Water Department and Taiwan Water Corporation. All water is domestic water use. There is no industrial wastewater generated from the production process due to industrial relations, only general domestic sewage. As most of our operational sites are connected with the buildings of local communities, domestic sewage is discharged in accordance with law, and the total discharge cannot be exactly measured. In water consumption, we enhance control at the source. For example, we install water-efficient shower heads and taps in the pantries and toilets on each floor of the HQ building, enhance internal promotion

of the concept and knowledge of water saving, and post “save water” slogans near water-using equipment. In 2023, total water consumption is reduced by 3.6% compared to 2022.

**Table 4-9 Total Water Consumption in the Recent Three Years**

Unit: million liters

Water sources	2021	2022	2023
Domestic water	4.967	5.098	4.793
Other business locations	0.301	0.736	0.827
Total	5.268	5.834	5.620

## 2.6 Waste management (GRI 306)

Waste sorting, food waste recycling, and resource recycling are implemented within the office. By sorting and recycling the waste produced in the office, the environmental impact is reduced. In order to implement zero waste “cradle to cradle”, photocopying machines, computers, company cars are leased, and waste is returned to the producers.

In addition to supplying boxed meals, we offer “made to order” table service for six types of set meals each day to regulate and control order quantity, prevent food waste, and reduce kitchen waste. Through this, we aim to reduce carbon and love Earth with real action by protecting the environment from daily food consumption. We also encourage employees to prepare their own tableware to reduce the consumption of single-use products.

As we do not have our own factory, we do not produce industrial waste, and only produce domestic waste. Domestic waste is cleaned up by professional cleaning companies and transported either for landfilling or incineration. Recyclable waste is sorted or recycled by cleaning companies.

Our document management regulations stipulate the retention period of each type of paper document. Each year the administrative unit periodically gathers obsolete documents kept by each unit for central incineration as ordinary waste. In 2023, the amount of waste increased by 138% compared to 2022, mainly due to TOPCO’s headquarter is preparing to move to a new location in 2024, so the amount of garbage collected has increased.

Compliance with environmental protection laws and regulations: In 2023, TOPCO did not violate any major environmental protection laws and regulations.

**Table 4-10 Waste statistics for the past three years**

Unit: Ton

Year	2021	2022	2023
Recyclable waste	2.60	2.50	2.60
Unrecyclable waste	19.10	15.92	37.94
File destruction	1.90	0.95	1.69
Recycling and reuse ratio	11%	13%	6%

## 2.7 Key Investments in Green Transformation of Industries (GRI 404-3)

In recent years, TOPCO SCIENTIFIC has undergone a major transformation from a product-focused company to a total solutions provider. This evolution involves offering holistic solutions across multiple domains, including semiconductor materials, factory construction, mechanical and electrical equipment, optoelectronics, and environmental engineering. Our strategy is centered on understanding and addressing the pain points of our customers, developing business models that not only meet their needs but also enhance customer value. By adopting this approach, we maximize the potential of the value chain and strengthen our position as a trusted partner to our clients.

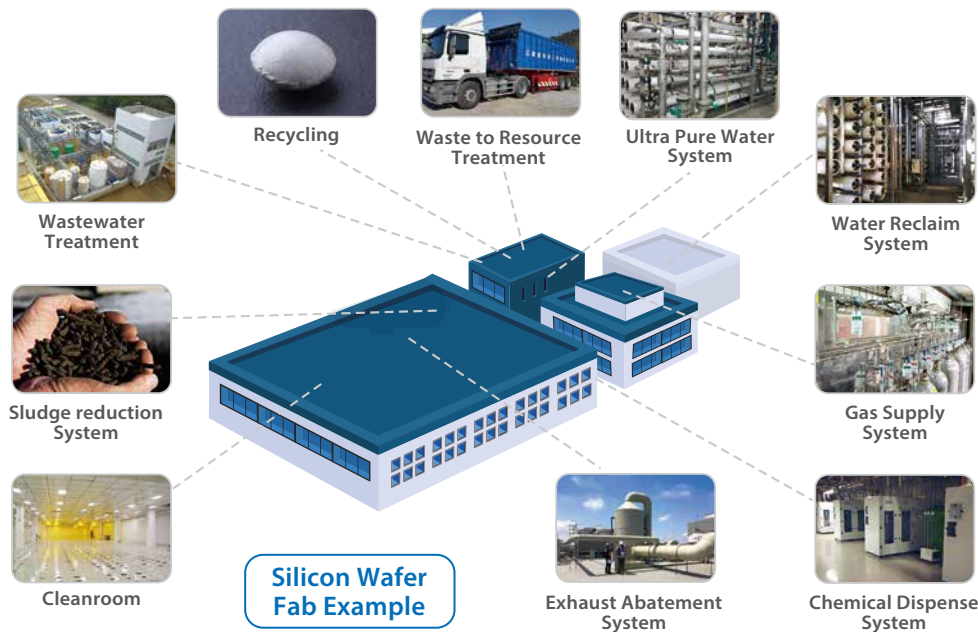
To resolve the problem of resource depletion and lower the impact of environmental pollution, ECO Technical, Suzhou TOPCO, Jia Yi Energy, Unitech New Energy Engineering, and Tai Ying Resource Industrial enforce the “symbiosis with Earth” business philosophy, actively engaging in green industries and establishing environmental countermeasures and energy mechanisms for sustainable development to create new opportunities for Earth.

In environmental engineering and water treatment technology, we actively build pure water and wastewater reclamation projects, develop recycling solutions such as chemicals and equipment related to water treatment, waste disposal, and calcium fluoride sludge into fluxes for metalworks.

We hope to expand the circular economy service and strengthen the sustainable supply chain through mergers and acquisitions in order to become a benchmark business providing total engineering and technology services featuring environmental sustainability, zero pollution, and resource recycling.

Table 4-10 Sustainable Innovation and Development Goals of Green Energy Cycle

Short- and medium-term	Reproduce Taiwan’s experience of success to introduce advanced technologies and special chemicals, such as ammonia nitrogen wastewater treatment, zero emissions, and eco-friendly chemicals, to overseas markets; promote class A waste disposal services and develop sludge and solvent transportation and disposal services in collaboration with waste disposal service providers; and engage in process optimization and capacity expansion of new factory buildings to achieve environmental sustainability and fulfil corporate social responsibility.
Long-term	Integrate advanced environmental engineering technologies, actively cultivate Southeast Asian markets, such as Vietnam, independently research, develop, and distribute related equipment, materials, and chemicals to provide multifaced services, and engage in various operational models, such as BOT, BOO, ROT, and OT.



▲ Figure 4 -3 TSC's recycling engineering technology

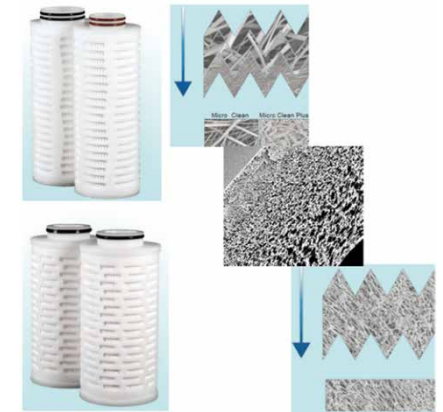
**Highlight 1**

**Environmentally friendly products facilitate the green manufacturing transformation of the semiconductor industry.**

The “filters” are widely used in semiconductor, panel manufacturers, and industries. They use multi-layer nanofiber filtration to provide excellent flow rate, descaling capacity, and outstanding particulate filtration performance; SOLOMON has developed the “filter regeneration” technology to use the used filters are recycled. Through a special regeneration procedure, used filters are returned to their original factory values with a longer lifespan and

a longer lifespan. This goal is to help customers reduce costs and waste and create a circular economy model that is win-win for all.

In order to strengthen the confidence of semiconductor customers in using recycled filters, the TOPCO Group has implemented third-party testing for recycled filters, hoping to raise environmental awareness, strengthen the development of a circular economy, and create more employment opportunities.



▲ Figure 4 -4 Filter Element

**Highlight 2**

**Professional EIA and monitoring technology to help Taiwan’s green energy development and eco-friendly integration**

The COP28 climate summit called for triple the installed capacity of renewable energy by 2030 from the 2022 figure. With the abundant wind resources in the Taiwan Strait, offshore wind power has become a key strategic means for Taiwan to achieve this goal. To balance the development of green energy and ecological protection, the TOPCO Group has invested in the EIA and environmental monitoring industry for offshore wind farms. The goal is to assess the environmental impact during the project planning stage and formulate prevention, reduction, and compensation strategies to realize the net positive benefits of nature

and implement relevant environmental monitoring. In particular, aiming at the impact of the construction on the rare conserved white dolphin “Chinese white dolphin” and other cetaceans in the waters of western Taiwan, smart real-time monitoring technology is used to perform environmental monitoring during piling, to reconcile the competing challenges of construction and ecological protection, and successfully create a global the first successful case of real-time monitoring with four sets of buoys. The TOPCO Group has undertaken EIA services for more than 90% of offshore wind farms, which is a testament to the high trust and recognition of the Company’s professionalism.



▲ Figure 4-5 Offshore Wind Farm

**Highlight 3**

**“Whole Fish Utilization Rate” Increased to 82%, Pioneering the Upgrade of the Circular Economy Industry.**

Starting with responsible aquaculture, the Anyong Group under TOPCO practices responsible production by implementing the “whole fish utilization” approach. This involves recycling fish meat, bones, scales, skin, heads, and residue to develop functional food products like “Anyong Bass Essence” and skincare products such as “Collagen Moisture Mask” and “Collagen Peptide Functional Jelly Sticks.” After extracting fish essence, the by-products are recycled for peptide and pet food development; the whole fish utilization rate has been increased from 41% to 82%, driving circular economy opportunities. Additionally, TOPCO has helped the Ministry of Environment to establish the CFP-PCR carbon inventory criteria for livestock and aquatic animal extracts, leading the industry by obtaining Taiwan’s first “Bass Essence Carbon Label” and committing to reducing carbon emissions by 3% in bass essence responsible production over the next five years. Dr. J.W. Kuo, Chairman of the TOPCO Group, innovatively developed the AY-FPP Anyong segmented precision pressurization extraction technology. This technique can effectively break down and synthesize on its own. Scientifically validated, this technology has been proven to boost physical strength. This technology has obtained a patent in Taiwan (Patent No. I809553).



▲ Figure 4-6 Utilization and development of whole fish



▲ Figure 4-7 The Chairperson of the SOVA Group, Dr. J.W.Kuo received the award from Secretary-General Lee Meng-Yan of the Executive Yuan at the 19th “International Outstanding Inventor Award - the highest biotech award” in 2023.



Highlight  
4

**Assistance in the construction of smart pig farms and biogas production**

The TOPCO Group obtained the construction and design engineering for the Huwei Farm from Taiwan Sugar Corporation. The design incorporates “efficient production,” “environmental protection and energy saving,” “smart management,” and “biological safety” as the design concepts to build a modern circular livestock farm. The drinking nipple with automatic regulators and the rainwater and sewage segregation design are used to greatly reduce the water consumption for operations, which is only about 1/3 of traditional farming. The biogas residue and biogas liquid produced from pig excrement are recycled and reused, and converted into biogas to generate electricity, reducing biogas emissions and increasing the supply of green electricity. This green and water-saving design can reduce 2,000 metric tons of carbon emissions per year, equivalent to the annual amount of carbon absorbed by 130,000

trees. Combine the concept of resource recycling and convert waste into renewable energy. By changing the image of NIMBY livestock farms and improving production and environmental protection benefits, we promote the upgrading of Taiwan’s swine industry and move towards the goal of circular economy.



▲ Figure 4-8 Award Records

Highlight  
5

**Implementation of circular economy: Recycling and reuse of inorganic calcium fluoride sludge**

The semiconductor, panel, optoelectronics and other industries use hydrofluoric acid for surface treatment, cleaning and etching during the production process. natural calcium fluoride sludge.

Inorganic calcium fluoride sludge is industrial waste produced by semiconductor, panel, and optoelectronics production processes. As a government-regulated industrial waste, it is necessary to transport and dispose of it by means of reuse or landfilling by licensed transporters and disposal companies.

By assisting customers in the prioritization of the detoxification problem of the mineral (calcium fluoride) sludge, the TOPCO Group has successfully recycled and reused 4,411 tons of calcium fluoride sludge to produce about 2,647 tons of artificial fluorspar, which has been fully supplied to the community. As a flux used in the domestic and foreign iron and steel industries, it can effectively reduce the energy demand during

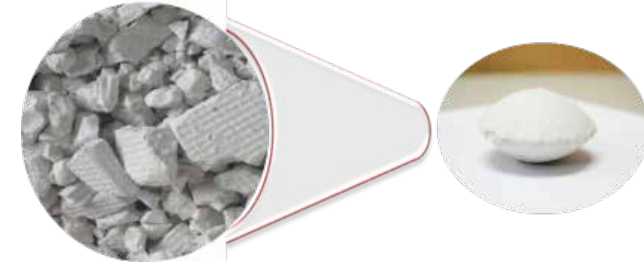
the steelmaking process, improve the quality of steelmaking, as well as reduce the cost of waste disposal, implement a circular economy, and enhance the Company's social image.

**Highlight 6** **Develop green energy retailing and carbon services to reduce the anxiety of business partners about carbon reduction**

The TOPCO Group has the expertise to build power stations of various specifications. We prioritize the deployment of mature photovoltaic energy sources and plan for forward-looking energy development (wind power generation, geothermal power, small hydro power generation, and fishery and electricity symbiosis), aiming to become a promoter of green alternative energy engines. and integrate the Group's resources to provide comprehensive solutions that provide carbon counseling and mitigation/adaptation strategy recommendations for corporate customers with carbon inventory needs. The TOPCO has also launched green power sales services, aiming to establish a strategic sales model to assist generators and consumers to obtain optimal electricity purchase and sale prices. Implement the transition of green power supply and continue to grasp various project sites to reduce the anxiety of corporate customers about carbon reduction. The TOPCO Group has successfully developed over 50 million kWh of green power for the first year in 2023.

**Highlight 7** **Promoting correct food education concepts to create a responsible supermarket**

Anyong Freshmart is a high-quality community-based health food supermarket chain. Through food safety control at the source, apart from assembling Taiwan's best-quality and safest agricultural and livestock products and premium aquatic products guaranteed by national grade inspection, Anyong Freshmart also carefully selects natural ingredients required for cooking.



▲ Figure 4-9 Recycle and reuse calcium fluoride sludge to produce artificial fluorite.



▲ Figure 4-10 The TOPCO Group assists corporate customers in launching low-carbon strategies

Whether children, elderly people, or subhealth groups, Anyong Freshmart offers the best disease prevention and healthcare products for all family members to enjoy health and happiness every day.

By procuring high-quality domestically produced agricultural products, Anyong Freshmart also helps stabilize farmers' incomes and generates higher economic and social benefits, thereby promoting the development of sustainable agriculture. Received the "Corporate Sustainable Rural Prosperity Award" in 2023.

To incorporate the concept of Diversity and Inclusion (DEI) into its operations, the TOPCO Group started to hire 7 new residents and 7 foreign students in 2023. Care and guidance services for new residents to build a more inclusive society.

equipped training bases, hoping to promote the dreams of athletes in Taiwan. In addition to helping professional athletes improve competition performance, XPORTS also aims to provide the public with quality exercise environments, turning XPORTS into the exercise partner of communities. In the future, we will plan physical education, talks, and competitions to promote exercise in communities. The Group owns the Taiwanese baseball team and has nurtured many players. Considering that after retiring, players can undergo skill training in sports management and sports technology to enhance their professional abilities. They can then transition to XPORTS, becoming key personnel in guiding the public in sports.



▲ Figure 4-11 Anyong Fresh commitment to environmental sustainability



▲ Figure 4-12 ANYO was awarded the "2023 Rural Sustainability Award"

Highlight  
8

Six-star equipment and services are provided to drive the upgrade of the sports industry.

