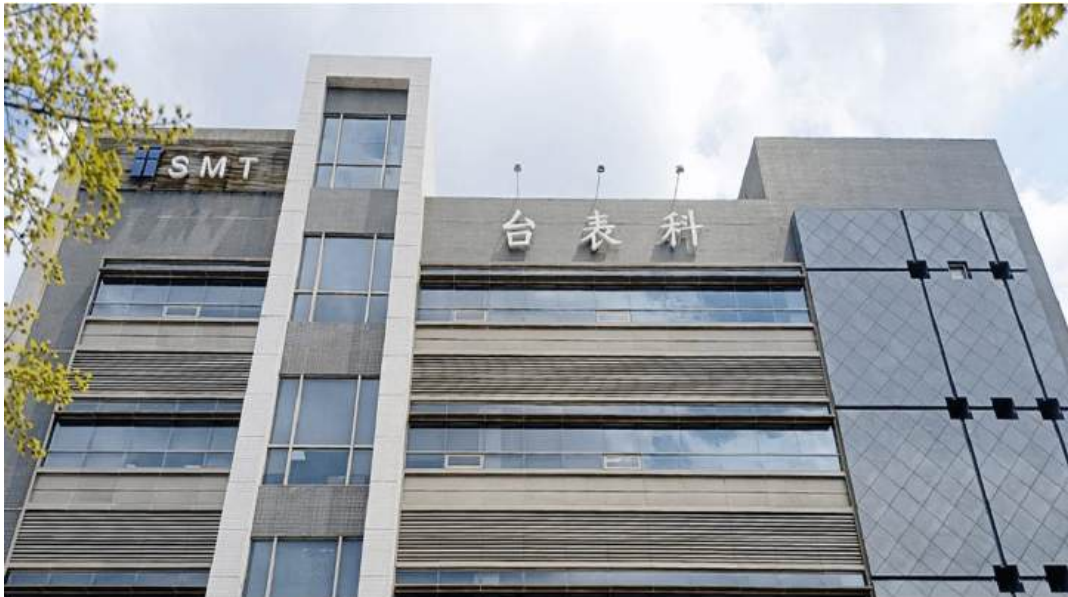




**Taiwan Surface Mounting
Technology Corp.**
2023 ESG Sustainability Report



About This Report

This report is issued by Taiwan Surface Mounting Technology Corporation (Stock Code 6278, hereinafter referred to as TSMT) to regularly communicate with stakeholders about the Company's strategies and activities in governance, economics, environment, and society. It also demonstrates the Company's commitment to sustainable development in society. The Company also looks forward to mutual understanding through disclosure, communication, and feedback and sincerely hopes to receive input and suggestions from all sectors. This way, TSMT's effort can better align with the expectations of stakeholders and continue to move towards becoming a benchmark for sustainability in the industry.

Reporting Boundary

The reporting scope is different from the consolidated financial statements and includes only TSMT's headquarters and factory in Taoyuan (referred to as TSMT Taiwan), as well as the Suzhou plant in China (referred to as Regent Electron). The Company is expected to gradually expand to other subsidiaries in the future. The information in this report is provided by the sustainability team of each department, and the department managers have reviewed the accuracy and completeness of the content. The relevant statistical figures are calculated based on international standards. If there are no applicable international standards, industry standards or practices are used as a reference. Additionally, all financial figures in the report are calculated in New Taiwan Dollars and are derived from financial reports that have been audited and certified by certified accountants. The information disclosure period is consistent with the annual report from January 1, 2023, to December 31, 2023. Some data will be traced back to December 31, 2022, and earlier periods to ensure completeness and comparability.

Report Preparation Guidelines

This report is prepared in accordance with GRI Standards (2021 version) published by the Global Reporting Initiative (GRI) and the Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies. It also references the framework of the Task Force on Climate-Related Financial Disclosures (TCFD).

Time of Issue

TSMT will publish a sustainability report annually and make it available on our Company's website.

Current Date of Issue: Issued in August, 2024

Contact Information for this Report

If you have any suggestions or feedback regarding TSMT's sustainability report, we warmly welcome you to share your opinions with us

Location: No. 437, Taoying Rd., Taoyuan Dist., Taoyuan City 330, Taiwan (R.O.C.)

Phone: (03) 218-9988

Company Website: <https://www.tsmt.com/>

Point of Contact: Taiwan Surface Mounting Technology Corp./Administration
Department/Ann Lo-Manager

Message from the Chairman

We would like to express our gratitude to all our colleagues for their collective efforts, as well as to our customers, suppliers, investors, and other stakeholders for their continued support and trust. Despite facing challenges in 2023, including end customers continually adjusting their inventories and the global economy being impacted by inflation and interest rate hikes, continuing weak demand for consumer electronics, TSMC still reported consolidated net profit after tax of NT\$2,507,016 thousand, with earnings per share of NT\$8.57.

TSMC adheres to the consistent business philosophy of "Integrity, Speed, and Attitude", continuously enhancing the flexibility and efficiency of our operational methods to meet the diverse product and market demands of our customers, aiming to provide a more comprehensive service. Maintain the global strategic planning and widely distribute the products, clients and production bases, completed the construction of Vietnam and Mexico factories in 2023, and expect to commence mass production in 2024 to reduce the operational risk of centralized production and sales.

Moreover, TSMC does not view profit performance as its sole operational goal. Instead, it integrates the concept of sustainable development into its corporate culture and spirit. In 2023, TSMC continued to advance the United Nations' "2030 Sustainable Development Goals" (SDGs), which covered 17 issues including climate change, economic growth, and social equality, and they were introduced as a guideline for sustainable business practices and investment decisions.

Advancing actions in the three key areas of sustainable development — Environment (E), Social (S), and Governance (G).

Environmental aspect: Adhering to the ISO 14001 environmental management system and implementing the ISO 50001 energy management system, the Company emphasizes environmental protection by reducing greenhouse gas emissions, increasing the proportion of green energy use, controlling water and wastewater management, and preventing and controlling biodiversity and other environmental pollution issues, fulfilling our commitment and goal of net-zero carbon emissions together.

Social aspect: Implementing the Responsible Business Alliance (RBA) Code of Conduct, providing a diverse and inclusive workplace, establishing happy work environment and

recreational activities for employees, emphasizing positive labor relations, ensuring information security, maintaining good customer relationships, and striving towards a mutually beneficial and prosperous direction.

Governance aspect: Focusing on the Corporate Governance 3.0 - Sustainable Development Blueprint, which centers around five key areas, including "enhancing the functions of the Board of Directors to improve corporate sustainability value", "increasing information transparency to promote sustainable operations", "strengthening stakeholder communication to create effective interaction channels", "aligning with international standards to guide diligent governance", and "deepening the corporate sustainability culture and offering diversified products". Through the operation of shareholders' meetings, the convening of institutional investor briefings, the actual participation of investors, and the enhancement of the disclosure of corporate governance information on the Market Observation Post System (MOPS) and on the Company's website, investors will be able to receive more transparent and diversified information, enhancing the visibility of corporate governance and encouraging shareholders to exert greater influence in order to promote a more robust corporate structure and more rational decision-making.

Additionally, we publish a "sustainability report" in accordance with GRI standards to inform investors, customers, and the general public about the Company's management achievements in environmental, social, and governance aspects. In the future, TSMT will continue to innovate technologically and align with global trends, actively pursuing sustainable development as our ultimate business goal.

This is to ensure that various ESG initiatives yield concrete benefits and long-term impact, promoting economic growth, environmental sustainability, and social inclusivity, fulfilling corporate social responsibility, creating sustainable business value, and collectively striving towards the vision of global economic, social, and environmental sustainability.



Chairman

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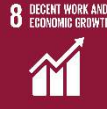

Ch1. Sustainable Operations



1.1 United Nations Sustainable Development Goals

The United Nations released the 2030 Sustainable Development Goals (SDGs) in 2015, comprising 17 sustainable goals and 169 detailed targets. These goals cover global sustainability issues such as climate change, human rights, and social welfare. They call upon governments and businesses worldwide to collaborate and collectively address the challenges of sustainable development and climate change, to create a better society and environment for future generations.

TSMT aligns with the United Nations SDGs by integrating our existing sustainable operational strategies with the objectives of the SDGs. We conduct an annual review of goal achievements to align our operational management goals with global sustainable development objectives and collaborate with nations and businesses worldwide to contribute to sustainable development.

SDGs			2023 Annual Job Performance
SDG 3		Health and Well-Being	<ul style="list-style-type: none"> ● 9,526 individuals participated in health promotion activities, fostering a healthy workforce. ● Establishment of designated parking spaces for expectant mothers. ● Installation of accessibility facilities. ● Organization of various domestic and international trips.
SDG 5		Gender Equality	<ul style="list-style-type: none"> ● The retention rate for unpaid parental leave reached 63.6%, easing the stress for employees while raising their children. ● Promote workplace equality, without different pay for the same job positions.

SDGs			2023 Annual Job Performance
SDG 6		Clean Water and Sanitation	<ul style="list-style-type: none"> ● In 2023, TSMC had a total water consumption of 81 million liters, a decrease of 13 million liters from the 94 million liters recorded the previous year. ● All wastewater discharge complies with regulatory standards and local laws, and there were no significant fines incurred in 2023 for violations of regulations. ● In 2023, all water quality met the standards, with no incidents of abnormal quality of effluent discharge occurring. ● TSMC's waste recovery rate reached 56.35%, an increase of 4.06% compared to last year.
SDG 7		Affordable and Clean Energy	<ul style="list-style-type: none"> ● In 2023, TSMC in Taiwan had a total energy consumption of 42,535.88 GJ, a decrease of 1,314.37 GJ, or 23.60%, compared to 2022. ● In 2023, Regent in Suzhou had a total energy consumption of 300,879.64 GJ, a decrease of 40,455.55 GJ, or 11.85%, compared to 2022. ● Suzhou Regent Electron installed a total solar power capacity of 2.34 MW in 2023 and would also purchase green certificates corresponding to 7,340,024 kWh of electricity. ● Implementing the ISO 50001 Energy Management System in 2023
SDG 8		Decent Work and Economic Growth	<ul style="list-style-type: none"> ● In 2023, the consolidated net profit after tax was NT\$2,507,016 thousand, and the basic earnings per share were NT\$8.57.
SDG 12		Responsible Consumption and Production	<ul style="list-style-type: none"> ● 54.4% of suppliers involved in annual transactions have completed signing the RBA commitment letter. ● During the annual review of 274 supplier conflict material-3TG smelters, the countries of origin of the smelters were not identified to be located in conflict mineral risk areas. ● No violations of health and safety regulations related to products and services during the year. ● The waste recovery rate reached 56.35%, an increase of 4.06% compared to last year.