XPORTS, the professional sports training brand created by XPORTS Sports Co., Ltd., a TOPCO subsidiary, has imported the "Beginning movement load training" from Tottori of Japan to build well-



▲ Figure 4-13 TOPCO Builds Excellent Training Base



## V. Well-being and Social Inclusion

*Create a corporate culture that is inclusive of diverse perspectives, actively promote the inclusiveness of diverse values through a comprehensive framework, and engage in long-term and sustainable interactions with stakeholders to build a more resilient and friendly company.*

### 1. Diversity and inclusion policies (GRI 2-23)

Through strategies and policies, we have created a workplace culture featuring diversity, equity, and inclusion. A diverse and inclusive workplace environment means that every employee can have the same space to exert themselves. Enable employees to integrate freely into the workplace.

Performance is our primary concern for employee employment and promotion. By eliminating all forms of bias and discrimination, we provide equal opportunities to maintain diversity. Employee talent development is our goal. Apart from benefiting employees, this is also a wise way for business operations.

We are committed to creating an inclusive working environment with mutual support for all employees, regardless of age, gender, family status, disabilities, race, ethnicity, nationality, religion, or political affiliation. Creating a working environment for employees

to work without worries and demonstrate their talent is one of our corporate missions.

We endeavor to include the diversity and inclusivity principles in employment-related policies, and it is also the responsibility for all employees to create an inclusive environment together. This is a group policy applicable to all TOPCO employees. All subsidiaries can establish their own diversity and inclusivity policies based this policy.

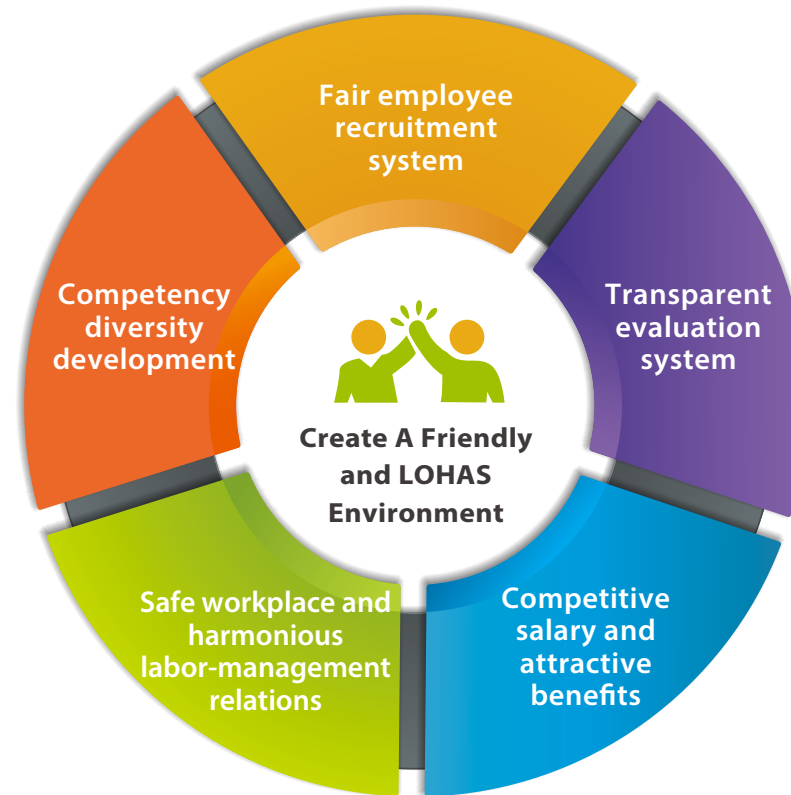
To create a friendly and happy working environment exclusive to TOPCO, we hope to create a working environment for employees to feel safe and confident to work and grow happily with the company in terms of the following five aspects: well-established recruitment system, diversity for capability and talent development, transparent and impartial evaluation, superior salary and employee benefits, and workplace safety and labor-management harmony.

### 1.1 Sound employee and recruitment mechanisms (GRI 2-7, 2-8, 202-2, 401, 405)

We have established a well-planned human resources information system to manage personnel basic data with high efficiency and high quality and clearly understand the development status of members within the organization. Additionally, through value-added analysis, the system assists administrators in planning talent development strategies.

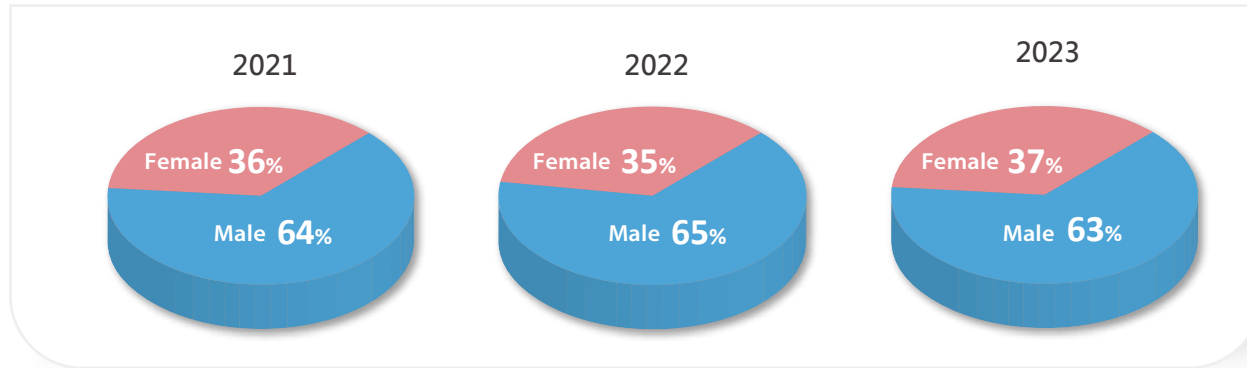
#### 1.1.1 Employment status

Besides abiding by the Labor Standards Act and the Act for Gender Equality in Employment, we hire employees based on open and fair principles and engage in neither differential treatment nor discrimination based on gender, race, marital status, family condition, language, religion, nationality, appearance, facial features, disabilities, or other factors. Additionally, we also maintain fairness and impartiality in employment, remuneration and benefits, training, evaluation, and promotion/transfer to ensure equality in employment and provide a workplace free of harassment and unlawful discrimination.



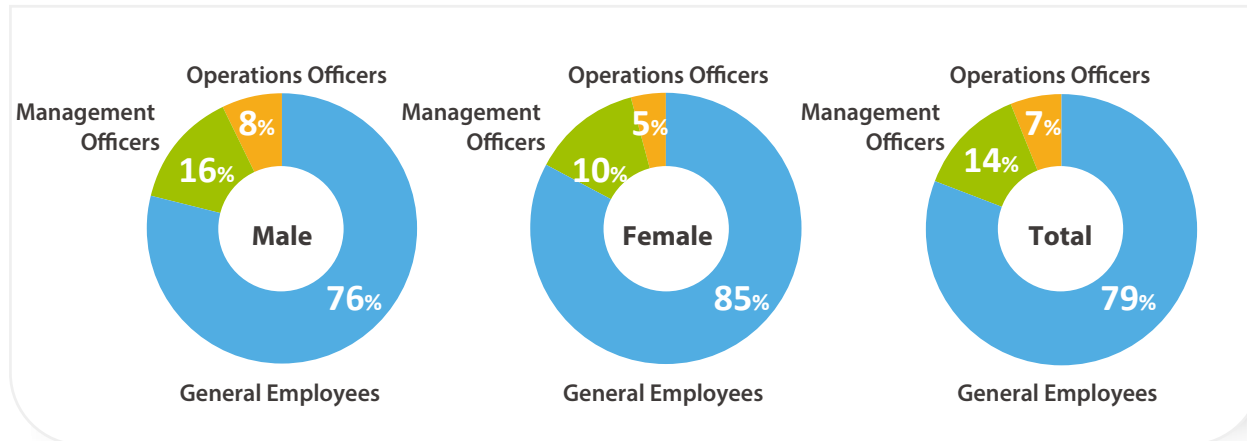
▲ Figure 5-1 Five domains of TSC's friendly and LOHAS environment

In response to the constantly expanding scale of operations, we hire more employees each year. As of the end of 2023, we have a total of 518 employees, including 325 full-time male employees and 1 contracted male employee, and 184 full-time female employees and 8 contracted female employees. There were 9 non-employees, including 5 cleaning staffs and 4 security guards.

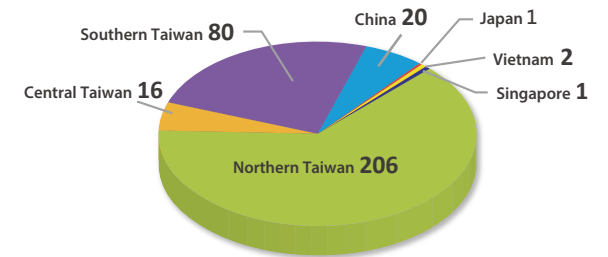


▲ Figure 5-2 Gender composition of employees 2021-2023

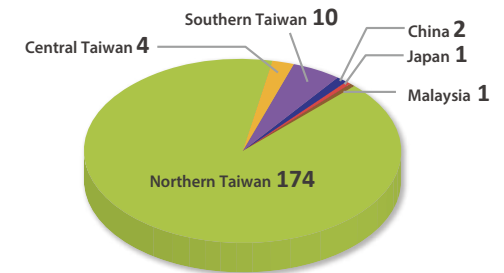
We emphasize gender equality and engage in neither discrimination nor differential treatment based on gender to ensure workplace gender equality. In 2023, the members of the advanced management are all ROC citizens. In terms of the total number of employees, general employees accounted for 79%, management officers 14%, and operations officers 7%, and female executives accounted for 15% of all female employees.



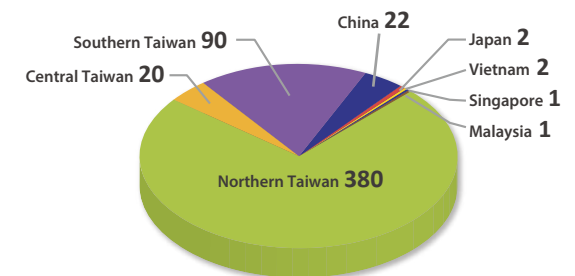
▲ Figure 5-3 Gender composition of management



▲ Figure 5-4 Distribution of male employees by region

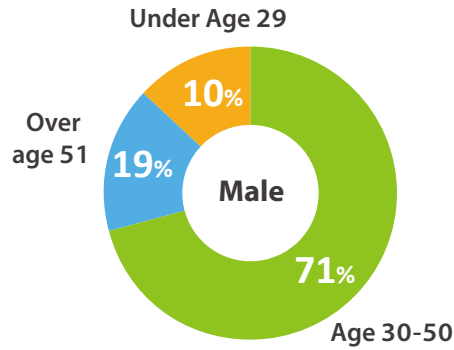


▲ Figure 5-5 Distribution of female employees by region

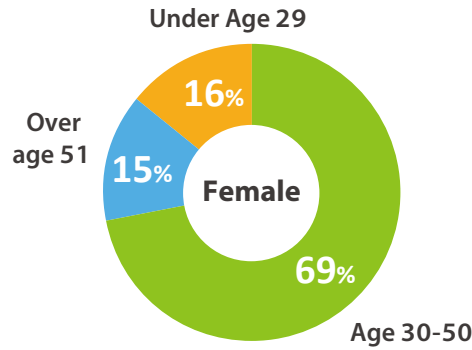


▲ Figure 5-6 Distribution of total employees by region

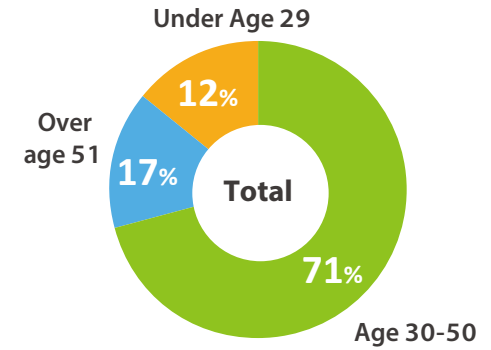
The figure below shows the employee composition by age at the of 2023. The majority are 30-50 years old, with a total of 366, accounting for about 71%.



▲ Figure 5-7 Age distribution of male employees

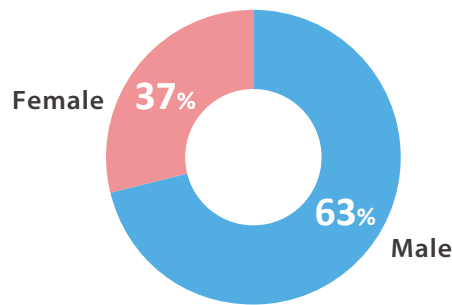


▲ Figure 5-8 Age distribution of female Employees

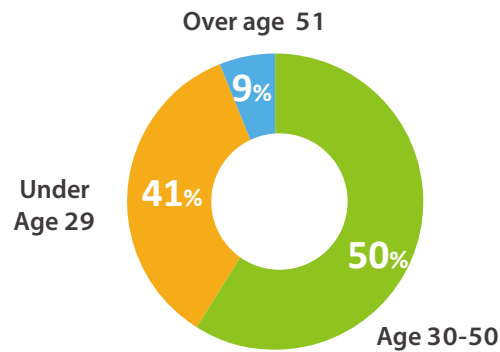


▲ Figure 5-9 Age distribution of total employees

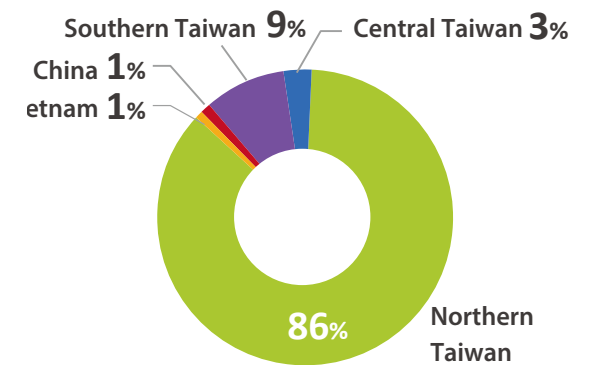
In 2023, the Company had a total of 107 new employees (67 males and 40 females). In terms of age composition, most of the new employees are under 29 years old (53, accounting for 50%), followed by 30-50 years old (44, accounting for 41%).



▲ Figure 5-10 Gender distribution chart



▲ Figure 5-11 Age distribution of new employees



▲ Figure 5-12 Distribution of new employees by region

In 2023, a total of 62 full-time employees resigned, representing a turnover rate of 13.23%, down 0.85% from last year and lower than the average turnover rate of the previous three years. Overall, the flow of talent is healthy and stable. Through in-depth interviews and analysis before resignation, it is found that the main reason for leaving most people is “personal career planning”; subsequently, we will continue to improve the careers of employees through measures such as (out) career interviews, employee opinion surveys, and employee assistance programs (EAPs). Development and organizational development fit.

Table 5-1 Resignation of employees in the last three years

Year	2021	2022	2023
Number of resigned full-time employees	77	62	62
Turnover rate	15.27%	14.08%	13.23%

2023 Resignation Analysis (by gender)

Item	Number of resignations	Resignation rate
Male	35	7.47%
Female	27	5.76%
Total	62	13.23%

※ Calculation method: Number of men who have resigned / [(Number of employees at the beginning of the year + Number of employees at the end of the year)/2] x 100%

2023 Resignation Analysis (by age)

Age	Number of resignations	Resignation rate
Under 29 years old	21	4.48%
30-50 years old	38	8.11%
Over 51 years old	3	0.64%
Total	62	13.23%

Two people with severe physical or mental disabilities were hired (one person hired is counted as two people), so they met the statutory standard of 1%.

In 2023, a total of 27 employees (20 males; 7 females) eligible for parental leave and 2 employees (0 males; 2 females) who actually applied for parental leave will continue to serve in the original units after reinstatement.

Table 5-2 Parental Leave Status in the Recent Three Years

Year	2021	2022	2023
Number of people applying for parental leave	1	4	2
Number of employees required to be reinstated from child care leave	1	3	3
Number of employees actually reinstated from child care leave	1	3	1
Return to work rate (returned to work/due to return to work)	100%	100%	33.3%
Retention rate (retained service after returning to work/returned to work)	100%	100%	100%



### 1.1.2 Talent recruitment and recruitment channel (GRI 405)

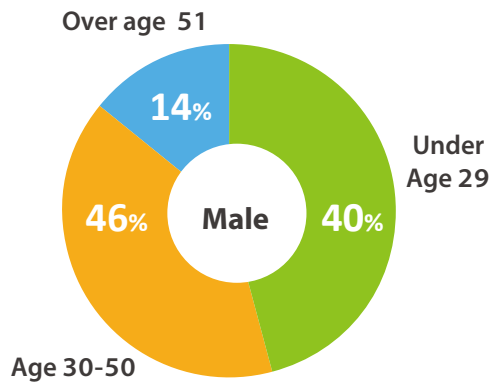
We hire employees in compliance with labor laws and regulations and maintain fair employment. Employees are recruited through open and fair screening and selected based on their credentials. Besides avoiding discrimination based on race, social status, nationality, gender, age, political party, religion, political affiliation, and disabilities, we also ensure no use of child labor, right place for the right person, and talent focus in order to recruit diverse outstanding talent. If there are substantive changes in operations, we will notify affected employees according to local laws and regulations.

Through open channels, professional talent in the relevant fields is constantly recruited and evaluated with aptitude tests, language tests, math tests, and expertise tests based on the required competencies. By optimizing the recruitment process, we enhance the recruitment efficiency to ensure

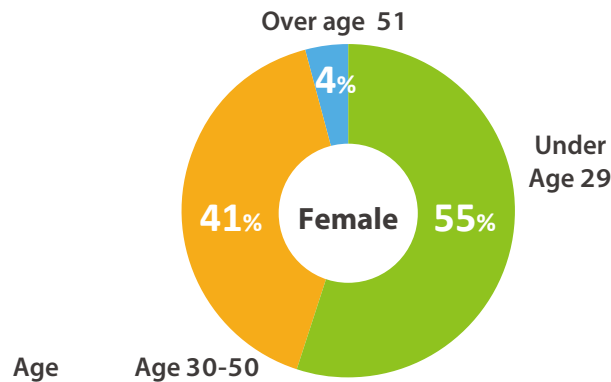
that each TOPCO employee can fully demonstrate their potential at each position.

In response to our constantly expanding territory, we actively recruit talent based on the concept of best demonstration of talent. Through research and development substitute services, campus talent recruitment, human resources agencies, 104 Job Bank, internal talent recommendation, employee recommendation, or social media (e.g., Facebook), we recruit like-minded talent.

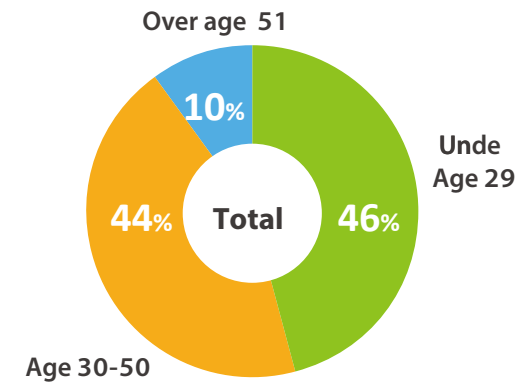
By the end of 2023, 77 employees recruited in the year were still in serve, including 48 male employees and 29 female employees; the age distribution of most new employees is under 29, with a total of 35 employees. Overall, 14.9% of new employees recruited in 2023 remained in serve by the end of 2023.



▲ Figure 5-13 Age distribution of male newcomers still working at the end of the year



▲ Figure 5-14 Age distribution of female newcomers still working at the end of the year



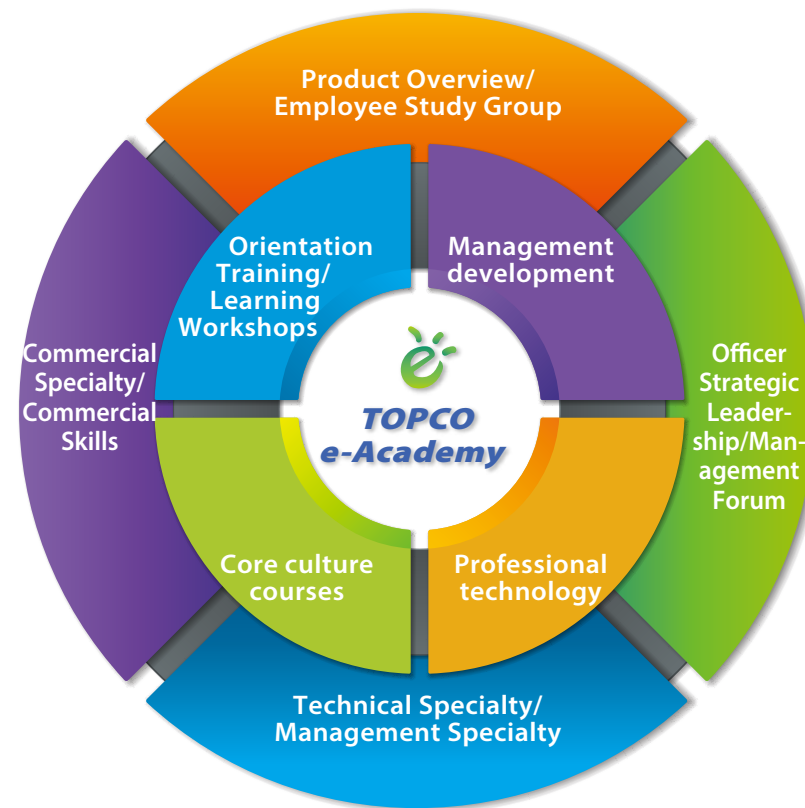
▲ Figure 5-15 Age distribution of total newcomers at the end of the year

## 1.2 Cultivation of Talents with Diverse Abilities (GRI 404)

We value talent. To continuously develop employee talent, we make constant efforts in learning development and personnel development. Since TOPCO was established in 1990, we have provided an environment for continuous learning and growth. Enforcing professional competence development, developing complete employee education and training plans, and supporting employees to receive professional training, continuing degree education, and professional license training are our key to success in significantly improving human capital.

Through various meetings and activities, we advocate our business philosophy and social responsibility. Based on the direction of strategic development, we draw up the annual education and training plans and organize regular and irregular employee education and training activities. In 2008, we organized the TOPCO e-Academy and established employee training records. Through internal training courses and the e-learning and knowledge management (KM) platforms, we offer general education training to develop the management, sales, marketing, and basic skills of employees and develop their various common skills and concepts. In 2023, professional courses on occupational safety and health management, illegal infringement prevention, and health promotion were provided to strengthen employees' awareness and ability of workplace safety and health care. E-learning courses were arranged for employees of branches and operating locations to ensure unrestricted learning.

In 2018, we actively promoted the KM system to improve employee capability. We were subsidized by IDB under the Knowledge Management Value-Added Project to progressively complete the construction of the new version of the KM Platform and knowledge document output, assist the HR department with competence development and planning, and gather information related to the growth trends of industries,



▲ Figure 5-16 Course planning of TSC e-Academy

products, and markets. The KM Platform is highly beneficial to the externalization and systemic, effective management of the inherent knowledge of employees. The construction of the KM system can enhance the structuring and accuracy of knowledge management and thereby accelerate talent formation and improve innovative management capability.



▲ Figure 5-17 Website of TOPCO e-College

▲ Figure 5-18 TOPCO Group Knowledge Management Platform

products, and markets. The KM Platform is highly beneficial to the externalization and systemic, effective management of the inherent knowledge of employees. The construction of the KM system can enhance the structuring and accuracy of knowledge management and thereby accelerate talent formation and improve innovative management capability.

In response to the introduction and progress of the knowledge management mechanism and to provide a guide for the collection, categorization, storage, comparison, and reuse of knowledge articles and the assessment of knowledge processes, we established the Knowledge Article Management Regulations in April 2019 to encourage employees to upload and read Knowledge articles.

## Career Mentor Program

To develop talent for society, we collaborated with National Taipei University in the Career Mentor Program to provide students with more comprehensive learning opportunities. Through enterprise internship, students can make close workplace observation to understand enterprise operations and business model.

By learning closely and sharing experience with senior officers, students can explore career development more easily and develop a correct work attitude and value. Through experiencing and learning business practice, students can broaden their career vision.

## Funding for external professional training

We also improve the professional skills of employees through external professional training and introduce external e-learning platforms to offer more comprehensive self-learning channels to enhance the efficiency in learning professional and general education courses of employees. In addition, the Company has established relevant subsidy measures to encourage senior managers to pursue EMBA courses or other training. A total of four senior managers were enrolled in the EMBA program in 2023, and the subsidy amounted to about NT\$ 670,000. The goal is to strengthen professional and interdisciplinary leadership capacity, and expand network management.

Table 5-3 Continuing education of senior managers in the last three years

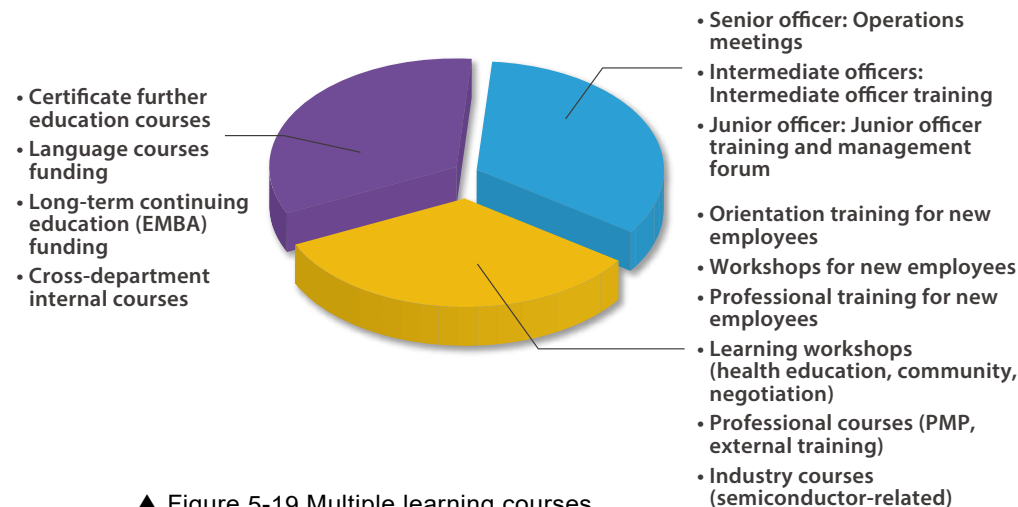
Year	2021	2022	2023
Number of officers receiving continuing education	5	5	4
Sum of funding (NT\$)	736,644	1,059,038	673,298

In consideration of organizational strategies, job descriptions, job requirements, and personal performance and development, based on the investigation and analysis of employee training needs, the HR Division plans intensive development and training courses based on job development from the moment new employees arrive. Besides offering guidance courses for employees, we also arrange mentors to provide them with counseling services. Alongside our comprehensive learning channels spanning on-the-job training, internal training, external training, and e-learning, we hope that employees can better understand the requirements of their jobs and their expectations for future growth.

Besides hoping all employees to learn happily, we also build the successful competence DNA for employees through the arrangement of comprehensive courses. Particularly, each year we plan a budget to subsidize the continuing education of employees. Each year general employees and junior supervisors will receive an allowance of NT\$ 10,000 and other supervisors NT\$ 20,000. Employees in need of a higher amount of allowance may apply for the sum individually. With this policy, we hope to encourage employees to undertake self-management, be responsible for improving their competence, and maintain lifelong learning.

**Complete planning of on-the-job training courses for employees**

Based on organizational strategies, job requirements, and personal performance, we emphasize talent cultivation and divide talent education



▲ Figure 5-19 Multiple learning courses

into different stages, including the orientation training stage, competence development stage, immediate management stage, and core management stage. Besides setting individual training foci for different stages, in combination with the program credits and performance in the learning passport, we enable employees to expect learning growth. Course contents also change from time to time. To keep up with the pace of corporate growth, the HRD department changes courses from time to time to create a diversified learning environment for employees.

**(1) Professional certification training**

After more than 30 years of business expansion from the wafer industry to forward-looking industries such as green energy-saving industry, solar power generation systems, LED lighting applications, green building materials, and water resource recycling, the Company has Assist employees to obtain relevant licenses and certifications in their professional field through internal and external training courses.

Cultivation of carbon management talents: 7 people have obtained the ISO14064 certificate. The SBTi course was held, and 20 people passed the course test. The sustainable supply chain management course was offered, and 44 people passed the course test. One corporate sustainability manager and one climate change response manager.

### (2) Cultivation of work skills

Based on the spirit of learning by doing, we help employees to put theory learned at school into practice in the field through on-the-job training, including semiconductor manufacturing processes, international trade practices, import and export practices, and practical courses on LCD, LED, green construction materials, and so on.

### (3) Engineering R&D training plan

This includes annual training courses for new products and new technologies, introduction to the semiconductor industry, introduction to the LCD/LED industries, development of third-generation semiconductor technology, development of the foundry and optoelectronics industries and technologies, green energy, and green construction materials.

### (4) Foreign language improvement

To encourage employees to improve their foreign language ability after work, we promote language learning within the company. Foreign English teachers are invited to offer “Business English Courses” to facilitate conversational learning, which will benefit future international business operations. The courses are taught online to allow unlimited learning time and space.

### (5) Competence-related education courses

We plan management-related courses to improve the workplace software power of employees. These courses include leadership development, business management, ethical corporate management, and general

education. The courses offered in 2023 were as follows:

- ✔ Leadership development strategy: Problem analysis and solving, execution power and performance, innovation, and development courses.
- ✔ Business management training: Business negotiation skills, work management, and risk management courses.
- ✔ Ethical management courses: Understanding laws and regulations, internal control promotion, information security, and other courses.
- ✔ General education professional seminars: Health management seminars, new employee and MA seminars.

### (6) OH&S education and training

We value the service and OH&S policy. Hence, we assign employees holding certificates for OH&S personnel and specialist in accordance with the Labor Safety and Health Act to implement various OH&S training and duties. We also arrange OH&S education and training for new employees and organize regular fire drills and talks.

### Mentoring system

From the first day of arrival, each new employee is assigned a senior employee of the department as mentor. As both the new employee and mentor work on the same floor, the latter can provide the former with support at work and in daily life to help new employees smoothly adapt to the new environment.