SDGs			2023 Annual Job Performance
SDG 13		Climate Action	<ul style="list-style-type: none"> ● In accordance with the guidelines of the GHG Protocol, the GHG inventory was conducted in 2023, with annual GHG of 54,926.9247 tonnes of CO₂e, a decrease of 11.19% compared to 61,844.7913 tonnes of CO₂e in 2022. ● In 2023, TSMT implemented an energy-saving and carbon reduction program, expecting an annual carbon reduction of 1,045.86 metric tons of CO₂e.
SDG 17		Partnership for Sustainable Development	<ul style="list-style-type: none"> ● The operational regions cover Asia, Europe, and America, providing globalized services.

1.2 Sustainable Governance Framework

To continue promoting and implementing the Company's sustainable development strategies and goals, TSMT has established the ESG Working Team. The President serves as the highest decision-making executive for sustainable development strategies, responsible for reviewing the material topics and validating the sustainability strategies in the annual sustainability report. The Deputy General Manager of the General Management Department serves as the Director of Sustainable Development, responsible for overseeing the tasks of the five major work groups: Corporate Governance, Employee Care, Environmental Sustainability, Social Responsibility, and Product/Customer Care. These five work teams are composed of department heads from relevant departments and are responsible for implementing ESG initiatives related to their respective business areas. They are also responsible for evaluating the impact of sustainability issues under each work team. TSMT's sustainable governance framework is as follows:



1.3 Stakeholder Engagement

TSMT values the expectations of stakeholders for the Company's sustainable development. Therefore, we are committed to engaging in two-way communication with stakeholders through various channels to gain a deep understanding of their perspectives and concerns regarding sustainability issues. These suggestions will serve as the basis for adjusting and implementing our corporate sustainability direction on an annual basis and will also help us explore new sustainable strategies and opportunities.

We convened a meeting with representatives from each department to gather and categorize the stakeholders that each department interacts with in their daily work, as well as individuals or groups that may be affected by the Company's operations. We identified these stakeholders based on the five principles of stakeholder identification outlined in the AA1000 SES (Stakeholder Engagement Standard): dependency, responsibility, influence, diverse perspectives, and tension. Ultimately, we categorized TSMT's key stakeholders into the following six groups: investors, employees, suppliers, customers, government agencies, and neighboring communities.

In addition to maintaining good relationships with stakeholders through daily business operations, we also provide an external communication mailbox on our official website, www.tsmt.com, as the primary communication channel between stakeholders and the Company. In response to the valuable suggestions provided by stakeholders, TSMT will address and analyze them based on their concerns and the impact on TSMT's operations. We will incorporate these suggestions into future operational improvement plans and regularly disclose and respond to relevant performance and management policies in our sustainability report, ensuring that stakeholders' opinions have a meaningful impact on the Company.

List of Communication Channels between TSMT and Stakeholders

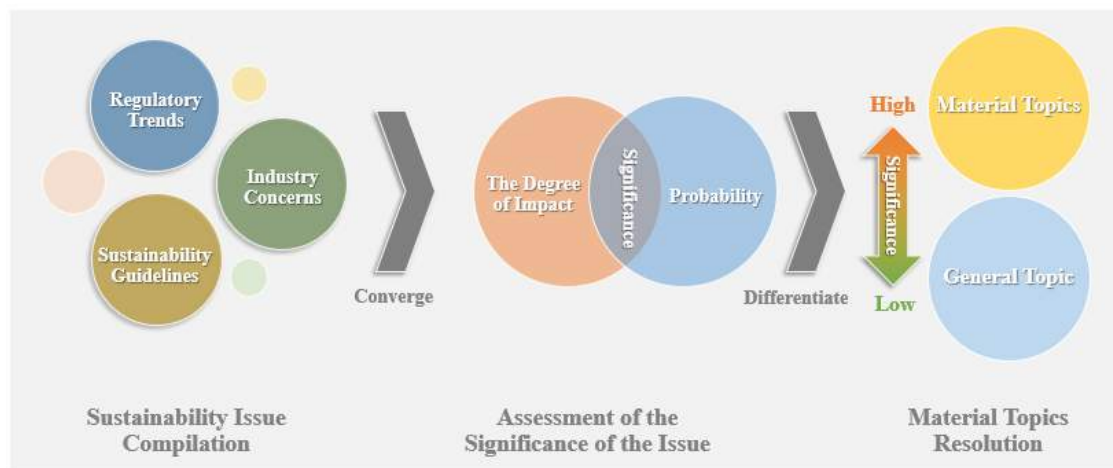
Stakeholder	The Importance of Stakeholders to the Company	Communication and Frequency	Concerned Issues
Investors	Investor funding contributes to enhancing the value of the Company and provides expertise, networks, and even opportunities for collaboration. It not only aids in expanding the Company's scale and enhancing innovation and R&D capabilities but also serves as a driving force for sustainable growth.	<ol style="list-style-type: none"> 1. Shareholders' Meeting/Annually 2. Investor Conference/Ad hoc 3. Company Website/Ad hoc 4. Market Observation Post System/Ad hoc 5. Investor Relations Contact/Ad hoc 6. Financial Statements/Quarterly 	<ul style="list-style-type: none"> • Economic Performance • Corporate Governance • Risk Management • Integrity Management
Employee	Employees are the most important key players in the Company's operations and the main driving force behind its innovative growth. Therefore, TSMT is committed to creating a safe, respectful, friendly, and inclusive work environment. We provide opportunities for employees to showcase their self-worth and accept challenges, as well as comprehensive compensation and benefits, enabling employees to work comfortably and achieve great results together with the Company.	<ol style="list-style-type: none"> 1. Employee Welfare Committee Meetings/Ad hoc 2. Labor Union/Ad hoc 3. Internal Employee Hotline (Real-time) 4. Occupational Health and Safety Committee Meeting (Quarterly) 5. Company Mailbox/Ad hoc 	<ul style="list-style-type: none"> • Economic Performance • Talent Attraction and Retention • Career Development and Education Training • Occupational Health and Safety • Human Rights Management

Stakeholder	The Importance of Stakeholders to the Company	Communication and Frequency	Concerned Issues
Supplier	Suppliers provide the components for the Company. The quality of suppliers directly impacts the product quality of the Company and its effects on society and the environment. Suppliers are also integral to the Company's sustainable impact. Only by collaborating with suppliers can we maximize our influence and achieve our sustainability goals and strategies.	<ol style="list-style-type: none"> 1. Supplier Visit/Ad hoc 2. Supplier Certification Audit/Ad hoc 3. Annual Supplier Conference (Yearly) 4. Conflict Minerals from Suppliers, RBA Commitment Letter/Ad hoc 	<ul style="list-style-type: none"> • Responsible Supply Chain • GHG and Energy Management • Product Quality Management
Customers	TSMT values customer needs and strives to meet their expectations. Customers are not only the foundation of the Company's financial performance but also the driving force behind product improvement and innovation. Customers, who are at the forefront of sustainable development, are moving forward with the Company towards a more sustainable operational strategy.	<ol style="list-style-type: none"> 1. Customer Visit/Ad hoc 2. Customer Audit/Ad hoc 3. Customer Satisfaction Survey/Quarterly 4. Company Website, Phone and Email/Ad hoc 	<ul style="list-style-type: none"> • Economic Performance • Product Quality and Hazardous Substances Management • Information Security and Customer Privacy

Stakeholder	The Importance of Stakeholders to the Company	Communication and Frequency	Concerned Issues
Government Competent Authorities	<p>Government competent authorities serve as important references for the Company to obtain legal information. It is the Company's responsibility to strictly adhere to government compliance regulations and policies. Failure to pay attention to public information from government competent authorities may result in the Company's inability to meet compliance requirements. Therefore, the Company values its communication and interaction with government competent authorities.</p>	<ol style="list-style-type: none"> 1. Seminars and Training Courses on Policies and Regulations/Ad hoc 2. Declaration Review and On-site Inspection/Ad hoc 3. Official Correspondence/Ad hoc 4. Telephone and Written Communication/Ad hoc 5. Sustainability Report, Annual Report/Annually 	<ul style="list-style-type: none"> • Corporate Governance • Regulatory Compliance • GHG and Energy Management • Climate Change Adaptation
Community	<p>Local communities serve as the most direct channel for the Company to acquire talent and represent potential stakeholders for the Company's operational bases. Therefore, we place great importance on the development and engagement of local communities, organizing periodic neighborhood activities to support the community and enhance local employment opportunities.</p>	<ol style="list-style-type: none"> 1. Neighborhood Activities/Ad hoc 2. Charitable Donations/Ad hoc 3. Volunteer Work/Ad hoc 	<ul style="list-style-type: none"> • Waste Management • Community Engagement and Public Welfare • Water Stewardship

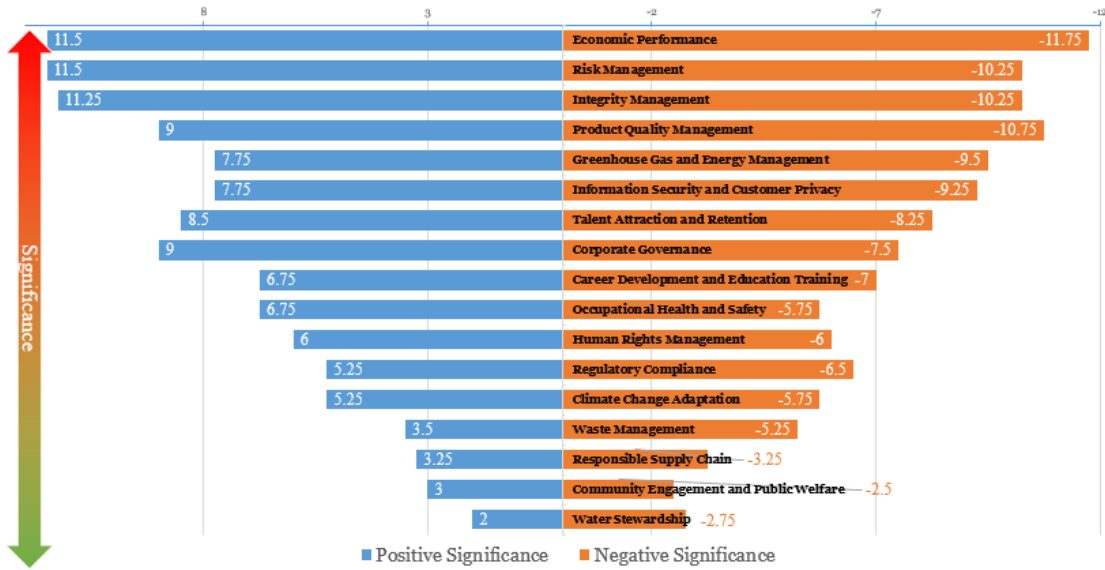
1.4 Material Topics Identification

TSMT has conducted a comprehensive analysis of international trends, industry concerns, and domestic regulatory requirements to gain a sustainable perspective on the characteristics of the TSMT industry. It has also consolidated the 17 sustainability topics that will be disclosed in this year's sustainability report. Following the GRI 3 guidelines for identifying material topics, senior executives from various internal departments were convened to quantitatively assess the impact and likelihood of sustainability topics. These topics were then ranked according to their significance in terms of impact. Through discussions with internal and external consulting experts, the final decision was made to focus on various material topics for this year's sustainability report: economic performance, integrity management, product quality and hazardous substance management, information security and customer privacy, climate change adaptation, GHG and energy management, talent attraction and retention, and occupational health and safety. The decision on these material topics will be presented to the President for review.



The chart below shows a bar graph listing the significance of each sustainability topic from high to low after assessment, considering both positive and negative aspects. The level of significance is the primary basis for identifying material issues. Taking into account recent domestic trends in climate change adaptation laws and the Company's emphasis on worker safety, Occupational Health and Safety and Climate Change Adaptation have been included in the material topics for the formulation of management strategies. These topics will be elaborated on in more detail in various chapters of this report. The remaining sustainability topics with lower significance will be disclosed in accordance with GRI disclosure guidelines in the sustainability report.

Bar Chart on the Significance of Sustainability Topics



Material Topics for TSMT in 2023

Topic Areas	Material Topics	Explanation on the Impact of the Topic	Response Section
Governance and Economy	Economic Performance	Stable economic performance can drive the steady growth and development of TSMT, enabling investors to achieve stable profits. It may also allow the Company to enhance employee benefits. The converse, meanwhile, could undermine investor confidence and even impact employees' remuneration and basic job rights.	Ch2. Corporate Governance
	Integrity Management	TSMT upholds the principle of integrity management in its operations and opposes all forms of corruption, aiming to enhance the long-term trust of external stakeholders in the Company and strengthen its business resilience. If the Company experiences corruption, it will directly impact	


Topic Areas	Material Topics	Explanation on the Impact of the Topic	Response Section
		the Company's reputation and product quality, affecting investor decision-making and the stability of the capital market.	
Products and Customers	Information Security and Customer Privacy	Information security, customer privacy protection, and trade secret protection management are important components in maintaining the trust of internal and external stakeholders. If the Company violates relevant regulations regarding information security incidents, leading to lawsuits and profit losses, it will severely damage the corporate image and lead to financial losses. TSMT has established relevant information security management procedures and regulations to effectively control the Company's trade secrets and confidential information, aiming to prevent any incidents that may jeopardize customer interests due to the leakage of confidential information.	Ch3. Customer Relations and Quality Management
	Product Quality Management	The quality of products is crucial to customers' assessment of TSMT. Good product quality is highly favored, and the stable production of high-quality products contributes to establishing long-term cooperative relationships. If the Company does not ensure product quality, it	

Topic Areas	Material Topics	Explanation on the Impact of the Topic	Response Section
		may affect the Company's reputation and even result in fines from customers or competent authorities.	
Environment and Climate	Climate Change Adaptation	In response to global climate change, we are committed to adapting and mitigating the environmental impact of our business operations. We strive to promote resource reduction management, reduce GHG and energy consumption, and fulfill our responsibility for global environmental protection. Our goal is to build a sustainable green enterprise.	Ch4. Climate Change and Environmental Sustainability
	Energy and GHG Management		
Society and Employees	Talent Attraction and Retention	Talent is the crucial driving force for business advancement. Neglecting talent retention will indirectly impact the pool of innovative talent in the industry and hinder the Company's ability to maintain its competitive edge. It also contributes to a negative work environment for professionals in the same field. TSMT actively recruits and retains talented and diverse professionals to strengthen its presence in Taiwan. This is achieved by enhancing employee benefits to improve the stability and capabilities of industry talent, promoting better working conditions and welfare across the	Ch5. Employee Care and Social Welfare

Topic Areas	Material Topics	Explanation on the Impact of the Topic	Response Section
		industry, and fostering employee morale and a willingness to learn.	
	Occupational Health and Safety	The purpose of promoting occupational health and safety is to prevent workplace accidents. If a Company neglects occupational health and safety, it can harm personnel's health, thereby affecting the Company's core operations and production. The consequences of accidents can also result in personnel injuries or asset losses. TSMT is committed to enhancing personnel's safety awareness, reducing the occurrence of accidents, and enabling employees to pursue a better working environment.	

Ch2. Corporate Governance

Sustainability Performance and Corresponding SDGs

SDGs		2023 Annual Job Performance	
SDG 8		Decent Work and Economic Growth	<ul style="list-style-type: none">● In 2023, the consolidated net profit after tax was NT\$2,507,016 thousand, and the basic earnings per share were NT\$8.57.
SDG 17		Partnership for Sustainable Development	<ul style="list-style-type: none">● The operational regions cover Asia, Europe, and America, providing globalized services.

2.1 About TSMT

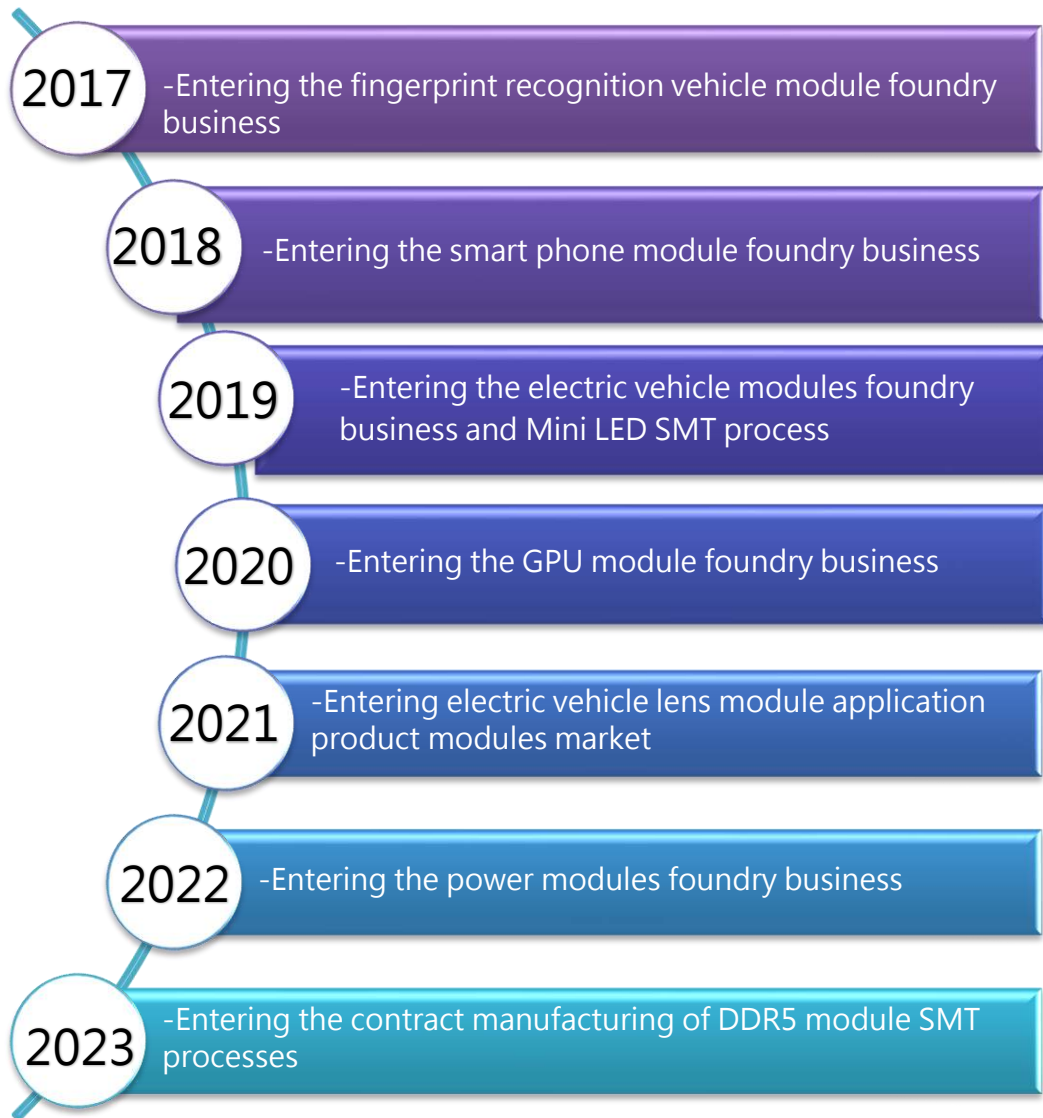
TSMT is a leading global supplier of Surface Mount Technology (SMT) production solutions for Thin-Film Transistor Liquid Crystal Displays (TFT-LCD). Established in March 1990, TSMT's main business activities include the design, processing, manufacturing, and trading of TFT-LCD panels and other electronic information product circuit board surface mounting. In addition, the Company officially went public on the Taiwan Stock Exchange in August 2010, following approval by the Financial Supervisory Commission.

TSMT has been deeply involved in SMT technology for over 30 years. To provide professional services and meet the immediate needs of customers, we have cultivated a professional management team and continue to maintain a leading position in the industry. With the expansion of production sites and the increasing diversification of products, TSMT has evolved from its early days of computer motherboard processing to now encompassing touch panels, wearable devices, medical equipment, memory modules, and Mini LED, among others. As electronic technology continues to advance rapidly, TSMT's services have also become more diversified, to become a key driver in global informatization.

Company Profile	
Company Name	Taiwan Surface Mounting Technology Corp.
Date of Incorporation	March 24, 1990
Headquarters	No.437, Taoying Rd., Taoyuan City, Taoyuan County 330, Taiwan (R.O.C.)
Chairman	Wu Kai-Yun
President	Wu Yun-Chung
Industry	Listed: Optoelectronics
Stock Code	6278
Capital	NT\$2,923,984,000 (as of December 31, 2023)
Number of Employees	Approximately 10,000 employees across the entire Group
Major Products	SMT (Surface Mount Technology) is applied to various electronic products, including LCD control boards (TVs/computers/appliances/automotive electronics/tablets), and hard drives.
Operational Locations	Taiwan, Mainland China (Dongguan, Suzhou, Ningbo, Xiamen, Hefei, Chongqing, Xianyang), India, Vietnam, Mexico
Primary Markets (Countries where services are provided)	Mainland China, Taiwan, the United States, etc.