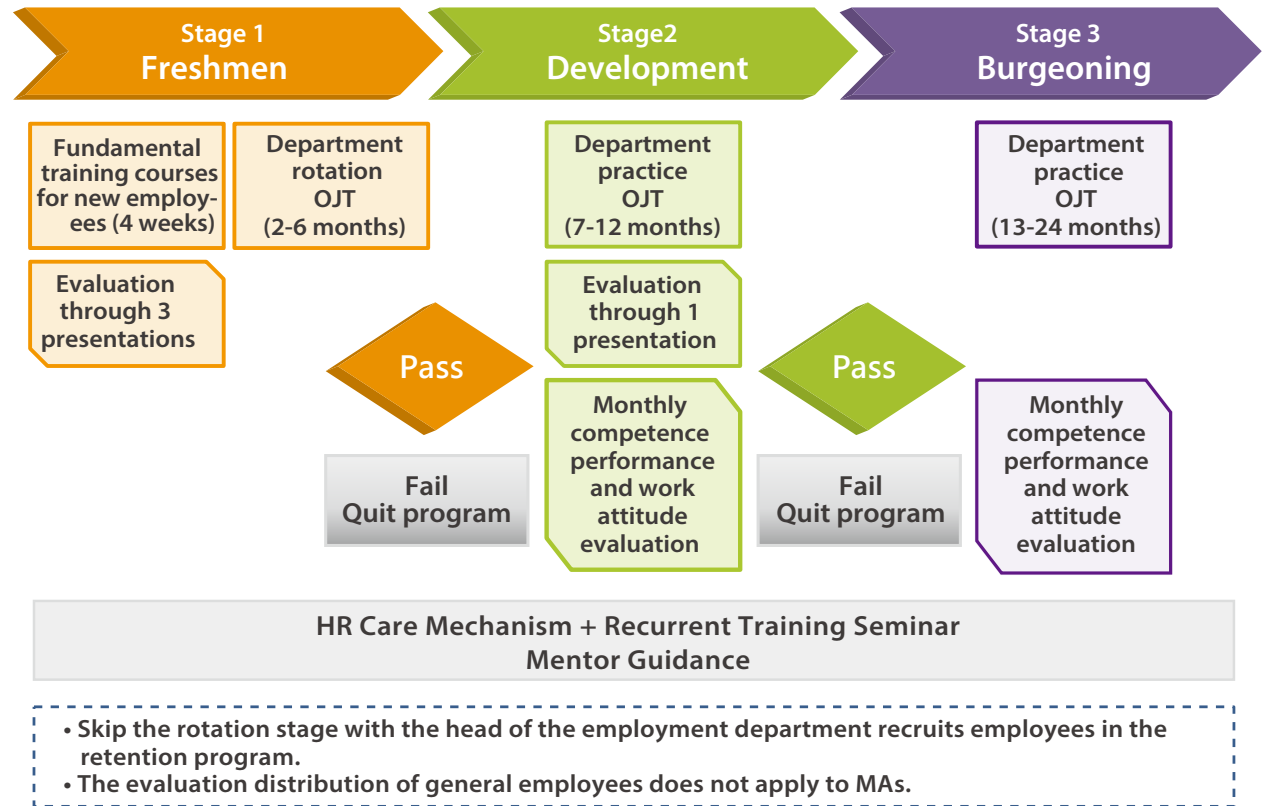
▲ Figure 5-20 Mentor Training

### MA Training Program:

We began the Management Associate (MA) Program in 2002. Over the years we have developed many outstanding creative talents in different countries. Besides helping TOPCO to develop its business and expand its territory to the present-day scale, the program also helps talent develop themselves. Under the guidance of unit supervisors and senior employees, employees participating in the MA Training Program can quickly develop professional skills and management abilities and accumulate practical field experience.

## Program features

- ※ Further professional knowledge and technology for senior employees through the work instructions by unit supervisors.
- ※ Continuous improvement of professional competencies by offering a series of professional practical courses.
- ※ Provide opportunities for relevant projects and missions for employees to broaden their horizons and challenge personal potential.
- ※ Assign senior employees to be instructors to share experience and provide career guidance with their rich workplace experience and professional competencies.



▲ Figure 5-21 MA training program

### Job rotation mechanism:

For the adaptive development of employees, we offer and plan a job rotation mechanism. Employees may apply for job rotation and switch to the target job with the approval of the supervisors of both units.

### Gelling employee engagement:

We value corporate culture, encourage employees, and gel employee engagement. Each year we organize a staff consensus camp and employee workshop to cohere understanding and establish communication mechanisms.



▲ Figure 5-22 Praise of Senior Employees

### Achievements in education and training

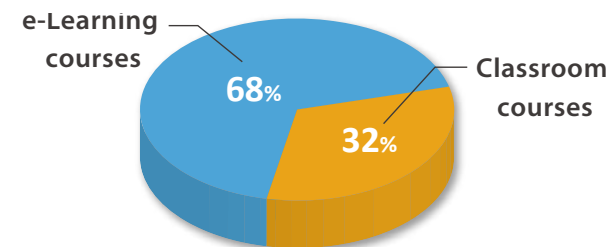
Subsequent to the emphasis on talent, Substance Technology continues to optimize training and development programs and provide comprehensive functional training courses. In 2023, Substance Technology organized a total of 15 physical courses, and

the average course satisfaction reached 4.62(5-point Likert scale). The learning outcomes of employees in the past three years are disclosed. The statistical analysis of the Company’s educational and training expenses is as follows:

Table 5-4 Education and training expenses in the past three years

Year	2021	2022	2023
Education and training expenses (NT\$)	1,027,196	1,287,786	3,490,073

In 2023, our employees received a total of 26,385 training hours, equivalent to an average of 50.94 hours per person. Among these, we provided 8,422 hours of face-to-face courses and 17,963 hours of E-learning courses.



▲ Figure 5-23 Total hours of employee education and training in 2023.

**Table 5-5 Training Hours in the Recent Three Years**

Year	2021	2022	2023
Total hours of training	17,593	21,689	26,385
Face-to-face courses	4,735	4,611	8,422
e-Learning courses	12,858	17,078	17,963
Average hours of training per employee	34.43	40.69	50.94
Cluster analysis			
General employee	-	18,334 (average training hours of 42.54 hours/person)	21,865 (average training 50.38 hours/person)
Management officers	-	-	4,031 (average training 60.17hours/person)
Operations officers	-	-	489 (average training hours of 14.81 hours/person)
Average Training of Male Employees	-	35.65	51.86
Average Training of Female Employees	-	42.71	49.37

**\*\*Note:** The statistics of training hours include employees who have left the Company

**Targets** 15,000 hours of continuing education and greater proportion of e-learning courses for 2023

**Achievements** totaled 26,385 training hours [target accomplished]; increased the proportion of e-learning learning by 68%.

We design different education and training courses. Senior management officers, management officers, and general employees can all take these courses to develop high-quality human resources in accordance with the organizational goals and operational strategies to enhance and sustain corporate competitive strength.

### 1.3 Transparent and fair evaluation system

We have an open and fair performance evaluation system. Through reviewing career development and after communicating with the immediate supervisor, each employee can set their annual performance targets. Performance evaluation will be conducted on these targets each year for the reference of salary adjustment, bonus distribution, and future promotion. In addition, we have established policies for the remuneration of senior managers that are linked to ESG-related performance evaluations. In 2023, 100% of employees (on the job for more than 3 months) underwent regular performance and career development reviews.





## 1.4 Affordable Salary and Employee Welfare (GRI 2-21, 201, 202, 405)

To attract and retain talent and reward employees for creating performance and long-term contributions, we offer a competitive overall remuneration system and performance bonuses to ensure a reasonable and fair salary structure. Besides protecting living quality, our system also encourages employees to improve competence and create better performance.

To take care of the retirement life of employees and promote the labor-management relationship, we have established the Employee Retirement Regulations according to Article 56 of the Labor Standards Act to contribute to the labor pension fund and labor pension reserve each month in order to give pension to employees meeting the retirement requirements. (For pension reserves, please refer to Financial Statements P41-43 Defined Benefit Plan)



[https://www.topco-global.com/wp-content/uploads/2024/02/202304\\_5434\\_AI1.pdf.pdf](https://www.topco-global.com/wp-content/uploads/2024/02/202304_5434_AI1.pdf.pdf)

### 1.4.1 Employee remuneration (GRI 2-21, 202-1, and 405-1)

We have established a comprehensive remuneration policy and framework and performance bonus regulations for salary employees based on their education, seniority (service length), experience, and duties in order to attract, encourage, reward, and retain outstanding talent. Besides ensuring no differential treatment of employees based on gender, we also meet the ESG employee safety and the Company's regulations to maintain a reasonable and fair salary structure and thereby encourage employees to improve competence and create better performance.

Table 5-6 Employee basic salary range

Year	Non-supervisor employees		Minimum Basic monthly salary
	Colleges and universities	Master's degree	
2023	36,500	44,500	26,400
Compared to monthly basic salary	138%	169%	



▲ Figure 5-24 Award presentation to outstanding employees

We have introduced a reasonable performance evaluation system and combined it with promotion and rewards in order to reward or punish employees appropriately based on their performance. We have also established management regulations related to rewards and punishments and announced them on the EIP for employees to inquire and follow in order to provide them with a dependable system for reward and punishment.

In terms of the offers for employment, our pay standard for base-level employees is higher than that of the statutory requirements, and there is no gender difference.

Since 2019, the company has disclosed the previous year's average and median salaries of non-managerial employees, aiming to increase transparency and uphold corporate social responsibility. In 2023, despite industry-wide performance challenges, salary levels at TOPCO saw minor fluctuations. According to the Financial Supervisory Commission, the average annual salary for non-managerial employees was NT\$1.711 million, ranking 1st among 20 listed electronic retail companies in Taiwan and 39th overall among Taiwan's listed companies. The median annual salary was NT\$1.289 million, ranking 2nd in the industry and 77th among all listed companies in Taiwan. The gender pay ratio analysis shows a ratio of 1.17:1. TOPCO maintains a robust compensation management system, emphasizing fairness and maintaining vertical salary relationships.

Based on operating profit, performance evaluation results, and the long-term development of employees, Clone Technology conducts a comprehensive salary adjustment every year to ensure that employees' salaries are competitive in the market. Through the annual salary adjustment, we thank colleagues for their hard work and contribution over the past year, and encourage them to serve long and achieve mutual prosperity with the Company, hoping to encourage them to continue to

demonstrate good performance and improve the Company's operational performance. The range of salary adjustment in the last three years was as follows:

Table 5-7 Annual salary and total compensation ratio of non-managerial employees

Year	2021	2022	2023
Annual average earnings of non-supervisor employees	NT\$ 1.529 million/person	NT\$ 1.787 million/person	NT\$ 1.711 million/person
Annual median earnings of non-supervisor employees	NT\$ 1.179 million/person	NT\$ 1.345 million/person	NT\$ 1.289 million/person
Annual total compensation ratio (Note 1)	16.65%	16.86%	19.15%
Salary changes percentage (Note 2)	3.14%	1.48%	-2.13%

Note 1: Annual total compensation ratio = ratio of annual total compensation of the highest paid individual to median annual total compensation of other employees

Note 2: Change in annual total compensation ratio = change in annual total compensation of the highest paid individual / change in median annual total compensation of other employees

Table 5-8 Table of salary adjustments in the past three years

Year	2021	2022	2023
Overall salary adjustment	0%~7.5%	0.8%~24.9%	0~18.5%
Salary increments for non-managerial employees	0%~7.5%	1.9%~24.9%	0~18.5%
Salary adjustment for managers and employees	0%~4.5%	0.8%~8.5%	0~9.0%

Note: As the promotion range increased this year, the salary adjustment increased.

Sharing achievements is the Company's core commitment to employees. In line with TOPCO's principle of shared achievements, in addition to the above-mentioned compensation, to encourage employees to value the Company's long-term operational performance for sustainable business, in accordance with Article 20 of the Company's Articles of Incorporation, "if the Company makes a profit, it shall first allocate no less than four percent for employee remuneration." We provide a performance-based bonus system, distributed based on the Company's overall operational performance, to reward employees for their efforts at work. The Company provides various benefits, including profit-sharing, employee stock ownership, and year-end performance bonuses.

We have also established an employee shareholding trust for mutual trust management and utilization. The purpose of this trust is to assist Employee Stock Ownership Association members in accumulating wealth and to improve their life stability after retirement or resignation. In 2023, we also implemented preferential employee stock subscriptions. In conjunction with the bank's preferential loans for corporate employees, we helped employees obtain funds to realize their dream of financial freedom.

#### 1.4.2 Employee benefits (GRI 401-2)

The health, safety, and the rights and interests of all employees are extremely important to us. Besides arranging insurance for employees according to the Labor Standards Act and Labor Insurance Act and contributing employee pensions according to the Labor Standards Act and Labor Pension Act, we also arrange health checkups, group accident insurance, and hospitalization benefit for employees and announce the related personnel regulations on the EIP for all employees to inquire. In addition, in 2023, the Company held a health lecture "prevention of cardiovascular disease" and health consultation measures by traditional Chinese and western physicians to care for employees.

Besides the regulatory standards, we offer more benefits that employees need to help employees balance work, mental and physical health, and life.

Hence, we have designed a flextime policy, new employee mentor systems, and entertainment allowances for various employee club activities, employee travel, family days, and arts and culture appreciation. There are also other benefits, including marriage allowance, birth allowance, bereavement support payment, monthly birthday parties, nursery/daycare benefits, rewards for outstanding employees, and rewards for senior employees.

Under the ESG wave, there is no sustainable action that can inspire employees the most than taking care of their diet! There is an employee cafeteria at the Neihu Headquarters in Taipei and the health supermarket of affiliated companies to provide employees with healthy catering services that reduce oil and salt. TOPCO has made great efforts to make the employee cafeteria greener and healthier for employees, and is committed to building a happy enterprise. In 2023, we received the "Green Food First Award" jointly presented by the Taipei Cultural Exploration Association and the green dining guide GreenDining Guide under the guidance of the Agriculture and Food Agency, under the Council of Agriculture.



▲ Figure 5-25 The employee cafeteria at Chong-Viet Group headquarters won the "Green Food First Award"

Table 5-9 Employee Welfare Program

To provide employees with a safe working environment, we have launched female employee care and related family support mechanisms, such as menstrual leave, parental leave, paternity leave, family care leave, nursery service, and paid maternity leave. Paternity leave is also granted according to the Labor Standards Act to provide employees with basic benefits to ensure the rights and interests of employees.

Although COVID-19 blocked many travel opportunities, the EWC still planned cooperation with travel platforms and offered travel points to employees for employees to travel to any destination they liked together with their family.



▲ Figure 5-26: “Gift for Doting Female Employees” on Women’s Day



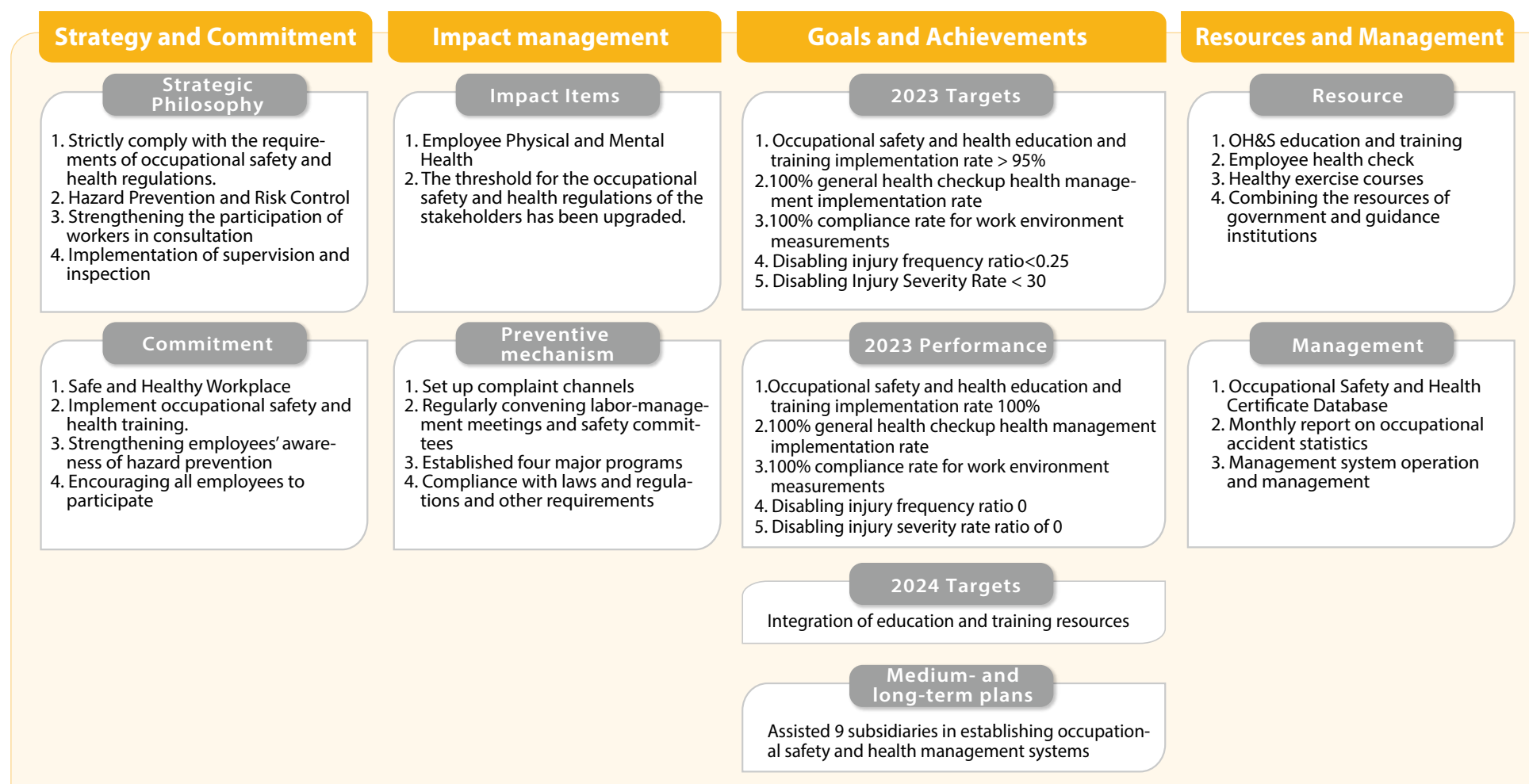
▲ Figure 5-27: Even Traveling Can Practice ESG!

Plan type	Item	Contents
Flexitime	Flexible work time	✓ Employees can adjust the time they start and finish work.
	Regular days off	✓ On duty five days a week and two days off.
Comprehensive EWC activities	Activities not using EWC funds	<ul style="list-style-type: none"> <li>✓ Group activities (e.g., Spring Festival celebration, year-end party, family day, sports meeting, leisure sports, and competitions), employee club activities (e.g., badminton club), and service activities (e.g., charitable activities).</li> <li>✓ Gifts on three folk festivals and specific festivals.</li> <li>✓ Obligatory or voluntary activities of employees.</li> </ul>
	Activities using EWC funds.	<ul style="list-style-type: none"> <li>✓ Self-support activities (e.g., employee travel, health checkups, group buying, and other leisure entertainment).</li> <li>✓ Event expenses can be claimed within the limit of personal EWC funds (employees must pay the full amount at contract stores). Employees pay the balance exceeding the limit.</li> </ul>
Regulatory benefits	Regulations-related benefits	<ul style="list-style-type: none"> <li>✓ Contributions for Labor Insurance, National Health Insurance, and pensions.</li> <li>✓ Allowances and support payments: birth, marriage, and bereavement.</li> </ul>
Other benefits	Mental and physical health and career development	<ul style="list-style-type: none"> <li>✓ Personal car and motorcycle parking spaces for employee application.</li> <li>✓ Breastfeeding (lactation) rooms: A safe, comfortable, and friendly breastfeeding environment is established to maintain the rights of breastfeeding female employees.</li> <li>✓ The employee cafeteria at the headquarters provides healthy meals and subsidies.</li> <li>✓ Dormitories for female employees and expatriates.</li> <li>✓ Education training, on-the-job training subsidies, foreign language incentives.</li> <li>✓ Health checkups and health consultation services.</li> <li>✓ Scholarships and grants for the children of employees.</li> <li>✓ Employee stock ownership trust (ESOT)</li> <li>✓ Nursery/daycare benefits</li> <li>✓ Providing 10 days of paternity leave, which is better than the legal requirement.</li> <li>✓ Commendation and rewards for outstanding employees</li> <li>✓ Commendation and rewards for senior employees</li> <li>✓ Missing Meal Expenses for Volunteers</li> </ul>

## 1.5 Safe Workplace and Labor-Management Harmony (GRI 2-25, 2-30, 403, 406, 407, 408, 409)

We introduced ISO45001:2018 Occupational Safety and Health Management System in 2022. All employees participate in and follow occupational safety and health policies and regulations, continue to promote the operation of the management system, and implement various occupational safety and health management tasks according to various systems and operating procedures. In 2023, we obtained the “Health Promotion Mark” certification from the National Development Agency.

### 1.5.1 Safe Workplace Implementation Policy



## 1.5.2 Safe workplace (GRI 403, 406, 407, 408, 409)

### Protecting human rights in the workplace

We support and follow the spirit of human rights protection as disclosed in international standards such as the Universal Declaration of Human Rights, United Nations Global Compact, United Nations Guiding Principles on Business and Human Rights, and International Labour Conventions. Hence, we have established the “TOPCO SCIENTIFIC Co., Ltd. Human Rights Policy” that is applicable all employees of TOPCO and its affiliates.

We respect human rights, equality, and non-discrimination; value labor-management harmony; and continue to improve OH&S performance to build a working environment that meets humanitarian needs and physical and mental health. We are committed to improving human rights protection. Apart from providing an equal and safe working environment free from discrimination and harassment, we also organize various events and education and training activities to maintain the mental and physical health of employees and their work-life balance and promote the relevant concepts over the EIP periodically. Our practices on human rights protection include:

1. Abide by the laws and regulations of the location of operations and provide a safe and healthy working environment.
2. Provide equal employment and ensure no differential treatment (non-discrimination) based on race, gender, sexual orientation, age, nationality, political affiliation, religion, marital status, and disabilities.
3. Forced labor, child labor, and any behavior that can constitute child labor are not allowed. Youth labor aged between 16 and 18 is not allowed to engage in work with potential dangers or that may be hazardous to health, including working night shifts or overtime.
4. Respect employees’ rights to freedom of association, participation in peaceful assembly, labor-management meeting, and collective bargaining.
5. Build unfettered communication channels and hold regular labor-management meetings and OH&S Committee meetings to protect the rights and interests of both parties.

In 2023, a total of 2,573.4 hours of training courses on human rights protection were provided, with 1,430 participants. Implement the “Human Rights and Occupational Safety and Health Policy” publicity, with a 100% coverage rate. In 2023, no grievance-related incident occurred.

### Gender-equal workplace

We have established the Measures for Prevention, Correction, Complaint and Punishment of Sexual Harassment in the Workplace

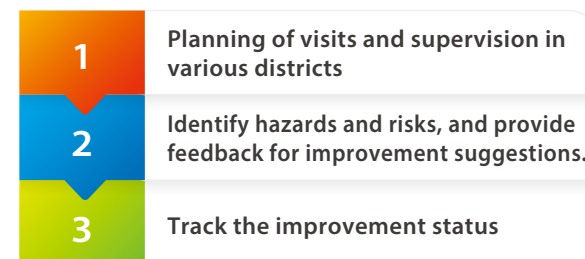


Human Rights Due Diligence

and grievance channels. Related information including management regulations, grievance hotline, and grievance email is disclosed at the workplace to protect employees from the threat of sexual harassment and create a friendly workplace. In 2023, no sexual harassment was reported.

### Identify Workplace Safety Risks and Preventive Measures (GRI403-7)

In 2023, a total of 25 safety inspection sessions were completed. A visit supervision report is provided after the completion of each session, explaining the performance and suggestions for improvement, and the Company continues to track the improvement status.



## Work environment and employee safety

Access control	Occupational Safety and Health Management System	Operating environment monitoring
Each workplace is equipped with security system or security personnel to conduct regular inspections to ensure the personal safety of employees.	Establish a management system to implement, check, and improve various occupational safety and health tasks according to the procedures and procedures.	Implement regular monitoring of the operating environment to ensure that the exposure concentrations of hazardous factors in the workplace comply with the allowable concentration standards to ensure the health and safety of employees.

### Statistics and Analysis of Occupational Injury (GRI 403-7)

In accordance with the provisions of the Occupational Safety and Health Act, the statistical results of occupational accidents are announced on a monthly basis. In addition, to improve employees' safety and health awareness, the Company has voluntarily launched the zero-disaster campaign and participated in the zero-disaster work-hours record website registration activity. The cumulative number of occupational hazards were recorded since February 2023. By the end of December of the same year, the Company had experienced a total of 906,976 disaster-free working hours, moving towards the goal of one million disaster-free working hours.

	2022	2023
Total Number of Injury Losses	0	0
Total number of days lost due to injuries	0	0
Disabling Injury Frequency Rate	0	0
Disabling injury severity rate	0	0

Note: Excluding work-related injuries during commuting.

## 1.5.3 Education and training on environmental safety and health (GRI403-5)

Course name	Training hours	Number of participants
Occupational safety and health training for new recruits	3 hours	217
General Safety and Health In-Service Training - Traffic Safety and Occupational Safety Education and Training	3 hours	50
Occupational safety personnel training - abnormal incident investigation and analysis and report writing	3 hours	126
ISO 45001 Internal Auditor	6 hours	20
ISO45001 Pre-departure Training for Internal Auditors	1.5 hours	15
Safety Committee Members In-Service Training	2 hours	16
Ergonomic Preventive Training	3 hours	6
Friendly workplace	1 hour	134
Wrongful Infringement Training Course	1 hour	16
On-the-job training for occupational safety personnel (administrators, sales supervisors)	6 hours	6
On-the-job Training for Hazardous Work Supervisors	6 hours	2
On-the-job Training for First Responders	3 hours	1
Class A Occupational Safety and Health Supervisor Training	42 hours	1
Class C Occupational Safety and Health Supervisor Training	21 hours	1
Chemical Hazard Identification and Risk Management Training	3 hours	117

### 1.5.4 Occupational health and safety workers participate in consultation and communication (GRI403-4)

The OHSC (Occupational Health and Safety Committee) meeting is convened quarterly by the chairperson (ISO45001 management representative), with the participation of representatives of various unit occupational health and safety seed personnel, labor representatives, safety and health personnel, and occupational health nurses. According to the law, at least one third of the labor representatives must discuss the implementation of the company's various plans and report the implementation results. If there is a problem, propose discussion, make improvement, and continue to follow up to prevent recurrence.

### 1.5.5 Employee health care (GRI 403-3, 403-6)

The OHSC (Occupational Health and Safety Committee) meeting is convened quarterly by the chairperson (ISO45001 management representative), with the participation of representatives of various unit occupational health and safety seed personnel, labor representatives, safety and health personnel, and occupational health nurses. According to the law, at least one third of the labor representatives must discuss the implementation of the company's various plans and report the implementation results. If there is a problem, propose discussion, make improvement, and continue to follow up to prevent recurrence.

Employee wellness in the workplace is the key to corporate sustainability. We aim to become a well-being enterprise by caring for the physical and mental health of employees and cultivating their self-affirmation. First-aid equipment is available in the building. Medicine kits, sphygmomanometers, and health magazines are provided in the infirmary. In addition to the equipment required by law, the nursing room also

provides breastfeeding machines and breast milk storage bags for nursing mothers.

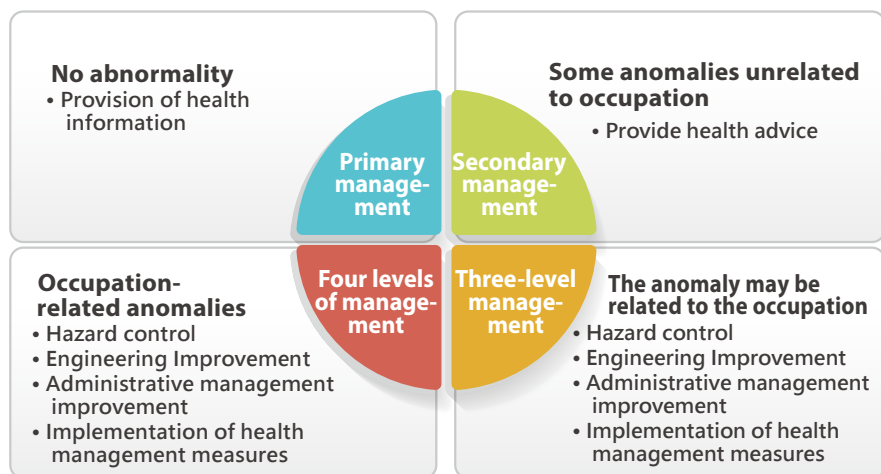
#### Employee health care:

We cooperate with local well-known and labor-accredited health checkup institutions to provide all employees with a health checkup subsidy every two years and an annual health checkup subsidy for all employees who are over 40 years old. The Company values the intentions of employees' health care. In 2023, 560 people received health checkup subsidies, and 456 people participated in the health checkup with a participation rate of 82%. Hospital, Chi Mei Hospital, E-Taiwan Hospital and other medical institutions to provide all employees with on-site health checkups. Multiple health checkup solutions, such as cardiovascular, gastroenterostomy, allergen, sleep, and genetic testing, are available for colleagues to choose freely.

#### Classification of health management:

In 2023, a total of 76 people with a health management level of 2 or 2 were given individual health guidance, care, and high-risk groups to be identified and provided with care and health education. In accordance with the Four Major Plans and the health promotion plan, health courses such as disease prevention, communication skill training, and hygiene guidance are provided.





▲ Figure 5-26 Hierarchical management

Table 5-10 Classified Management Statistics for 2023

Risk Level	Number of people	Note
4	0 person	Occupation-related anomalies
3	0 person	The anomaly may be related to the occupation
2	76 people	Provide health guidance for some abnormalities that are not related to occupation.
1	380 people	Provide health advice

Implement occupational safety and health management and promote the four major programs of the Occupational Safety and Health Administration:

Item	Content	2023 Implementation
Infringement prevention plan	To protect the employees' rights and interests at work and provide a workplace free of violence, the Company adopts appropriate preventive, corrective, and disciplinary measures for workplace incidents.	No complaints of workplace violence
Abnormal Workload Hazard Management	To protect the health of the Company employees and prohibiting them from working overtime, high-risk health examinations for brain and cardiovascular diseases are planned and screened, including electrocardiogram and myocardium inflammatory index. Health guidance and lectures on the prevention and treatment of chronic diseases are arranged.	Arranged for 20 people for health consultation with occupational doctors.
Maternity health protection management	To protect the physical and mental health and work safety of female colleagues during pregnancy, postpartum, and breastfeeding, we have formulated the "Maternity Health Protection Management Regulations."	4th place in the assessment for maternity protection
Ergonomic Hazard Prevention Plan	Prevent human hazards and avoid repetitive seasonal musculoskeletal injuries and make improvements to protect the health and well-being of colleagues, and protect the safety and health of colleagues.	468 musculoskeletal questionnaires were completed and reviewed by occupational safety and health physicians in collaboration with the on-site environment.

In addition to health management and health checkups, the Company's Employee Sports Center will host the first Healthy Fat Loss Competition in 2023 and offer various courses such as aerobic, stretching, and fat-loss sculpture for employees to participate in. Gym equipment will be open for use 24/7 for free. This year, six on-site services were provided to assist high-risk colleagues with health consultation and health education. We also hold an Employee Family Day event at the end of the year to enhance the cohesion and sportsmanship of our employees.



▲ Figure 5-27 Hazard Prevention Lecture



▲ Figure 5-28 Employee sports participation courses



▲ Figure 5-29 TOPCO Group Family Day



▲ Figure 5-30 Cheerleading Team Competition for Family Day of TOPCO Group



▲ Figure 5-31 Incident Handling Execution Flowchart



▲ Figure 5-32 Hazard Identification and Risk Evaluation Process

### 1.5.6 Unfettered and diverse communication channels (GRI 2-30)

To improve unfettered communication channels between the Company and employees, we have set up a public mailbox and email managed by senior supervisors for employees to freely make constructive proposals and to make recommendations for the Company and complaints to ensure the timeliness and effectiveness of communication.

Based on the Company's Ethical Code of Conduct and Whistleblower Policy, we encourage employees to report any unethical or unlawful behavior. Besides handling all reports confidentially and protecting the information and safety of whistleblowers, we will reward them based on the situation. Additionally, we have established a special mailbox for

sexual harassment complaints to provide employees with a working environment free of sexual harassment. We also take appropriate precautionary action and corrective action and give necessary punishment.

Additionally, we have established the workday weekly report system for employees to reflect and communicate opinions with management at any time and to provide employees with comprehensive channels for communicating with the Company. By publishing the internal TOPCO Family Digital Journal, we enable employees understand the activities of the Company.