For the past decade, TSMT has consistently invested in green manufacturing and products



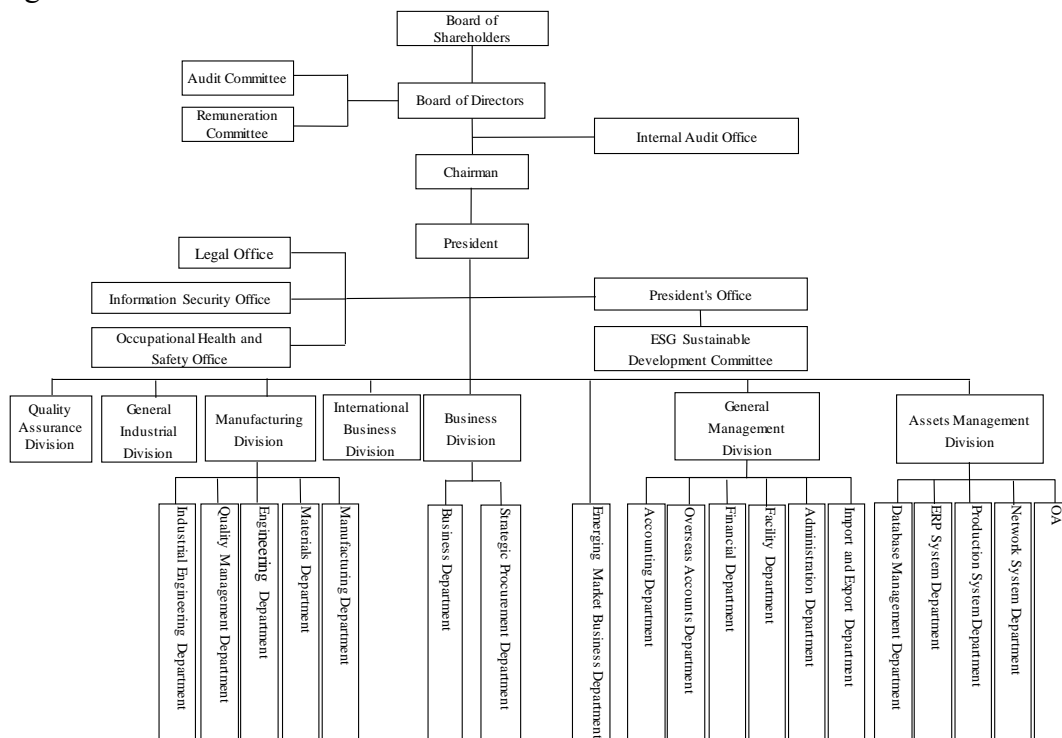
2.2 Corporate Governance

Sound corporate governance and integrity management are the goals of TSMT's sustainable business. We actively promote operational transparency while operating the Company based on the principle of safeguarding the rights and interests of stakeholders. TSMT has passed the Ethical Corporate Management Best Practice Principles through the Board of Directors' resolution, adhering to the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, regulations related to listing and over-the-counter trading, and other relevant commercial laws and regulations. These serve as the fundamental basis for practicing ethical business operations. In addition to having a Code of Ethics, TSMT explicitly prohibits employees from accepting bribes, engaging in bribery, and directly or indirectly providing or accepting any unreasonable gifts, hospitality, or other improper benefits to establish business relationships or influence business transactions.

Corporate Governance Framework


The Board of Directors is the highest governing body of TSMT, responsible for overseeing, appointing, and guiding the Company's management team, as well as providing guidance on the Company's business direction. In order to implement honest and transparent corporate governance, a comprehensive governance framework has been established. Under the Board of Directors, the Remuneration Committee and the Audit Committee have been set up according to their respective powers and functions to assist the Board in addressing and overseeing important economic, environmental, and social matters.

Organization chart



Board of Directors	Remuneration Committee	Audit Committee
<ul style="list-style-type: none"> ■ The 14th term Board of Directors of TSMT is composed of 11 directors, with 4 female directors (constituting 36.4%), 4 independent directors (constituting 36.4%), and 100% of the directors being natural persons. Evaluating the list of TSMT board members, they collectively possess abilities in business judgment, leadership decision-making, operational management, international market insights, and crisis handling. ■ The Board of Directors convenes at least on a quarterly basis, holding a total of six board meetings in 2023, with an average attendance rate of 95.4% among the directors. ■ The Company has established the Rules and Procedures of Board of Director Meetings and promptly publishes the significant resolutions passed by its Board of Directors on the website designated by the competent authority, in compliance with the relevant orders and regulations of the competent authority. Additionally, the Company maintains up-to-date business and financial information on its website, demonstrating effective implementation. ■ To enhance corporate governance capabilities, TSMT has established a Board Performance Assessment Method. Every December, internal performance assessments are conducted for board members to enhance the effectiveness of corporate governance. 	<ul style="list-style-type: none"> ■ TSMT established the Remuneration Committee on October 25, 2011. The committee is currently composed of three independent directors who evaluate the Company's executive compensation policies and systems from a professional and objective perspective. They provide recommendations to the Board of Directors for decision-making and conduct annual internal performance assessments of the Remuneration Committee. ■ The main responsibility is to assist the Board of Directors in regularly evaluating and determining the remuneration of directors and executives, as well as periodically reviewing the policies, systems, standards, and structures of performance assessment and remuneration for directors and executives. ■ The TSMT Remuneration Committee convenes meetings at least twice a year. The committee met two times in 2023, with a director attendance rate of 83.3%. 	<ul style="list-style-type: none"> ■ TSMT established an Audit Committee on June 13, 2019, to exercise the powers stipulated by the Company Act, Securities and Exchange Act, and other laws and regulations. The Audit Committee is currently composed of four independent directors and is primarily responsible for supervisory duties, evaluating operational performance, making decisions on important matters, and conducting regular internal performance assessments of the committee each year. ■ The TSMT Audit Committee convenes a meeting at least once a year and had a total of five meetings in 2023, with a director attendance rate of 95%. The Audit Committee maintains good communication and interaction with the internal audit manager and accountants.

Operation of the Board of Directors

<p>Corporate Governance Best Practice Principles</p> 	<p>TSMT has established Corporate Governance Best Practice Principles to develop and implement a diversity policy for the Board of Directors. The nomination and selection of board members are conducted in accordance with the Company's Articles of Association using a candidate nomination system. In addition to evaluating each candidate's education, experience, and qualifications, the Corporate Governance Best Practice Principles are followed to ensure the diversity and independence of board members.</p>
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Independence Status of the Board of Directors

The 14th Board of Directors of the Company sets 4 independent directors, accounting for 36.36%, and the qualification and independence of the independent directors are inspected regularly every year, which all conform to the qualification conditions in “Establishment of Independent Directors of Public Offering Companies and the Measures to be Followed”. They neither have direct or indirect interest relationship with the Company within the execution scope of business, nor have the conditions listed in Article 3(1) mentioned above two years before being elected and during their term of office. The Company has obtained Statement of Independence from each independent director.

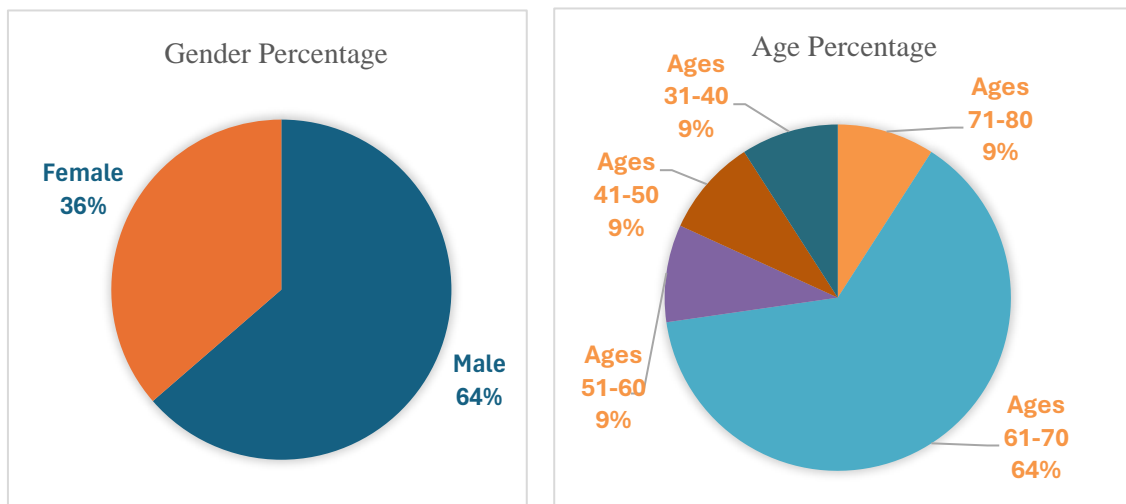
Name	Professional Qualification and Experience	Independence Status
Wu Kai-Yun	The current Chairman of TSMT is also one of the Company's co-founders. He has over 30 years of experience in operation management, research and development, process engineering, procurement, and logistics, as well as sales and marketing in the electronics industry, specializing in technology leadership, operational judgment, and management, and leading the Company's continuous growth with proven results.	The conditions specified in Article 3(1)-5 to Article 3(1)-9 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies have not arisen.

Name	Professional Qualification and Experience	Independence Status
Lin Wen-Ching	As one of the Company's co-founders, he worked as an engineer at Taiwan Philips and as the R&D Manager of Efa Corp., specializing in the design and sales of molds for mechanical parts for electronic products, with professional knowledge of mechanical engineering and experience in industry development and management.	The conditions specified in Article 3(1)-1 to Article 3(1)-2, Article 3(1)-5 to Article (3)1-9 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies have not arisen.
Wang Chia-Chen	She has been with TSMT since 2000 and is familiar with the Company's organization and business operations, with professional knowledge and experience in finance and accounting.	The conditions specified in Article 3(1)-3 and Article 3(1)-5 to Article 3(1)-9 of “ Establishment of Independent Directors of Public Offering Companies and the Measures to be Followed” did not occur to him/her.
Shen Shian-Ho	He has previously held roles as a director and Vice President of AU Optronics Corp and currently serves as a director of Anpec Electronics Corporation and C Sun Mfg. Ltd., and an independent director of Ennostar Inc. He has rich professional knowledge in the TFT-LCD industry, with experience in industrial development and operation management.	The conditions specified in Article 3(1) of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies have not arisen.
Wu Yun-Chung	Mr. Wu Yun-Chung graduated from Lehigh University, USA with a bachelor's degree in Electrical Engineering and a master's degree in Energy Systems Engineering, and served as a Project Manager of Regent Electron (Suzhou) Co., Ltd. and Deputy President of the Advanced Process Business Office of the Group. He currently serves as the President of the Group, focusing on the research and development of new SMT processes and the development of international customers, with the expertise and experience required for innovative research and development, automated process, business strategies and business development of the Company.	The conditions specified in Article 3(1)-5 to Article 3(1)-9 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies have not arisen.

Name	Professional Qualification and Experience	Independence Status
Lin Wen-Chang	He was formerly the Responsible Person of Tian Wei Motorcycle Co., Ltd, with the expertise and experience required for operation management and business development of TSMT.	The conditions specified in Article 3(1)-1 to Article 3(1)-2, Article 3(1)-5 to Article (3)1-9 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies have not arisen.
Hsiao Hsueh-Fong	He served as a Specialist of First Commercial Bank and the Financial and Accounting Manager of Yuan Liou Publishing Co., Ltd., with the expertise and experience in financial management and financial investment	The conditions specified in Article 3(1) of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies have not arisen.
Hwu Shoou-Chyang (Independent Director)	He served as the Business Manager of Junchang Enterprise and the President of Chung Hung Industrial Co., Ltd., with the expertise and experience required for operation management and business development of the Company.	The conditions specified in Article 3(1) of the Establishment of Independent Directors of Public Offering Companies and the Measures to be
Chang May-Yuan (Independent Director)	She served as the President of Sheng Yang Co., Ltd., the Manager of Kuang Hua Investment Company, the Investment Manager of Global Investment Holdings, and the President of Dongan Investment (Holding) Co., Ltd., with professional knowledge and experience in financial management, financial investment, investment judgment, management of start-up companies, and operation management.	Followed have not arisen, besides, neither he nor his spouse or relatives within second-degree kinship serve as director of the Company or affiliated companies nor hold shares of the Company (or hold shares in the name of others).
Chen Meng-Ping (Independent Director)	She served as the Manager of KPMG in Taiwan. She is currently a CPA of Dnda CPA Firm, with professional knowledge and background in finance, accounting, and corporate governance.	
Shih Yu-Hua (Independent Director)	Mr. Shih, Yu-Hua graduated from the Department of Shipping and Transportation Management of National Taiwan Ocean University and served as the Vice President of Li-Tzer Investment, Consultants Corporation., Limited., with the expertise and experience required for operation management and business development of the Company. The conditions specified in Article 30 of Company Act did not occur to her.	

Diversification of the Board of Directors:

The Board of Directors of TSMT adopts a candidate nomination system, and regarding the list of director candidates nominated by the shareholders and directors, submit to the shareholders' meeting for election after being passed by Resolution of the Board of Directors. TSMT established “Code of Practice on Corporate Governance”, where, “Chapter III Strengthen the effectiveness of the Board of Directors” established policy for diversification of board members. The Board of Directors is composed of 11 individuals with expertise in business management, accounting and financial analysis, information technology, industry knowledge, leadership, decision-making, risk management, and corporate governance experience. The Board of Directors has currently achieved the requirement of functional diversification. The Board of Directors includes four female directors, one of whom holds a professional financial certification and also serves as a Company executive. The number of directors who serve as Company executives does not exceed one-third of the total. In order to continuously meet future development needs, consideration is also given to whether to add directors with expertise and experience in environmental sustainability, occupational health and safety, and labor rights, to strengthen oversight and guidance of the Company's response to international sustainable development trends.



Specific management objectives and current achievement condition of diversification policy

Specific management objectives	Current achievement condition
Among the members of the Board of Directors, the number of directors co-acting as executives of the Company shall not exceed 1/3 of director seats.	Achieved.
Among the members of the Board of Directors, the number of female directors shall not be less than (including) 1.	Achieved; there are total 4 female directors in the 14th Board of Directors.
Among the members of the Board of Directors, the number of independent directors shall not be less than one-third of the total board numbers.	Achieved; there are total 4 independent directors in the 14th Board of Directors.
There shall be at least one independent director equipped with accountant's certificate, finance or enterprise management.	Achieved.

Name	Industrial Experience and Professional Capability					
	Administrative Management	Industry Knowledge	Information Technology	Accounting & Finance	Leadership & Decision-Making	Risk Management
Wu Kai-Yun	V	V			V	V
Lin Wen-Ching	V	V		V		V
Wang Chia-Chen	V	V		V	V	V
Shen Shian-Ho	V	V	V		V	V
Wu Yun-Chung	V	V	V		V	V
Lin Wen-Chang	V	V		V		V
Hsiao Hsueh-Fong		V			V	V
Hwu Shoou-Chyang	V	V				V
Chang May-Yuan	V	V		V		V
Chen Meng-Ping	V			V		V
Shih Yu-Hua	V	V				V

Board of Directors Training

TSMT arranges regular director training courses every year. The courses cover topics such as ESG sustainability trends, corporate governance, securities regulations, and Board meeting operations. The director training situation for 2023 is shown in the table below:

Title	Name	Organizer	Course Name	Hours
Director	Shen Shian-Ho	Taiwan Corporate Governance Association	How Directors and Supervisors Oversee Risk Management and Crisis Management to Strengthen Corporate Governance	3
		Taiwan Corporate Governance Association	Cybersecurity Governance Strategies of Listed Companies from the Perspective of ESG and Corporate Sustainable Development	3
Director (Also the Corporate Governance Manager)	Wang Chia-Chen	Accounting Research and Development Foundation of the Republic of China	Financial and Tax Issues and Tax Governance Practices in Overseas Investments by Taiwanese Businesses	3
		Accounting Research and Development Foundation of the	Analysis of the Latest Securities Financial Tax Laws and Professional Standards	1

Title	Name	Organizer	Course Name	Hours
		Republic of China		
		Accounting Research and Development Foundation of the Republic of China	Legal Responsibilities and Case Analysis Related to Corporate Ownership Disputes	3
		Accounting Research and Development Foundation of the Republic of China	Analysis of the Latest Securities Financial Tax Laws and Professional Standards	1
		Accounting Research and Development Foundation of the Republic of China	Practical Performance Evaluation of Corporate ESG Sustainability and Risk Management	3
		Accounting Research and Development Foundation of the Republic of China	Analysis of the Latest Securities Financial Tax Laws and Professional Standards	1
		Accounting Research and Development Foundation of the Republic of China	How to Effectively Fulfill the Functions of Corporate Governance Officers - with Discussion on the Legal Responsibilities of Managerial Officer	3
		Accounting Research and Development Foundation of the Republic of China	Analysis of the Latest Securities Financial Tax Laws and Professional Standards	1
Independent Director	Chen Meng-Ping	Taiwan Stock Exchange	2023 Cathay Sustainable Finance and Climate Change Summit	6
Independent Director	Shih Yu-Hua	Taiwan Corporate Governance Association	Corporate Governance Summit XIX- Creating New Sphere of Governance for the Elevating Value of Enterprises	6
Independent Director	Chang May-Yuan	Taiwan Corporate Governance Association	Financial Statement Fraud in Enterprises: Case Studies and Investigations	3
		Taiwan Corporate Governance Association	The Role of Directors and Compliance Responses to Operational Challenges under Corporate Governance 3.0	3
Independent Director	Hwu Shoou-Chyang	Securities and Futures Institute	2023 Annual Prevention of Insider Trading Promotion Conference	3
		Taiwan Stock Exchange	2023 Cathay Sustainable Finance and Climate Change Summit	3
Director	Hsiao Hsueh-Fong	Taiwan Stock Exchange	2023 Cathay Sustainable Finance and Climate Change Summit	6

Board of Directors Performance Assessment

To enhance corporate governance functions and the effectiveness of the Board of Directors, TSMT conducts an annual performance assessment of the board and individual directors. The assessment is based on self-assessment by directors, internal assessment by the board, and a comprehensive assessment based on board resolutions. The Company assesses the level of agreement among directors regarding the operation of the Board of Directors through various assessment indicators. The assessment items are shown in the table below. The relevant assessment has been submitted to the Board of Directors as a reference for the Company's ongoing improvement.

Board of Directors Performance Assessment Indicators	Individual Director Performance Assessment Indicators
1. Involvement in Company Operations	1. Understanding Company Goals and Missions
2. Improving the Quality of the Board of Directors Decision-Making	2. Awareness of Director's Responsibilities
3. Composition and Structure of the Board of Directors	3. Involvement in Company Operations
4. Selection and Ongoing Education of Directors	4. Internal Relationship Management and Communication
5. Internal Control	5. Director's Expertise and Ongoing Education
	6. Internal Control

Board of Directors' Compensation

TSMT follows the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange. After a proposal by the Remuneration Committee, it is implemented upon approval by the Board of Directors. It is stipulated in the Company's Articles of Association that, in any profitable fiscal year, a sum not exceeding one percent should be allocated for the director's remuneration. However, when the Company has an accumulated deficit, an amount shall be reserved in advance to offset the losses.

The remuneration of the directors, independent directors, and executives of TSMT includes salaries, bonuses, and retirement benefits. The Remuneration Committee provides compensation recommendations based on professional, independent, and

objective considerations. Besides individual performance, compensation factors in industry standards, time and responsibilities, the achievement of personal goals, performance in other roles, and the compensation of individuals in similar positions in recent years. Regular meetings are held to review and ensure the competitiveness and reasonableness of the compensation, supporting the sustainable operation of TSMT. Comprehensive details of the compensation are disclosed annually in the Company's annual report and reported at the shareholders' meeting.

Analysis on the ratio of the total remuneration paid to the Company's Directors, President and Vice President by the Company and all the companies listed in TSMT's Consolidated Financial Statements (including the Company) in the most recent two years in net profit after tax:

Title \ Item	Ratio of Total Remuneration in Net Profit after Tax			
	2023		2022	
	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements
Director	2.57%	3.43%	1.81%	2.25%
President and Vice President	2.06%	2.89%	0.95%	1.25%

Membership Qualifications of the Association

TSMT participated in several external organizations in 2023. By participating in conference activities, exchanging information, and taking on important roles, we maintain close communication with industry, government, and academia to establish good relationships. The main organizational units in the Company participates in are as follows:

List of Participating Associations/Names of the Associations	Roles Held in the Associations
Taoyuan County Guishan Industrial Park Manufacturers Association	Member
Taiwan Electronics Manufacturers Association	Member
Taiwan Electrical and Electronics Manufacturers Association	Member
Accounting Research and Development Foundation of the Republic of China	Member
Taoyuan County Industrial Association	Member
Taiwan Corporate Governance Association	Member
"Taiwan Smart Mobility Industry Association"	Member

Note 1: Suzhou Regent Electron did not participate in any external public associations in 2023.