### 1.5.7 Care for employees

We have established the "Employee Assistance Program, EAP" and formed a care team to provide relevant information to employees for help and needs, or respect the individual's wishes, contact internal resources related to the program to arrange consultation services. The scope of services includes psychological, legal, healthcare, and financial advisory services.

The Company has not formed a labor union, and thus no collective agreement has been signed. In order to realize a friendly workplace and allow employees to work with peace of mind, quarterly labor-management meetings and OHSC (Occupational Health and Safety Committee) meetings are held. Representatives elected by employees and appointed by the Company discuss labor-management relations, labor-management cooperation, and occupational safety and health issues. In 2023, no environmental impacts, labor problems, or offences against human rights were reported, handled, or resolved through official grievance mechanisms. Also, there were no labor-management disputes. The labor-management relationship was harmonious, and no impacts or losses due to labor-management disputes were reported.



▲ Figure 5-33 The TOPCO Family E-book

### 1.5.8 Employee satisfaction

Since 2023, we have been commissioned to outsource the employee opinion survey to an external organization. Through the norm database accumulated by consultants, one can make comparisons with companies in similar industries, as well as Competitiveness of the Company in the industry. A 2023 employee opinion survey showed an average score of 4.74 (out of 6). The satisfaction of employees in terms of “job” and “corporate culture” is higher than that of the same industry category, which also highlights the high degree of identification of employees with the organization.

## 2. Social influence ((GRI 203-1)

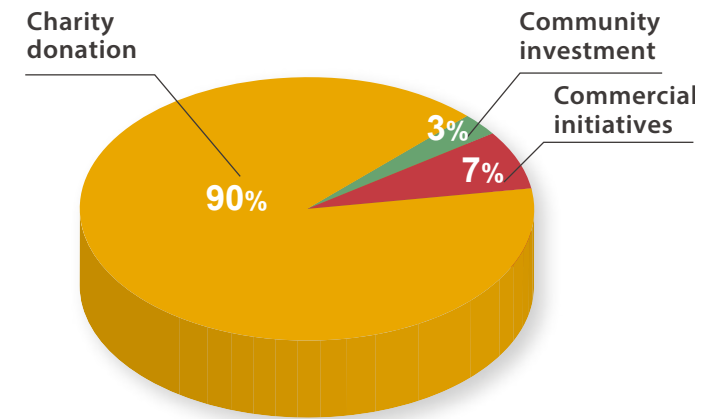
To align with the United Nations Sustainable Development Goals (SDGs), we focus on diverse social issues and transform sustainability strategies into concrete actions; Simultaneously, referencing the Business for Societal Impact (B4SI) framework, formerly known as the London Benchmarking Group (LBG), it analyzes the impact principles to assess the depth (connect, improve, transform) and type (behavior or attitude changes, skills or personal efficacy, quality of life or well-being) of overall resource input on beneficiaries. This evaluation of the total benefits derived from resource input serves as a basis for optimizing project execution and ensuring the sustained extension of social impact.

### 2.1 Social input in resource management

To constantly and effectively manage the benefit of social input and output, we continue to use the systematic analysis, assessment, and quantify “social input and output benefits”, hoping to enhance the efficiency of resource allocation and plan the sustainable

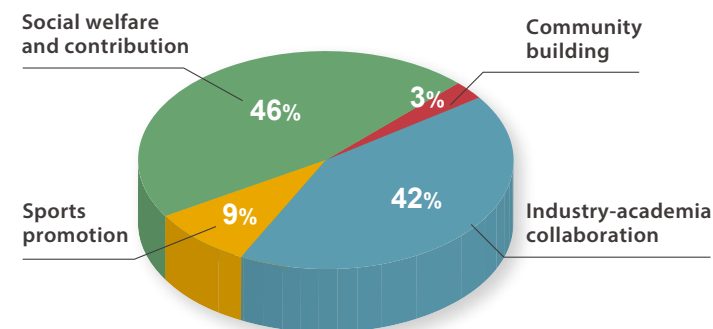
development of social engagement in the future. We practice social engagement in terms of the following four pillars: industry-academia collaboration, social welfare and contribution, community building, and sports promotion. Furthermore, the three major motivations for promoting social participation and contribution are “charitable donations,” “community investment,” and “commercial initiatives.”

**Three motivations for social engagement under the LBG Model**



Motivation	2021		2022		2023	
	Amount (NT\$ 10 thousand)	Percentage	Amount (NT\$ 10 thousand)	Percentage	Amount (NT\$ 10 thousand)	Percentage
Charity donation	780	86%	1221.66	76%	5159.51	90%
Community investment	20	2%	135.28	8%	180.57	3%
Commercial initiatives	111	12%	254.33	16%	391.37	7%
Total	911		1611.27		5731.45	

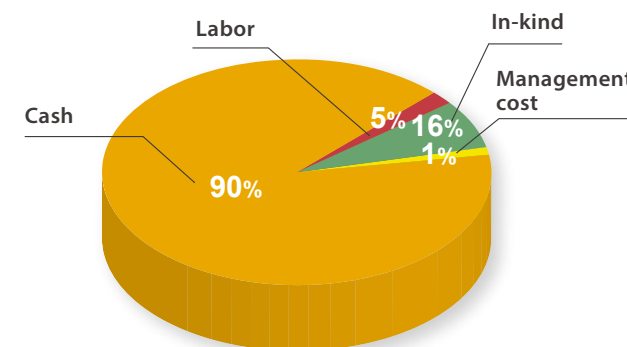
Amount and proportion of monetary inputs for the four pillars of social engagement



**Resource investment and labor allocation**

<b>Industry-academia collaboration</b> (NT \$2396.88 million)	<b>Social welfare and contribution</b> (NT\$ 2637.63 million)
Cash: Sponsor the TSC Thesis Award/scholarship, the TSC Marketing Symposium, Yung Ran Law Foundation, and Extension Culture and Education Foundation and organizing academic activities	Cash: Sponsor the TSC Thesis Award/scholarship, the TSC Marketing Symposium, Yung Ran Law Foundation, and Extension Culture and Education Foundation and organizing academic activities
<b>Community building</b> (NT \$180.57 million)	<b>Sports promotion</b> (NT\$ 516.37 million)
Cash: Sponsor the TSC Thesis Award/scholarship, the TSC Marketing Symposium, Yung Ran Law Foundation, and Extension Culture and Education Foundation and organizing academic activities	Cash: Sponsor the TSC Thesis Award/scholarship, the TSC Marketing Symposium, Yung Ran Law Foundation, and Extension Culture and Education Foundation and organizing academic activities

Amount and proportion of resource inputs for the four pillars of social engagement



Pillar input	2021		2022		2023	
	Amount (NT\$ 10 thousand)	Percentage	Amount (NT\$ 10 thousand)	Percentage	Amount (NT\$ 10 thousand)	Percentage
Industry-academia collaboration	247	27%	632.55	39%	2396.88	42%
Sports promotion	121	13%	254.33	16%	516.37	9%
Social welfare and contribution	523	57%	589.11	37%	2637.63	46%
Community building	20	2%	135.28	8%	180.57	3%
<b>Total</b>	<b>911</b>		<b>1611.27</b>		<b>5731.45</b>	

Resource	2021		2022		2023	
	Amount (NT\$ 10 thousand)	Percentage	Amount (NT\$ 10 thousand)	Percentage	Amount (NT\$ 10 thousand)	Percentage
Cash	352	39%	1256.51	78%	5166.6	90%
Labor	54	6%	79.66	5%	116.95	2%
In-kind	505	55%	251.81	16%	368.54	6%
Management cost	0		23.29	1%	79.36	1%
<b>Total</b>	<b>911</b>		<b>1611.27</b>		<b>5731.45</b>	

(As we implemented the LBG Model in 2021 for the first time, the statistics on management costs were incomplete, and management was not included)

### Summary

Over the years, TOPCO Group has focused on its core business, and made sustainable development a key criterion for the company. In addition to actively engaging in industry-academia collaborations, we also responded to the revitalization of culture industry in 2023 by creating performance spaces. In order to improve the quality of service for performance groups, we also hired professional personnel to assist performing groups to successfully complete performances. It is hoped that by utilizing artistic and cultural content as a means of communication, positive energy can continue to be spread, thus initiating a positive cycle in society.

## 2.2 Capacity for sustainable action

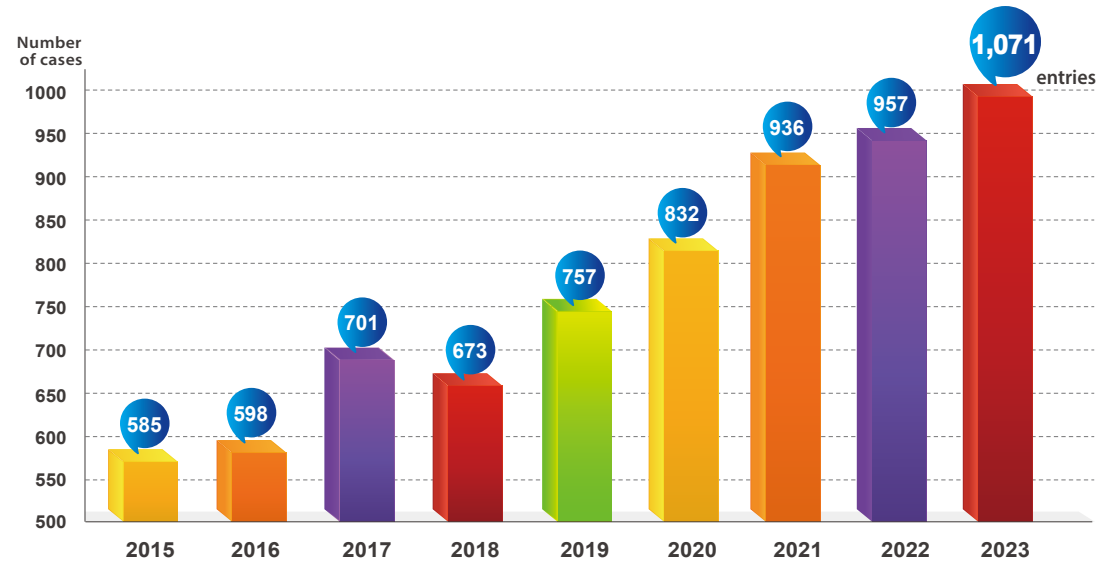
### 2.2.1 Talent cultivation

#### Cultivation of Academic Research - The TSC Thesis Award

The TSC Thesis Award, known as the management Academy Awards, encourages international students studying in Taiwan to participate in the competition. This year's competition includes contestants from Vietnam, Thailand, Malaysia, Indonesia, India, the Philippines, Myanmar, Belize, Ecuador, and Venezuela. We have welcomed students from more than ten countries to sign up. Thesis topics are in line with international trends and in line with the government's policy direction. There are five major areas in total, including biotechnology and medical industry, AI information, ESG sustainability, marketing and circulation, and business management. Sponsored exclusively by TOPCO, the 16th TSC Thesis Awards received submissions from 13 countries, 77 universities, totaling 1,071 papers competing for awards. In the end, 6 papers were awarded Special Distinction Awards, 40 received Excellent Thesis Awards, and 118 were recognized with Honorable Mention Awards.

#### Innovative Brand Management and Marketing Planning Talent - "TSC Marketing Symposium"

In 2016, we organized the TSC Marketing Symposium for the first time for active students of college and university across Taiwan to demonstrate their marketing ideas and connect practical needs with team creativity through this marketing plan competition in order to solve the actual problems of businesses. In 2023, a total of 223 student teams competed for the Best Marketing Plan. The number of applications received increased by 33% compared to last year.



▲ Figure 5-35 Number of thesis Submitted 2015-2023



▲ Figure 5-34 16th edition of the TSC Thesis Award



▲ Figure 5-36 The winners of the "TSC Thesis Award" and "TSC Marketing Symposium" and the invited guests have a group photo at the award presentation ceremony

### **Cultivating base-level baseball talent as a sports promoter**

TOPCO established the “XPORTS” professional sports training brand, introducing Japanese “Beginning Movement Load Training” and integrating sports science testing, professional equipment, and strength and fitness training. This initiative aims to establish professional sports training and recovery mechanisms, create world-class training facilities, provide high-quality sports environments for the Taiwanese people, and train baseball players scientifically using national-level sports facilities within the venue. TOPCO has long supported national sports development and nurtured outstanding baseball players. Since 2019, it has been recognized by the organizers for five consecutive years. Through sports and sports promotion, TOPCO fulfills its corporate social responsibility. In 2023, TOPCO sponsored and supported various sports training activities, including National Taipei University team sports training, Peinan Junior High School sports science training camp, and assistance to the Chinese Taipei Asian Games baseball training, totaling 1,129 participants.

### **Proactively promote the semiconductor talent training program**

Call on industry partners to form the “New Eastbound Alliance” to leverage Taiwan’s advantages, provide a better environment, attract outstanding talents from all over the world to develop in Taiwan, and assist Taiwan’s industries in going international. In order to strengthen the talent multiplication plan, we will also cultivate more middle and high-level talents from countries where we are heading southward to cater for the needs of overseas Taiwanese businessmen and domestic industries. The three major projects that we are actively carrying out include investment in the Mini-EMBA in the U.S. and Canada, the 30X100 alliance for international talent cultivation and the 3050 alliance, and 2030 carbon reduction, to initiate specific actions in capital, talent, and ESG. Currently, there are about 50 corporate member links.

### **Taking Root and Cultivating ESG in the ANYO Atisan Village**

In our well-designed series of courses, children will learn ESG environmental sustainability education. By making solar fans, they will understand the operation principle of solar energy and the mysteries of green energy. Learn about marine life and the harm caused by plastic waste to the marine ecological environment through the experience of the Ocean Surprise board game. Real-world puzzle games are developed to help people understand food safety issues, frozen food processing knowledge, and the plight of the ocean currently. At the same time, we convey our concern about food safety and marine ecology issues. In support of Yilan Green Expo, we hosted 400 children for free on Children’s Day to play a sustainable nine-square grid game to help them learn about ANYO’s commitment to sustainable development in the SDGs.



▲ Figure 5-37 TOPCO receiving the Sports Administration’s Sports Promotion Gold Award and Long-term Sponsorship Recognition.



Figure 5-38 New Eastbound Alliance established



▲ Figure 5-39 Ocean’s Ocean Board Game Experience



## 2.2.2 Supporting cultural development

### Let those who have dreams find a stage to perform

The restaurant, MD Creative Cuisine, of the TSC Group, has created a venue for music performances. In 2023, 151 performance groups of different styles were invited to present 56 music performances of different styles. Including the live performance collaboration with visually impaired musician Yu-Hsiang Huang, playing the C. Bechstein piano housed in the gallery, infusing new vitality into the antique piano's charm, accompanied by saxophone played by fellow visually impaired musician Wu Pak-Yi; The audience saw the limitless possibilities of people with disabilities, and then created a work-friendly, diverse and inclusive society; the number of audiences was about 1,600.

### Support the Chamber Music - Music Island Program

The half-line chamber music group, founded by young violinists Xiang-Yu Meng and Pei-Wu Chen from Changhua County, held the "2023 Music Island Project" with the hope to spread classical music to every corner of Taiwan through string quartet performances. We invited local residents to enjoy a rare classical music performance.

### Cooperation with Nantian Temple's Jin Mazu

The TOPCO Group collaborates with local organizations and participates in local cultural activities to deepen ties with the local community. During the Lanyang Mazu Culture Festival, we conducted a land and sea circumnavigation of the territory. ANYO Museum was one of the border crossing points, where ceremonies such as incense passing, tea breaks and sedan chair trips were held at the ANYO Museum. The hope is that through the pilgrimage procession, not only can Taiwan's folk culture be passed down, but also interpersonal exchanges can be promoted, achieving the psychological function of soothing the soul and relieving anxiety.