2.3 Economic Performance

Management Policy for Material Topics

Material Topics	Economic Performance
GRI Indicators	GRI 201-1 / GRI 201-3 (please refer to the Employee 5.2 section) / GRI 201-4
Impact Statement	<p>Positive: Stable economic performance can drive steady growth and development of businesses, providing stable profits for shareholders and investors, increasing employment opportunities in society, and improving worker welfare.</p> <p>Negative: the Company's financial performance is unstable, which may result in reduced dividends for shareholders and investors, as well as an impact on employee compensation and job security</p>
Policy/ Commitment	To provide professional services and meet the immediate needs of customers, TSMT has cultivated a professional management team and continue to maintain a leading position in the industry
Objective	<p>Short-term:</p> <ol style="list-style-type: none"> 1. Grow revenue and profits every year 2. Continuously innovate and develop to enhance the Company's competitiveness 3. Promote automation and intelligent production to enhance production efficiency and reduce costs <p>Long-term:</p> <ol style="list-style-type: none"> 1. Develop new customers and establish long-term partnerships 2. Focus on market trends and enhance operational agility
Responsibility	Management and all employees
Resources	Continuously invest in research and development. In 2023, we allocated nearly NT\$780 million to research and development, accounting for 1.67% of our revenue.
Grievance Mechanism	<p>The communication procedures and complaint/suggestion guidelines of TSMT should be followed when submitting through any channel.</p> <p>The channels for reporting, lodging complaints, and making suggestions are as follows:</p> <ol style="list-style-type: none"> 1) Dedicated mailbox located in front of the B1 convenience store (on the right side). 2) Internal Complaint Hotline: 03-2189988 ext. 29902 3) Internal Complaint Email: lisa-lu@tsmt.com 4) External Complaint Hotline: +886-3-2189988 ext. 29122 5) External Complaints Inbox: tsmt_service@tsmt.com.tw
Action Plan	Hold regular corporate briefing sessions to disclose financial performance and operational results, allowing external stakeholders to understand the Company's business conditions.
Assessment Mechanism	By convening regular Board meetings to review operational performance and discuss business objectives.

In 2023, TSMT continued to enhance the manufacturing process for small-pitch LED and invested in related R&D equipment and tools to improve the yield and production efficiency of mass transfer. This technology was applied to the trial production of large displays starting in the third quarter of 2023, with samples completed by early 2024. Mass production is expected to begin in Q3 2024. We will continue to optimize the process and extend its application to other products.

Furthermore, we continued to improve the process optimization of our existing DDR4 product line. Leveraging our high-yield production processes and leading SMT technology advantages, we secured customer projects for DDR5 production. We completed all stages of validation and approval, and by the end of 2023, we delivered product samples. Mass production is expected to begin in the first quarter of 2024 (Q1). Moving forward, we will invest further in the SMT and testing processes for memory modules to meet the demands of more customers.

With the rapid evolution of electronic products and continuous updates in manufacturing processes, TSMT has adhered to a spirit of service since its inception, specializing in electronic products of professional advanced manufacturing technology, the improvement and upgrading of test fixture and other related engineering technology. It also engages in the manufacturing process of automated production and intelligent process to meet the customers' needs and conform to the market trends, and then enhances the competitiveness of the Company in the overall industry and achieves a win-win goal.

Business Strategy

Marketing	Technical Development	Development Strategy
1. Seeking for cooperating with major overseas companies and striving for orders with huge quantity but less variety, in order to increase the effect of economies of scale. 2. Establishing strategic alliance with customers and achieve positive interaction. 3. Planning for overall marketing strategy and	1. Introducing automated production equipment and optimizing manufacturing process to boost production efficiency and reduce cost of production. 2. Promoting quality control for the overall process, improving quality inspection capability and quality, and reducing defect rate. 3. Increasing investment in equipment, replacing old equipment with new ones, and improving production and	1. Strengthening the management team, expanding business scale, and dispersing sales risk. 2. Continuously developing and producing different types of products for reducing the risk of product life cycle succession, and diversifying operation to

Marketing	Technical Development	Development Strategy
actively developing the international market in addition to existing customers.	sales process as well as the configuration of production lines to reduce material wastes and improve production capacity and efficiency.	improve the Company's competitiveness to ensure sustainable development.

Competitive Advantages

Factors of Competitive Advantages	Description
All-round layout of production lines to meet customer's needs	TFT-LCD panel products can be applied to various displays, with a wide range of applications. TSMT provides complete solutions for products of various sizes through its engineering capabilities and practical experience.
Production with scale economies effect, and maintenance of cost competitiveness	In general, a large amount of investment is required for manufacturing and processing industry, so it is necessary to maintain a high utilization of equipment and mass production to reduce unit fixed costs, so as to achieve scale economies effect. TSMT is able to adapt to different products within a short period of time, leveraging its technical expertise and experience. We optimize production processes and reduces facility usage time and error rates.
Establish production facilities near customers	TSMT employs a strategy of establishing production sites near its customers in Taiwan, Dongguan, Suzhou, Ningbo, Xiamen, Hefei, Chongqing, Xianyang, and India. The factories in Vietnam and Mexico are expected to be completed in 2023 to meet the timely supply demands of customers.
Continuously innovation of process technologies	TSMT is actively researching and developing new technologies and improving production processes. In recent years, we have also invested in the development of Mini LED processes to provide excellent service.

Direct Economic Value Generated by Organization Distribution

Item		2023	2022	2021
Generation of Direct Economic Value	Revenue (including non-operating income)	43,286,701	74,631,206	37,134,997
Distribution of Direct Economic Value	Operating Costs	38,252,228	63,188,916	28,658,452
	Employee Compensation and Benefits	2,627,790	4,188,309	3,494,983
	Payments to Investors	2,046,788	1,754,390	964,915
	Payments to the Government	364,135	367,361	65,663
Total Economic Value Allocated		43,290,941	69,498,977	33,184,012
Retained Economic Value		-4,240	5,132,229	3,950,985
Obtained from Government-related Grants		102,923	124,569	48,577

2.4 Fulfillment of Integrity Management

Management Policy for Material Topics


Material Topics	Integrity Management
GRI Indicators	GRI 205-1 / GRI 205-2 / GRI 205-3 / GRI 206-1
Impact Statement	<p>Establishing an integrity management system can reduce operational risks for TSMT.</p> <p>Positive: Integrity management enhances investor trust in the Company, safeguarding investment decisions, and making the Company's operations more resilient.</p> <p>Negative: If the Company does not adhere to the principles of integrity in its operations, it may impact the Company's reputation, affect the rights and interests of investors, and destabilize the capital market.</p>
Policy/Commitment	TSMT adopts a zero-tolerance policy towards all forms of bribery, corruption, extortion, and embezzlement. It strictly prohibits both the giving and receiving of gifts, engaging in anti-corruption and bribery practices, and entering into transactions and agreements that may appear to create conflicts of interest with any internal or external personnel.
Objective	In 2023, employees and the Board of Directors maintained a 100% signing rate for the Integrity Management Document, and 100% of all suppliers signed the Integrity Pledge document.
Responsibility	Administration Department, Audit Department
Resources	<ol style="list-style-type: none"> 1) TSMT provides the latest revised Ethical Corporate Management Best Practice Principles on its official website. 2) Regularly disclose relevant progress in the sustainability report and on the website.
Grievance Mechanism	<p>The communication procedures and complaint/suggestion guidelines of TSMT should be followed when submitting through any channel.</p> <p>The channels for reporting, lodging complaints, and making suggestions are as follows:</p> <ol style="list-style-type: none"> 1) Dedicated mailbox located in front of the B1 convenience store (on the right side). 2) Internal Complaint Hotline: 03-2189988 ext. 29902 3) Internal Complaint Email: lisa-lu@tsmt.com

	<p>4) External Complaint Hotline: +886-3-2189988 ext. 29122</p> <p>5) External Complaints Inbox: tsmt_service@tsmt.com.tw</p>
Action Plan	<p>Positive: Regularly conduct education and promotion on compliance with regulatory compliance.</p> <p>Negative: Establish an official website where all internal and external stakeholders can report incidents that violate business ethics using the TSMT communication process, complaint and suggestion guidelines, and other available channels.</p>
Assessment Mechanism	<p>TSMT conducts regular and ad hoc audits of integrity management activities, necessitating self-examinations of operational projects, including compliance with laws and regulations and risk assessment, for all factories, departments, and subsidiaries. In addition, the Audit Committee conducts relevant audits based on legal regulations and risk considerations by formulating an annual audit plan. It regularly reports the audit results and tracks progress in improvements to both the Audit Committee and the Board of Directors.</p>

Integrity Management Guidelines

TSMT has consistently upheld integrity and honesty as its core values. In addition to adhering to ethical guidelines for listed companies, the Company has implemented stringent adherence to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies to govern its employees, extending the requirement of adherence to all employees, external clients, and suppliers. Internally, employees are required to sign documents related to anti-corruption, anti-insider trading, and integrity management. In addition, regular courses are conducted to promote the values and principles of integrity management, during which employees pledge to adhere to the Company's integrity discipline requirements. The performance assessment system is integrated with the internal audit system to ensure that employees fully grasp the significance of integrity. Relevant regulations apply to external stakeholders as well. Before establishing a formal business relationship, an integrity management assessment is required to prevent engagement with unscrupulous operators. Upon confirming cooperation, suppliers must provide an Integrity Pledge document.

Reporting and Prevention System

<p>Company Whistleblowing Procedure</p> 	<p>To safeguard employee rights and promote labor-management harmony, TSMT enhances communication and welcomes employee reports, complaints, and suggestions. Simultaneously, it offers channels for suppliers, customers, and stakeholders to report, complain, and provide suggestions, aiming to uphold business ethics and social responsibility as outlined in this procedure. Complainants may file complaints through written, telephone, fax, email, or other available means. The Company assigns suitable personnel to address the reported issues, ensuring the effective operation of the complaint system.</p>
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■ Complaint Handling Process

STEP 1 Filing a Complaint	Employees are required to complete the Employee Complaints and Feedback Form and attach relevant information and evidence, which will be handled by personnel assigned by the specialized department.
STEP 2 Accepting Complaints	After receiving a complaint, the specialized unit should notify the relevant department supervisor within two working days for handling, and the unit is required to respond to the Human Resources Department within 14 working days
STEP 3 Complaints Handling	Complaint cases should be finalized within two months after the establishment of the investigation team, with a possible one-month extension in the case of particularly complex circumstances.
STEP 4 Complaint Cases Finalized	<ul style="list-style-type: none"> ● Once the investigation is finalized, the specialized department will present recommendations on the process and discretionary results, submit them for the general manager's decision, and then provide the investigation results to the complainant. ● Upon verification, if the reported matters are confirmed to be true and pose a risk to the Company's operations, they should be documented by the Human Resources department. Additionally, during the annual performance assessment, a confidential communication should be sent to the highest executive in the factory to notify them, and a reward for reporting should be considered.

Opposition to corruption, anti-competitive practices, anti-trust, and monopolistic behavior.

All operational locations of the TSMT Group have been included in the scope of corruption risk assessment. In 2023, no reports of financial and accounting-related violations were received. Moving forward, a series of promotional activities will continue to be carried out to promote the integrity management policy, with the aim of enhancing awareness of professional ethics among colleagues and business partners. Employees, governance units, and suppliers of TSMT have all signed and executed relevant documents on anti-corruption and anti-insider trading. Additionally, employees and governance units have completed anti-corruption training courses.

Integrity Management Education and Training

Subject	Content	Execution Frequency
Supplier	New suppliers are required to sign an annual Integrity Pledge or related documents, pledging to abide by the ethical and disciplinary requirements of TSMT.	When adding new suppliers
Employee	<ol style="list-style-type: none"> 1. RBA Code of Conduct Training and Promotion. 2. Training Employees on Social Responsibility Policies and Employee Ethics 	Once per quarter (For new employees, it will be held as necessary)
Directors and Managers	Upon the appointment of directors and executives, an email containing the Insider Equity Handbook is sent on the day of their appointment to inform the newly appointed executives about their obligations under relevant laws and regulations. Additionally, on the same day, the shareholder services agency is notified to report the relevant information of the newly appointed insiders.	Ad hoc

2.5 Risk Management and Operational Strategy

Risk management has a significant impact on business operations. TSMT regularly assesses various uncertain factors that could occur during its operations and establishes appropriate control mechanisms. The Board of Directors has established written principles for overall risk management and provides written policies for specific areas and matters, such as exchange rate risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of surplus liquidity. In line with global environmental and organizational operational strategy priorities, TSMT identified major risk factors, such as market risk and financial risk in 2023, and conducted assessments on these risk factors to propose corresponding risk mitigation strategies.

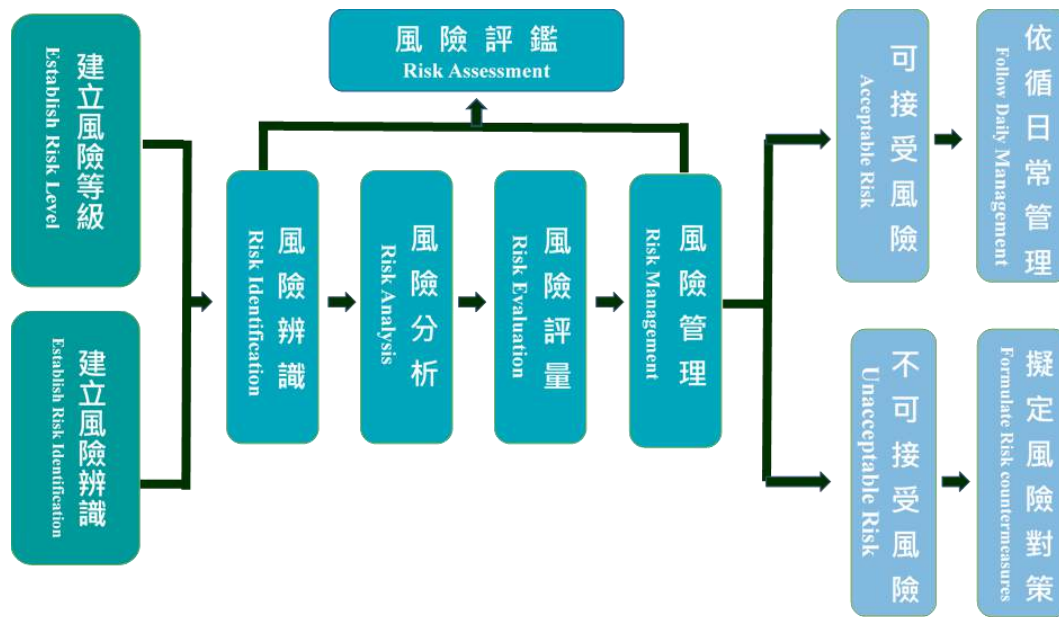
Risk Governance Policy and Operations

TSMT has adopted the Risk Management Policy approved by the Board of Directors as the guiding principle for risk management. In accordance with the principle of significance, TSMT incorporates risks related to operations and ESG issues into its operational management strategies. Through the identification, measurement, supervision, and control of potential risks, TSMT clearly understands the scope of operational risks and establishes an integrated risk management system, promoting a business model guided by appropriate risk management.

Risk Identification Process and Management

TSMT actively implements risk prevention and loss control, integrating risk management measures into daily internal control operations. Each department is required to conduct regular self-reviews and participate in education and training, which are then evaluated for effectiveness by senior executives, ensuring that risks can be effectively controlled within an acceptable range. Through the establishment of risk indicators and a risk event reporting mechanism, we consolidate business information, identify potential risks, and highlight the main risks. We also provide regular updates on the risk monitoring situation to the risk management supervisor. After identification, measurement, and assessment by the risk management organization, TSMT's primary risk items in 2023 includes market risk, financial risk, and credit risk. The annual management situation has been reported to the Board of Directors.

Process of Establishing Risk Assessment



Risk Improvement Process



Key Risk Management Items

Category of Risk	Risk Explanation and Response Measures
Market Risk	Due to the short life cycle and rapid technological changes in information electronic products, TSMT will continue to enhance its manufacturing capabilities and competitiveness in response to rapidly changing industry conditions. Additionally, the Company will actively maintain long-term cooperative relationships with existing suppliers to facilitate the acquisition of stable, long-term orders. In addition, the concentration of sales and purchases is a risk that the industry commonly faces. TSMT will leverage its wealth of experience to diversify into other sectors and proactively enter the optoelectronics industry to seize market opportunities.
Financial Risk	Considering various financial risks, such as currency risk, price risk, and interest rate risk, it is crucial to continuously monitor international financial information and exchange rate fluctuations. Maintaining close communication with banks and staying informed in a timely manner is essential to ensure liquidity and minimize the impact of financial risks on TSMT.
Credit Risk	To avoid financial losses resulting from a counterparty's inability to meet contractual obligations, we strictly adhere to our internal credit policy, assess customer credit transaction methods, and continuously monitor accounts receivable after transactions.


2.6 Regulatory Compliance

TSMT has been committed to maintaining its corporate image over the years, pledging to abide by the legal requirements of the countries where it conducts business activities. TSMT also conducts regular assessments of environmental and safety regulations, assisting the Company in establishing risk management measures and operational requirements. The Company continually internalizes legal regulations into Company policies or implementation procedures and disseminates them to employees through relevant educational and training programs. All factories obtained certifications such as ISO 14001:2015 Occupational Health and Safety Management System, ISO 45001:2018 Occupational Health and Safety Management System, ISO 9001:2015 Quality Management System, and IECQ QC08000:2017 Hazardous Substance Process Management System. These certifications ensure compliance with environmental, labor, and occupational safety regulations and provide a safe working environment for employees. As of 2023, TSMT has not incurred any significant fines ^{Note} related to corporate governance, economic, social, or environmental regulations, except for violating labor regulations. Additionally, there have been no incidents of customer privacy infringement or data leakage.

Category	Description	Amount of Penalty (NT\$ million)	Improvement Measures
Labor	Date of penalty: June 13, 2023 Contents of violation: Exceeding legal limits on working hours.	15	Implementation of and compliance with relevant laws and regulations.
Labor	Date of penalty: December 08, 2023 Contents of violation: Exceeding legal limits on working hours.	15	Implementation of and compliance with relevant laws and regulations.
Labor	Date of penalty: December 08, 2023 Contents of violation: Failure to provide remuneration for working on rest days as required by regulations.	15	Implementation of and compliance with relevant laws and regulations.

Ch3. Customer Relations and Quality Management

Sustainability Performance and Corresponding SDGs

SDGs		2023 Annual Job Performance
SDG 12	 <p>Responsible Consumption and Production</p>	<ul style="list-style-type: none"> ● The annual percentage of new suppliers signing the RBA commitment reached 86.4%. ● During the annual review of 274 supplier conflict material-3TG smelters, the countries of origin of the smelters were not identified to be located in conflict mineral risk areas. ● No violations of health and safety regulations related to products and services during the year.
Other Performance		
<ul style="list-style-type: none"> ● There have been no incidents of customer data theft or leakage at TSMT within the year, and no incidents of customer privacy infringement have been reported. ● A total of 1,216 employees from the Taiwan factory participated in information security education and training during the year. 100% of the employees completed the information security education and assessment. ● During the year, a total of 2,353 participants from TSMT's global locations (Taiwan, Mainland China, India) engaged in social engineering attack drills, with a pass rate of 98%. ● Ranked among the top 500 importers for outstanding performance by the Ministry of Economic Affairs in 2023. 		

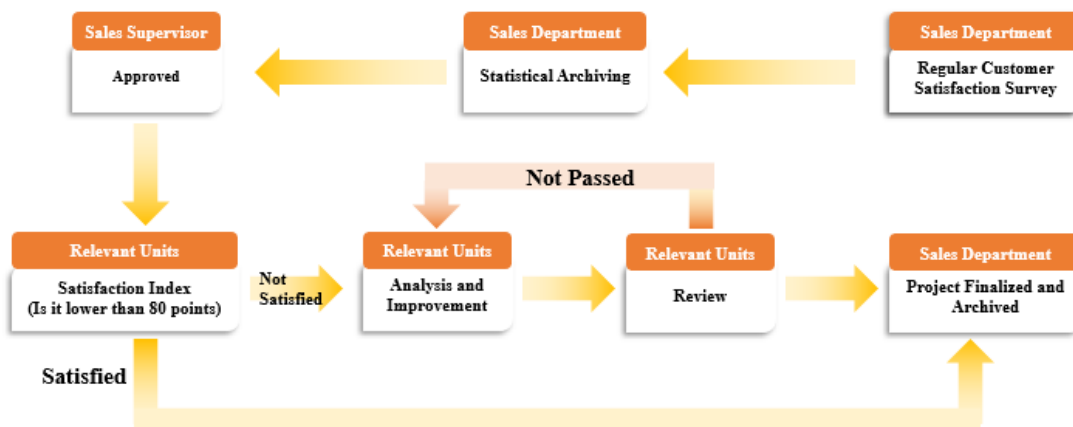


3.1 Customer Relationship Maintenance

Customer Satisfaction

Maintaining strong customer relationships is one of the key factors contributing to the Company's success. At TSMT, we are dedicated to establishing and nurturing these relationships. Through regular communication, we gain insight into customer needs and improvement suggestions, which are then integrated into our future operations to bolster trust and loyalty. Furthermore, ongoing communication helps us identify potential opportunities and enhance the long-term value of our partnerships.

TSMT recognizes that product and service improvement relies on customer feedback and suggestions. Therefore, we have established the Customer Satisfaction Procedure internally. Every six months, the Sales Department sends out questionnaires for customers to fill out. The assessment includes two main aspects: overall satisfaction and key performance indicators. The overall satisfaction covers delivery quality, price quality, service quality, and product quality. Key performance indicators include quality stability, professional competence, responsiveness to urgent orders, sales personnel's attitude, complaint handling, and feedback speed. After collecting and organizing customer feedback, a meeting will be convened with relevant departments to address issues where the scores are lower than the satisfaction benchmark. The meeting will discuss future improvement plans and specific measures for communicating with customers, allowing them to experience TSMT's commitment to customer satisfaction and its proactive approach to change.