▲ Figure 5-40 Monthly performance program



▲ Figure 5-41 "2023 Music Island Program" took a photo with the public at the ANYO Museum



▲ Figure 5-42 Support folk culture and promote social harmony



## 2.2.3 Community recognition

### Age friendly - increase the labor force participation rate

In collaboration with the Yilan County Government's Labor Department, we offer internship services to silver-haired seniors over the age of 55, increasing the labor force participation rate of the elderly, and creating an age-friendly workplace with ANYO Museum serving as the internship site for the service industry.



▲ Figure 5-43 Employability training for silver-haired talents

### Building a sports community for seniors

We work with the New Taipei City Health Bureau and the New Taipei City Health Bureau's "Silver Health Club" project to serve the elderly in the Sanxia, Yingge, and Shulin areas. The equipment is designed for the elderly and guided by dedicated personnel, so that the elderly can follow their capabilities. Gradual progress can achieve the best results, thereby enhancing the mobility, reaction power, and bone mineral density of the elderly. We also combine government and corporate resources to organize various health and sports courses to create elderly-friendly sports spaces and social activities. 21,600 people participated in 2023.

### Committed to promoting sports into the community

Under TOPCO Group, the XPORTS, is commissioned to operate: the National Taipei University Sports Center, the Bade Social Housing Sports Center in Taoyuan, the swimming pool of Rongxing Garden Park, Taipei Xinyi Sports Center, and Yongchun Gym. Collect and analyze exercise data by integrating the smart gym to provide the public with six-star equipment and services. In addition to making the general public healthier, athletes can continue their careers after retiring, creating more employment opportunities for athletes.



▲ Figure 5-44 Guidance on healthy sports for seniors in the community



▲ Figure 5-45 Create a community-friendly sports environment

## [ Appendix 1 ] GRI Content Index (GRI)

Statement of Use	TOPCO published its 2023 Sustainability Report in accordance with the GRI Standards, with data from January 1 to December 31, 2023
GRI 1 Version	GRI1:Foundation2021
GRI Sector Standards	None

### GRI 2

Accounting metric	Disclosure requirements	Report section or description	Description of omission	Page
-------------------	-------------------------	-------------------------------	-------------------------	------

#### Organization and reporting

2-1	Organizational details	About TOPCO SCIENTIFIC		9
2-2	Entities included in the organization' s sustainability reporting (boundaries)	Introduction of the Report		3
2-3	Reporting period, frequency and contact point	Introduction of the Report		3
2-4	Restatements of information	Introduction of the Report		3
2-5	External assurance	Introduction of the Report		4

#### Activities and workers

2-6	Activities, value chain and other business relationships	Product (Service) Introduction Group Profile		11
2-7	Employees	Sound employee and recruitment system		92
2-8	Workers who are not employees	Sound employee and recruitment system		92

## Governance

2-9	Governance structure and composition	Corporate Governance (Board of Directors)	37
2-10	Nomination and selection of the highest governance body	Corporate Governance (Board of Directors)	36
2-11	Chair of the highest governance body	Corporate Governance (Board of Directors)	36
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance (Board of Directors)	37
2-13	Delegation of responsibility for managing impacts	Corporate governance (The CFO's office regularly reviews the rationality of customer credit lines every year and assesses, measures, and manages customer risks.)	38
2-14	Role of the highest governance body in sustainability reporting	2. ESG execution framework and management platform	22
2-15	Conflicts of interest	Corporate Governance (Board of Directors)	36
2-16	Communication of critical concerns	Stakeholder Communication and Material Issues Management	28
2-17	Collective knowledge of the highest governance body	Corporate governance (directors' career history, succession planning, on-the-job training results)	37
2-18	Evaluation of the performance of the highest governance body	Corporate Governance (Board of Directors)	39
2-19	Remuneration policies	Remuneration Committee (Remuneration of the highest governance unit and the highest level)	39
2-20	Process to determine remuneration	Remuneration Committee, annual report	39
2-21	Annual total compensation ratio	Remuneration and employee welfare (employee remuneration)	103-105

## Strategy, policies and practice

2-22	Statement on sustainable development strategy	From the Chairperson, From the Chief Sustainability Officer	5-6
2-23	Policy commitments	Ethical Corporate Management and Ethics Sustainable Corporate Goals Sustainable supply chain development strategy Green Procurement Policy TOPCO biodiversity policy Diversity and inclusion policies	40, 69 16 91 58 63 86
2-24	Embedding policy commitments	Ethical corporate management and business integrity (1,617 copies were issued in 2023, and employees who fail to complete the promotion and confirmation will be tracked.)	40
2-25	Processes to remediate negative impacts	Valuing customer privacy Improving customer satisfaction and handling customer complaints Labor-management meeting, Grievance channels Report box for corruption and violation of professional ethics	54 55 25 40
2-26	Mechanisms for seeking advice and raising concerns	Labor-management meeting, Grievance channels Ethical corporate management and business integrity	40
2-27	Compliance with laws and regulations	Compliance with laws and regulations	41
2-28	Membership associations	Partnerships for the Goals	48

## Stakeholder engagement

2-29	Approach to stakeholder engagement	Identifying stakeholder groups Stakeholder Communication and Material Issues Management	24 28
2-30	Collective bargaining agreements	Safe Workplace and Labor- Management Harmony	106

## GRI3

Accounting metric	Disclosure requirements	Report section or description	Description of omission	Page
3-1	Process to determine material topics	Identifying stakeholder groups		24
3-2	List of material topics	Stakeholder Communication and Material Issues Management		28

Material Issue	Management Approach and Disclosure Items		Section	Page	Comments	
Category: Governance						
Ethical corporate management	GRI 3: Material Topics 2021	3-3	Management of material topics	Stakeholder Communication and Material Issues Management	28-33	
	GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Ethical corporate management and business integrity	40	
		205-2	Communication and training about anti-corruption policies and procedures	Ethical corporate management and business integrity Selection of quality and integral suppliers	40 61	
		205-3	Confirmed incidents of corruption and actions taken	Ethical corporate management and business integrity	40	

Material Issue	Management Approach and Disclosure Items			Section	Page	Comments
Category: Governance						
Ethical corporate management	GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Ethical corporate management and business integrity (Ethical Corporate Management Best Practice Principles, Code of Ethical Conduct)	40	
Customer service	GRI 3: Material Topics 2021	3-3	Management of material topics	Stakeholder Communication and Material Issues Management	28	
	GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Professional service and grasp of customer needs (providing high-quality materials and equipment)	52	
		416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Professional service and grasp of customer needs (providing high-quality materials and equipment)	52	
	GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	Professional service and grasp of customer needs (providing high-quality materials and equipment)	52	
		417-2	Incidents of non-compliance concerning product and service information and labeling	Professional services and grasp of customer needs	51	
		417-3	Incidents of non-compliance concerning marketing communications		40	No major violations of laws and regulations
Supplier sustainability management	GRI 3: Material Topics 2021	3-3	Management of material topics	Stakeholder Communication and Material Issues Management	28-33	
	GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Promoting supply chain localization	63	

Material Issue	Management Approach and Disclosure Items			Section	Page	Comments
Category: Governance						
Supplier sustainability management	GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Selection of quality and integral suppliers	61	
		308-2	Negative environmental impacts in the supply chain and actions taken	Sustainable supply chain development strategy	58	
	GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Promotion of supplier collaboration and management	59	
		414-2	Negative social impacts in the supply chain and actions taken	Promoting supplier cooperation management (selecting excellent and ethical suppliers)	61	
Economic performance	GRI 3: Material Topics 2021	3-3	Management of material topics	Stakeholder Communication and Material Issues Management	28-33	
	GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Operational performance, Annual report	42-44	
		201-2	Financial implications and other risks and opportunities due to climate change	Climate Change Management (TCFD)	68-74	
		201-3	Defined benefit plan obligations and other retirement plans	Generous remuneration and employee welfare	103	
		201-4	Financial assistance received from government	NT\$37,420,000	P136 of financial statements	
		203-1	Infrastructure investments and services supported	Social influence	115-117	
		203-2	Significant indirect economic impacts	Honor and Recognition Operation performance	15 42-44	
Risk management	GRI 201: Economic Performance 2016	3-3	Management of material topics	Stakeholder Communication and Material Issues Management	28-33	
	Non-GRI Indicators, Specific Topic of Cultivation					



Material Issue	Management Approach and Disclosure Items			Section	Page	Comments
Category: Governance						
Information security	GRI 3: Material Topics 2021	3-3	Management of material topics	Stakeholder Communication and Material Issues Management	28	
	GRI 418: Customer Privacy 2016	418-1	Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data	Providing professional services and keeping track of customer needs (emphasizing customer privacy)	54-55	No complaints regarding breaches of customer privacy and losses of customer data were reported in 2023.

Material Issue	Management Approach and Disclosure Items			Section	Page	Comments
Category: Environment						
Climate change	GRI 3: Material Topics 2021	3-3	Management of material topics	Stakeholder Communication and Material Issues Management	28-33	
	GRI 302: Energy 2016	302-1	Energy consumption within the organization	Subaru Energy Management	81-82	
		302-2	Energy consumption outside of the organization	Greenhouse Gas Management	79-80	
		302-3	Energy intensity	Subaru Energy Management	81-82	
		302-4	Reduction of energy consumption	Subaru Energy Management	81	
	GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Greenhouse Gas Management	79-80	
		305-2	Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Management	79-80	
		305-3	Other indirect (Scope 3) GHG emissions	Greenhouse Gas Management	79-80	

Material Issue	Management Approach and Disclosure Items		Section	Page	Comments	
Category: Environment						
Climate change	GRI 305: Emissions 2016	305-4	Greenhouse Gas Emission Intensity	Greenhouse Gas Management (Carbon Emission Intensity)	80	
		305-5	Reduction of GHG emissions	TOPCO Energy Management (Energy Management Strategy and Carbon Reduction Management)	81	
		305-6	Emissions of ozone-depleting substances (ODS)			TOPCO does not have related process, thus this is not applicable.
		305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions			TOPCO does not have related process, thus this is not applicable.
Waste management	GRI 3: Material Topics 2021	3-3	Management of material topics	Stakeholder Communication and Material Issues Management	28-33	
	GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Waste management	84-85	
		306-2	Management of significant waste-related impacts	Waste management	84-85	
		306-3	Waste generated	Waste management	84-85	
		306-4	Waste diverted from disposal	Waste management	84-85	
		306-5	Waste directed to disposal	Waste management	84-85	

Material Issue	Management Approach and Disclosure Items			Section	Page	Comments
Category: Social						
Employee development and talent retention	GRI 3: Material Topics 2021	3-3	Management of material topics	Stakeholder Communication and Material Issues Management	28	
	GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Cultivation of Talents with Diverse Abilities	97	
		404-2	Programs for upgrading employee skills and transition assistance programs	Key Investments in Industrial Green Transformation ( To incorporate the concept of Diversity and Inclusion (DEI) into its operations, the Subsidiary Group started to hire 7 new residents and foreign students starting in 2023.)	85	
				Cultivation of Talents with Diverse Abilities	97	
		404-3	Percentage of employees receiving regular performance and career development reviews	Transparent and fair evaluation system	104	
	GRI 405: Diversity and Equal Opportunity for Employees 2016	405-1	Diversity of governance bodies and employees	Board of Directors Sound employee and recruitment system (talent recruitment and talent recruitment channel)	36-37 96-97	
		405-2	Ratio of minimum wage and remuneration of women to men	Remuneration and employee welfare (employee remuneration)	104-105	
Occupational health and safety	GRI 3: Material Topics 2021	3-3	Management of material topics	Stakeholder Communication and Material Issues Management	28-33	
	GRI 403: Occupational Safety and Health 2018	403-1	Occupational health and safety management system	Safe Workplace and Labor-Management Harmony	108	
		403-2	Hazard identification, risk assessment, and incident investigation	Safe Workplace and Labor-Management Harmony	113	
		403-3	Occupational health services	Safe Workplace and Labor-Management Harmony	111-112	

Material Issue	Management Approach and Disclosure Items		Section	Page	Comments	
Category: Social						
Occupational health and safety	GRI 403: Occupational Safety and Health 2018	403-4	Worker participation, consultation, and communication on occupational health and safety	Safe workplace and labor-management harmony (occupational safety and health workers participate in consultation and communication)	111-112	
		403-5	Worker training on occupational health and safety	Safe workplace and labor-management harmony (environmental safety and health education and training)	113	
		403-6	Promotion of worker health	Safe workplace and labor-management harmony (employee health care)	111-112	
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safe workplace and labor-management harmony (identification of work environment safety risks and preventive measures)	109-110	
		403-8	Workers covered by an occupational health and safety management system	Safe Workplace and Labor-Management Harmony	108	
		403-9	Work-related injuries	Safe Workplace and Labor-Management Harmony	108	
		403-10	Work-related ill health	Safe Workplace and Labor-Management Harmony	108	
Employee care	GRI 3: Material Topics 2021	3-3	Management of material topics	Stakeholder Communication and Material Issues Management	28-33	
	GRI 202: Market Status 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Remuneration and employee welfare (employee remuneration)	105	
		202-2	Proportion of senior management hired from the local community	Sound employee and recruitment system (employee structure)	92	

Material Issue	Management Approach and Disclosure Items		Section	Page	Comments	
Category: Social						
Employee care	GRI 401: Employment Relations 2016	401-1	New employee hires and employee turnover	Sound employee and recruitment system (employee structure)	93-94	
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Remuneration and employee welfare (employee remuneration)	106	
		401-3	Parental leave	Sound employee and recruitment system (employee structure)	95	
Human rights	GRI 3: Material Topics 2021	3-3	Management of material topics	Stakeholder Communication and Material Issues Management	28-33	
	GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Safe workplace and labor-management harmony (Safe workplace)	109	No incidents of discrimination.
	GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Safe workplace and labor-management harmony (Safe workplace)	109	All subsidiaries follow the local laws and regulations and comply with the collective bargaining agreements. TOPCO respects the collective bargaining rights and freedom of association of employees. In Taiwan where the headquarters are located, TOPCO holds quarterly labor-management meetings in accordance with law to coordinate labor-management relations and promote labor-management cooperation to enhance the work efficiency of employees.
	GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Safe workplace and labor-management harmony (Safe workplace)	109	
	GRI 409: Compulsory or Strong 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Safe workplace and labor-management harmony (Safe workplace)	109	No incidents of forced or compulsory labor at operational sites and suppliers.

## [ Appendix 2 ] Sustainability Accounting Standards Board Index (SASB)

**Table 1 Sustainability Disclosure Topics & Accounting Metrics**

Topic	Code	Accounting metric	Category	Response
Energy management	RT-IG-130a.1	(1) Total energy consumption (GJ) (2) Percentage of grid electricity consumption (%) (3) Percentage of renewable energy usage (%)	Quantitative	(1) 10,131.17GJ (2) 56.7% (3) 4.2%
Employee Health & Safety	RT-IG-320a.1	(1) Accident Rate (TRIR) (2) Death rate (3) Near miss rate (NMFR)	Quantitative	0 (no accidents)
Fuel Economy & Emissions in Use Phase	RT-IG-410a.1	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles.	Quantitative	Not applicable, as the Company does not engage in the sale of such products.
	RT-IG-410a.2	Sales-weighted fuel efficiency for non-road equipment		
	RT-IG-410a.3	Sales-weighted fuel efficiency for stationary generators.		
	RT-IG-410a.4	Sales-weighted emissions of: (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines, and (d) other non-road diesel engines.		
Materials Sourcing	RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	Description	P57. Sustainable Supply Chain Development Strategy: TOPCO and suppliers are committed to the management of conflict minerals and responsible sourcing strategies.
Remanufacturing Design & Services	RT-IG-440b.1	Revenue from remanufactured products and remanufacturing services (USD)	Quantitative	Not applicable, not engaged in manufacturing.

## Table 2 Activity metrics

Topic	Code	Accounting metric	Category	Response
Number of units produced by product category	RT-IG-000.A		Quantitative	Not applicable, not engaged in manufacturing.
Number of employees	RT-IG-000.B	Full time and part time	Quantitative	518 people.

## [ Appendix 3 ] FSC Sustainability Disclosure Metrics - Electronics

Code	Accounting metric	Category	Annual disclosure	Unit of measure	Note
1	Total energy consumed, percentage grid electricity, and percentage renewable	Quantitative	Total energy consumption: 10,131.17GJ (Gasoline: 130 KP*3.266×10 <sup>10</sup> J/Kung Ping Ping Ping*10 <sup>-9</sup> GJ/J=4,256.90 GJ Diesel: 3.8 KL*3.517×10 <sup>10</sup> J/ 10 <sup>-9</sup> GJ/J=133.51GJ Electricity: 1,594,6572kWh* 3.6 ×10 <sup>6</sup> J/kWh* 10 <sup>-9</sup> GJ /J=5,740.76GJ) Percentage of purchased electricity: 56.7% Renewable energy utilization rate: 4.2%	Gigajoules (GJ), percentage (%)	
2	Total water withdrawn and total water consumed	Quantitative	5,620	Cubic meter (m <sup>3</sup> )	Office water usage equals consumption
3	Amount of hazardous waste from manufacturing and percentage recycled	Quantitative	0	Ton (t), percentage (%)	None
4	Types of occupational accidents, number of persons, and rate	Quantitative	0	Rate (%), quantity	None
5	Product lifecycle management: Weight of end-of-life materials and e-waste recovered, percentage of recovered materials that is recycled <sup>1</sup>	Quantitative	0	Ton (t), percentage (%)	None
6	Discussion of the management of risks associated with the use of critical materials	Qualitative description		Not applicable	Not engaged in manufacturing
7	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive regulations	Quantitative	0	Reporting currency	None in 2023
8	Output of principal products by product category	Quantitative		Varies by product category	Not engaged in manufacturing

Note 1: Including the sale of scrap and other forms of recycling and disposal. Please specify.

## [ Appendix 4 ] List of tables

TABLE 1-1	2023 SDG ACHIEVEMENTS OVERVIEW	19	TABLE 4-1	CLIMATE-RELATED INDICATORS AND TARGETS	80
TABLE 1-2	ISSUES CONCERNING STAKEHOLDERS AND RESULTS OF STAKEHOLDER ENGAGEMENT	25	TABLE 4-2	2021-2022 GHG EMISSIONS STATISTICS	80
TABLE 1-3	CHANGES IN MATERIAL ISSUES IN 2023	30	TABLE 4-3	2023 GHG EMISSIONS STATISTICS	81
TABLE 1-4	MATERIAL ISSUE IDENTIFICATION TABLE	31	TABLE 4-4	TOPCO TECHNOLOGY'S ENERGY MANAGEMENT STRATEGY AND CARBON REDUCTION MANAGEMENT	77
TABLE 1-5	MATERIAL ISSUES AND VALUE CHAIN	34	TABLE 4-5	ENERGY USAGE STATISTICS IN THE LAST THREE YEARS	82
TABLE 2-1	SUMMARY OF SUSTAINABILITY GOVERNANCE IN 2023	37	TABLE 4-6	TOTAL ELECTRICITY CONSUMPTION IN THE LAST THREE YEARS	82
TABLE 2-2	LIST OF DIRECTORS	37	TABLE 4-7	TOTAL FUEL CONSUMPTION IN THE LAST THREE YEARS	82
TABLE 2-3	OPERATING PERFORMANCE IN THE LAST THREE YEARS	42	TABLE 4-8	TOTAL PAPER CONSUMPTION IN THE PAST THREE YEARS	83
TABLE 2-4	TABLE OF THE GROUP'S BUSINESS PERFORMANCE IN THE RECENT THREE YEARS	43	TABLE 4-9	TOTAL WATER CONSUMPTION IN THE RECENT THREE YEARS	83
TABLE 2-5	TOPCO'S RANKINGS IN THE COMMONWEALTH TAIWAN TOP 2000 OVER THE YEARS	43	TABLE 4-10	WASTE STATISTICS FOR THE PAST THREE YEARS	84
TABLE 2-6	BASIC STOCK INFORMATION OF TOPCO	44	TABLE 4-11	SUSTAINABLE INNOVATION AND DEVELOPMENT GOALS OF GREEN ENERGY CYCLE	84
TABLE 2-7	TOPCO DIVIDEND DISTRIBUTIONS IN THE LAST FIVE YEARS	44	TABLE 5-1	RESIGNATION OF EMPLOYEES IN THE LAST THREE YEARS	95
TABLE 2-8	SIMULATED SCENARIOS OF DRILLS	45	TABLE 5-2	PARENTAL LEAVE STATUS IN THE RECENT THREE YEARS	96
TABLE 2-9	INFORMATION SECURITY MEASURES AND IMPLEMENTATION RESULTS	46	TABLE 5-3	CONTINUING EDUCATION OF SENIOR MANAGERS IN THE LAST THREE YEARS	100
TABLE 2-10	SIMULATED SCENARIOS OF DRILLS	47	TABLE 5-4	EDUCATION AND TRAINING EXPENSES IN THE PAST THREE YEARS	104
TABLE 2-11	DRILL RESULTS IN 2023	47	TABLE 5-5	TRAINING HOURS IN THE RECENT THREE YEARS	105
TABLE 2-12	INFORMATION SECURITY INCIDENT STATISTICS	47	TABLE 5-6	EMPLOYEE BASIC SALARY RANGE	107
TABLE 3-1	FULFILLMENT RATE IN DAYS FOR HANDLING CUSTOMER COMPLAINTS IN THE PAST THREE YEARS	58	TABLE 5-7	ANNUAL SALARY AND TOTAL COMPENSATION RATIO OF NON-MANAGERIAL EMPLOYEES	107
TABLE 3-2	ESG ACTIONS OF THREE MAJOR SUPPLIERS	60	TABLE 5-8	TABLE OF SALARY ADJUSTMENTS IN THE PAST THREE YEARS	108
TABLE 3-3	SUPPLIER AUDIT RATE IN 2023	61	TABLE 5-9	EMPLOYEE WELFARE PROGRAM	111
TABLE 3-4	THE ENDORSEMENT RATE OF THE TOPCO "CORPORATE SOCIAL RESPONSIBILITY DECLARATION"	61	TABLE 5-10	CLASSIFIED MANAGEMENT STATISTICS FOR 2023	119



## [ Appendix 5 ] Table of Contents

FIGURE 1-1	ESG PROMOTION COMMITTEE - ORGANIZATIONAL FRAMEWORK	23	FIGURE 3-11	CUSTOMER COMPLAINT HANDLING FLOWCHART	57
FIGURE 1-2	RESULTS OF STAKEHOLDER IDENTIFICATION AND SIGNIFICANCE TO TOPCO	24	FIGURE 3-12	CUSTOMER COMPLAINT QUALITY MANAGEMENT PROCEDURES	58
FIGURE 1-3	METHODS AND PROCESSES OF IDENTIFICATION	28	FIGURE 3-13	SUSTAINABLE SUPPLY CHAIN DEVELOPMENT STRATEGY	59
FIGURE 1-4	EVALUATION OF THE POSSIBILITY OF OCCURRENCE OF MATERIAL ISSUES AND THE EXTENT OF POSITIVE AND NEGATIVE IMPACTS	29	FIGURE 3-14	MANAGEMENT PROCESS OF THE SUSTAINABLE SUPPLY CHAIN	59
FIGURE 2-1	RANKED TOP 6-20% OF ALL LISTED COMPANIES AT THE CORPORATE GOVERNANCE EVALUATION	40	FIGURE 3-15	SUPPLIER LOGOS	59
FIGURE 2-2	2021-2023 REVENUE	43	FIGURE 3-16	SUPPLIER CODE OF CONDUCT	62
FIGURE 2-3	2019-2022 NET OPERATING PROFIT	43	FIGURE 3-17	RELIABLE SUPPLIER MANAGEMENT	63
FIGURE 2-4	COMMONWEALTH TOP 2000: 43RD IN THE SERVICE INDUSTRY AND 13TH IN THE IC RETAIL INDUSTRY	43	FIGURE 3-18	ISO 14001 CERTIFICATION AND RESTRICTION OF HAZARDOUS SUBSTANCES DIRECTIVE	63
FIGURE 2-5	SHAREHOLDER STRUCTURE	44	FIGURE 4-1	OUR ACTIONS	67
FIGURE 2-6	DIVIDEND DISTRIBUTIONS IN THE LAST FIVE YEARS	44	FIGURE 4-2	GREENHOUSE GAS INVENTORY IMPLEMENTATION COMMITTEE	78
FIGURE 2-7	INFORMATION SECURITY MANAGEMENT PROCESS	46	FIGURE 4-3	TSC'S RECYCLING ENGINEERING TECHNOLOGY	86
FIGURE 3-1	OPERATING PERFORMANCE OF THE FOUNDRY PLATFORM	50	FIGURE 4-4	FILTER ELEMENT	86
FIGURE 3-2	ISO 9001:2015 CERTIFICATE	51	FIGURE 4-5	OFFSHORE WIND FARM	87
FIGURE 3-3	ISO 9001:2015 CERTIFICATE OF TOPCO SCIENTIFIC (SHANGHAI) CO., LTD.	51	FIGURE 4-6	UTILIZATION AND DEVELOPMENT OF WHOLE FISH	87
FIGURE 3-4	PROFESSIONAL CUSTOMER SERVICE	51	FIGURE 4-7	THE CHAIRPERSON OF THE TOPCO GROUP, DR. CHIH-HUI KWOK RECEIVED THE AWARD FROM SECRETARY-GENERAL LEE MENG-YAN OF THE EXECUTIVE YUAN AT THE 19TH "INTERNATIONAL OUTSTANDING INVENTOR AWARD - THE HIGHEST BIOTECH AWARD" IN 2023.	81
FIGURE 3-5	SUBSTANCE EVALUATION FLOWCHART	52	FIGURE 4-8	AWARD RECORDS	88
FIGURE 3-6	CONTINUAL IMPROVEMENT AND INNOVATION	54	FIGURE 4-9	RECYCLE AND REUSE CALCIUM FLUORIDE SLUDGE TO PRODUCE ARTIFICIAL FLUORITE.	89
FIGURE 3-7	MEASURES FOR CUSTOMER PRIVACY PROTECTION	55	FIGURE 4-10	THE TOPCO GROUP ASSISTS CORPORATE CUSTOMERS IN LAUNCHING LOW-CARBON STRATEGIES	89
FIGURE 3-8	CUSTOMER SATISFACTION IN VARIOUS ASPECTS IN THE PAST THREE YEARS	56	FIGURE 4-11	ANYONG FRESH COMMITMENT TO ENVIRONMENTAL SUSTAINABILITY	90
FIGURE 3-9	RESULTS OF CUSTOMER SATISFACTION SURVEY: COMPARISON WITH OTHER SUPPLIERS.	56			
FIGURE 3-10	CUSTOMER SATISFACTION FOLLOW-UP FLOWCHART	57			

FIGURE 4-12 ANYO WAS AWARDED THE “2023 RURAL SUSTAINABILITY AWARD”	90	FIGURE 5-24 AWARD PRESENTATION TO OUTSTANDING EMPLOYEES	104
FIGURE 4-13 TOPCO TECHNOLOGY BUILDS EXCELLENT TRAINING BASE	90	FIGURE 5-25 THE EMPLOYEE CAFETERIA AT CHONG-VIET GROUP HEADQUARTERS WON THE “GREEN FOOD FIRST AWARD”	106
FIGURE 5-1 FIVE DOMAINS OF TOPCO’S FRIENDLY AND LOHAS ENVIRONMENT	92	FIGURE 5-26 HIERARCHICAL MANAGEMENT	112
FIGURE 5-2 GENDER COMPOSITION OF EMPLOYEES 2020-2022	93	FIGURE 5-27 HAZARD PREVENTION LECTURE	113
FIGURE 5-3 GENDER COMPOSITION OF MANAGEMENT	93	FIGURE 5-28 EMPLOYEE SPORTS PARTICIPATION COURSES	113
FIGURE 5-4 DISTRIBUTION OF MALE EMPLOYEES BY REGION	93	FIGURE 5-29 PHOTO 5 OF THE TOPCO GROUP FAMILY DAY	113
FIGURE 5-5 DISTRIBUTION OF FEMALE EMPLOYEES BY REGION	93	FIGURE 5-30 CHEERLEADING TEAM COMPETITION FOR FAMILY DAY OF TOPCO GROUP	113
FIGURE 5-6 DISTRIBUTION OF TOTAL EMPLOYEES BY REGION	93	FIGURE 5-31 INCIDENT HANDLING EXECUTION FLOWCHART	113
FIGURE 5-7 AGE DISTRIBUTION OF MALE EMPLOYEES	94	FIGURE 5-32 HAZARD IDENTIFICATION AND RISK EVALUATION PROCESS	113
FIGURE 5-8 AGE DISTRIBUTION OF FEMALE EMPLOYEES	94	FIGURE 5-33 THE TOPCO FAMILY E-BOOK	114
FIGURE 5-9 AGE DISTRIBUTION OF TOTAL EMPLOYEES	94	FIGURE 5-34 16TH EDITION OF THE TOPCO PAPER AWARDS	118
FIGURE 5-10 GENDER DISTRIBUTION CHART	94	FIGURE 5-35 NUMBER OF MANUSCRIPTS SUBMITTED 2015-2023	118
FIGURE 5-11 AGE DISTRIBUTION OF NEW EMPLOYEES	94	FIGURE 5-36 THE WINNERS OF THE “TSC THESIS AWARD” AND “TSC MARKETING SYMPOSIUM” AND THE INVITED GUESTS HAVE A GROUP PHOTO AT THE AWARD PRESENTATION CEREMONY	118
FIGURE 5-12 DISTRIBUTION OF NEW EMPLOYEES BY REGION	94	FIGURE 5-37 THE TOPCO GROUP WAS RECOGNIZED BY THE SPORTS ADMINISTRATION WITH THE GOLD AWARD FOR SPORTS PROMOTION AND THE LONG-TERM SPONSORSHIP AWARD.	119
FIGURE 5-13 AGE DISTRIBUTION OF MALE NEWCOMERS STILL WORKING AT THE END OF THE YEAR	96	FIGURE 5-38 NEW EASTBOUND ALLIANCE ESTABLISHED	119
FIGURE 5-14 AGE DISTRIBUTION OF FEMALE NEWCOMERS STILL WORKING AT THE END OF THE YEAR	96	FIGURE 5-39 OCEAN’S OCEAN BOARD GAME EXPERIENCE	119
FIGURE 5-15 AGE DISTRIBUTION OF TOTAL NEWCOMERS AT THE END OF THE YEAR	96	FIGURE 5-40 MONTHLY PERFORMANCE PROGRAM	120
FIGURE 5-16 COURSE PLANNING OF TSC E-ACADEMY	97	FIGURE 5-41 “2023 MUSIC AROUND THE ISLAND PROGRAM” TOOK A PHOTO WITH THE PUBLIC AT THE ANYO MUSEUM	120
FIGURE 5-17 WEBSITE OF TOPCO E-COLLEGE	98	FIGURE 5-42 SUPPORT FOLK CULTURE AND PROMOTE SOCIAL HARMONY	120
FIGURE 5-18 TOPCO GROUP KNOWLEDGE MANAGEMENT PLATFORM	98	FIGURE 5-43 EMPLOYABILITY TRAINING FOR SILVER-HAIRED TALENTS	121
FIGURE 5-19 MULTIPLE LEARNING COURSES	99	FIGURE 5-44 GUIDANCE ON HEALTHY SPORTS FOR SENIORS IN THE COMMUNITY	121
FIGURE 5-20 LIFE COUNSELOR TRAINING	101	FIGURE 5-45 CREATE A COMMUNITY-FRIENDLY SPORTS ENVIRONMENT	121
FIGURE 5-21 MA TRAINING PROGRAM	101		
FIGURE 5-22 PRAISE OF SENIOR EMPLOYEES	102		
FIGURE 5-23 TOTAL HOURS OF EMPLOYEE EDUCATION AND TRAINING IN 2023.	102		

# [ Appendix 6 ] Certificate