Customer Satisfaction Survey Process

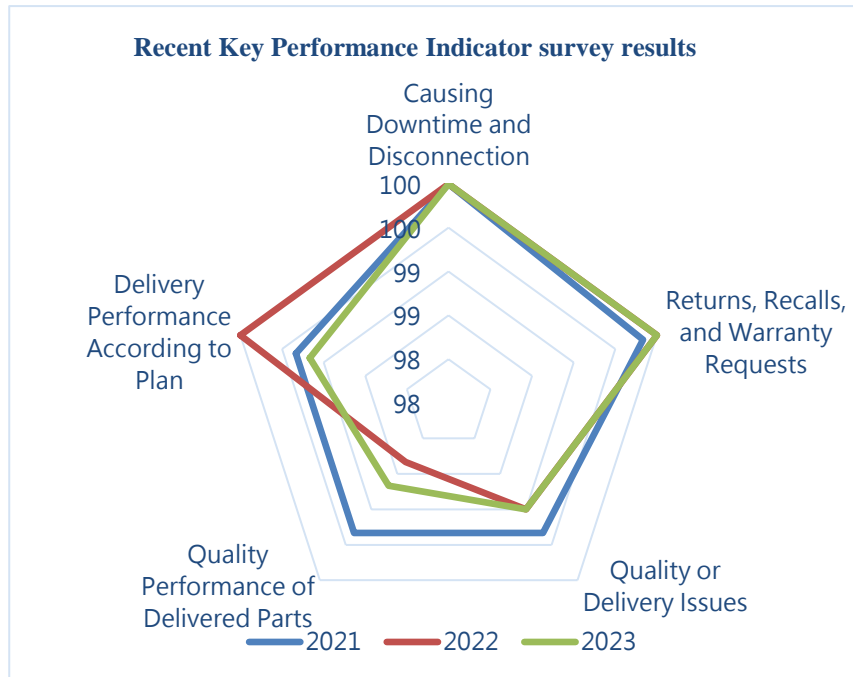
Customer Satisfaction Survey Results

Over the past three years, TSMT's customer satisfaction survey results have consistently scored above 90 points, affirming our services and quality. In the future, we will continue to aim for a satisfaction score of 90 points or higher to provide our customers with stable and high-quality service.



Customer Satisfaction Survey Results

Besides customer satisfaction, TSMT conducts an annual assessment of the potential impact of its products or services on customers. This assessment involves tracking key performance indicators related to customer service throughout the year. Incidents such as customer returns, production stoppages caused by customers, product recalls, or customer complaints directly affect the scores of these performance indicators. Over the past three years, TSMT has consistently received high ratings from customers across all five key performance indicators, with scores surpassing 98 points. Since 2021, most of these indicators have exhibited a year-on-year improvement trend, highlighting TSMT's commitment to meeting customer requirements in terms of delivery, quality, and service. Moving forward, there will be a specific emphasis on continuous quality tracking and internal improvements, which will be monitored through annual trends.

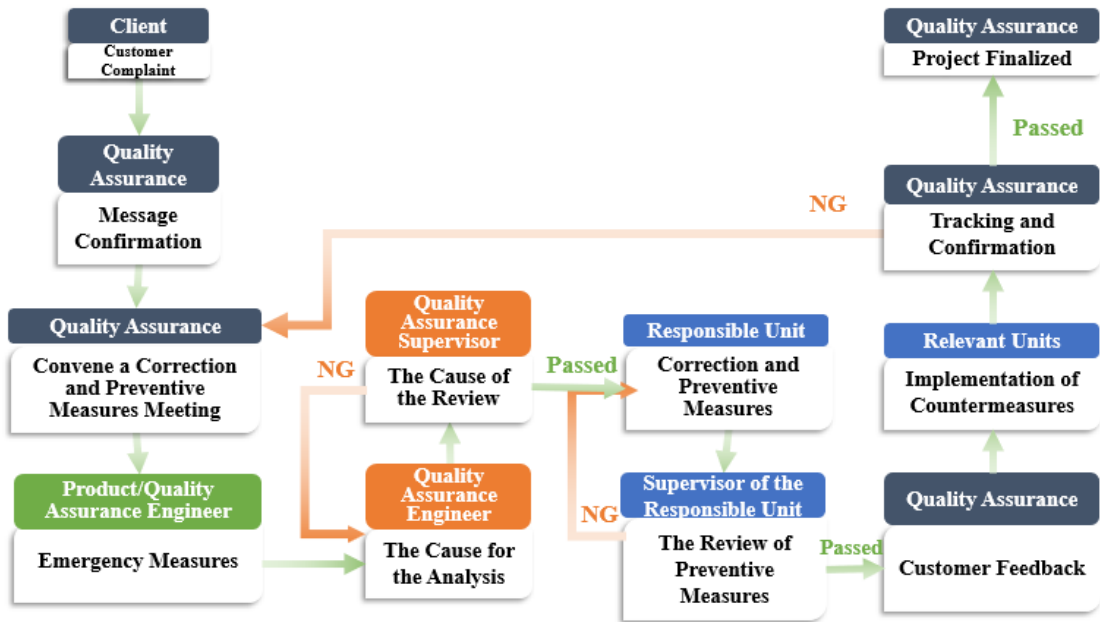


Key Performance Indicator Survey Results

Customer Complaint Handling Procedures

TSMT highly values after-sales service for every customer. When customers provide feedback, whether it's criticism or suggestions related to our products, we view these as opportunities for improvement and take them seriously. To ensure a swift and efficient response, we have established a Customer Complaint Handling Procedures. When the Quality Assurance Department receives a customer complaint, we promptly take appropriate measures and follow the procedure for improvements. Effective communication with customers and timely resolution of their complaints are our goals, aiming to minimize any inconvenience caused by quality or service issues. This not only upholds our Company's reputation but also enhances the quality of our after-sales service, ultimately improving customer satisfaction.

In 2023, TSMT did not receive any major customer complaints, primarily related to product quality defects. However, the relevant departments have already implemented improvement measures, which have been approved by the customers.



Procedures for Addressing Customer Concerns

3.2 Information Security and Customer Privacy

Management Policy for Material Topics

Material Topics	Information Security and Customer Privacy
Impact Statement	Information security, customer privacy protection, and trade secret protection management are important components in maintaining the trust of internal and external stakeholders. If the Company violates relevant regulations regarding information security incidents, leading to lawsuits and profit losses, it will severely damage the corporate image and lead to financial losses. TSMT has established relevant information security management procedures and regulations to effectively control the Company's trade secrets and confidential information, aiming to prevent any incidents that may jeopardize customer interests due to the leakage of confidential information.
Policy/Commitment	TSMT has established information security policies and guidelines to protect the security of stakeholder data and information. These policies are enforced and implemented through an information security management system and an information security committee. Integrate and enhance the information security management system, establishing institutionalized, documented, and systematic management mechanisms to enforce information security policies. This will help protect customer data, safeguard Company intellectual property and trade secrets, strengthen the information security environment and incident response capabilities, and achieve the objectives of measuring information security policy indicators.
Objective	<p>Short-term Goals (-2024):</p> <ol style="list-style-type: none"> 1. Implement an Information Security Management System (ISMS) and obtain ISO 27001:2022 certification. 2. Endpoint Information Security Threat Visualization Management: Effectively managing unknown endpoint behavior risks and proactively defending. <p>Medium-term Goals (-2025):</p> <ol style="list-style-type: none"> 1. There have been zero complaints filed against the Company for violations of customer data protection or customer data loss, which could lead to legal action.

	<p>2. Continue to maintain and pass re-evaluation for ISO 27001:2022.</p> <p>Long-term Goals (-2026):</p> <p>1. There have been no major information security incidents caused by information security vulnerabilities.</p> <p>2. Continue to maintain and pass re-evaluation for ISO 27001:2022.</p>
Responsibility	<p>1. Information Security Management Committee: Conducts review of information security office governance plans and supervises the implementation of information security matters.</p> <p>2. Information Security Office: Carries out implementation and reporting of the Company's information security governance plan.</p> <p>3. All employees: Please adhere to the information security management standards and ensure proper data management and threat defense.</p>
Resources	<p>1. To effectively manage the Company's information security and protect customer privacy, the Company established the Information Security Management Office in 2021. The office is responsible for governing the Company's information security, as well as planning, implementing, and defending against security threats. To ensure the security policy's effective implementation, the Company also established the Information Security Management Committee. Chaired by the Vice President, the committee includes the highest executives from each department, collectively overseeing information security governance.</p> <p>2. Every year, at least one comprehensive information security awareness training and social engineering attack drill should be conducted. Monthly information security promotion is carried out, and a third-party audit unit conducts an ISO 27001:2022 information security governance audit annually.</p>
Grievance Mechanism	mail: tstsecurity@tst.com
Action Plan	<p>Positive Effective Management</p> <p>Continue to manage information security behavior, with the main focus on information security threat visibility and zero-</p>

	<p>trust architecture to enhance information security resilience, gradually reducing information security risks and increasing information security maturity.</p> <p>Negative-Impact Management</p> <ol style="list-style-type: none"> 1. Social engineering drills, system vulnerability scanning, penetration testing, and supplier information security self-assessment. 2. Security Incident Reporting and Handling: Colleagues can report incidents they have discovered or encountered using the extension or email reporting mechanism. Upon receiving the report, security personnel will address the incident based on its classification and severity level.
<p>Assessment Mechanism</p>	<p>Information Security Management Committee: Annual Report on Information Security Work and Review of Information Security Policies. Conduct vulnerability scanning and penetration testing of the information system, and implement necessary improvements.</p> <ol style="list-style-type: none"> 1. No significant deficiencies were identified in the annual information security audit, and there were no major security incidents that violated information security, resulted in customer data breaches, or incurred fines. 2. The annual number of complaints resulting from legal action due to the Company's violation of customer personal data protection laws or data loss is zero.

In the global wave of digital transformation, digitization has become an important strategic direction for companies to improve internal process efficiency and capture ESG data. However, the large-scale digitization of paper documents is accompanied by concerns about leaks of personal information and trade secrets. Information security management has become an issue that cannot be ignored in the process of digital transformation for companies. TSMT is committed to protecting the confidentiality, integrity, and availability of various forms of information generated in its operations. We strive to ensure protection against malicious attacks, destruction, unauthorized intrusion, and leakage to safeguard the data security of customers, employees, and the Company.

Enhance the Information Security Management Framework

TSMT values the information security and privacy of all its customers and employees. To protect the business secrets of each customer and ensure the effective implementation and continuous operation of the information security management system, TSMT has established a comprehensive information security management framework and improved the allocation of information security management responsibilities. The Information Security Committee is the Company's highest management unit for information security issues. It is responsible for the final approval of the information security management system and introduction of external resources. There's an Information Security Office under it, which regularly reports on the progress of information security business to the Information Security Committee. It also coordinates the planning and promotion of internal information security business within the Company, regularly reviews information security policies to ensure that the Company's security measures and standards comply with current legal and customer requirements, and implements the protection of customer and employee data security to safeguard the Company's reputation. There was no incidents of customer data theft or leakage at TSMT in 2023, and no incidents of customer privacy infringement was reported.

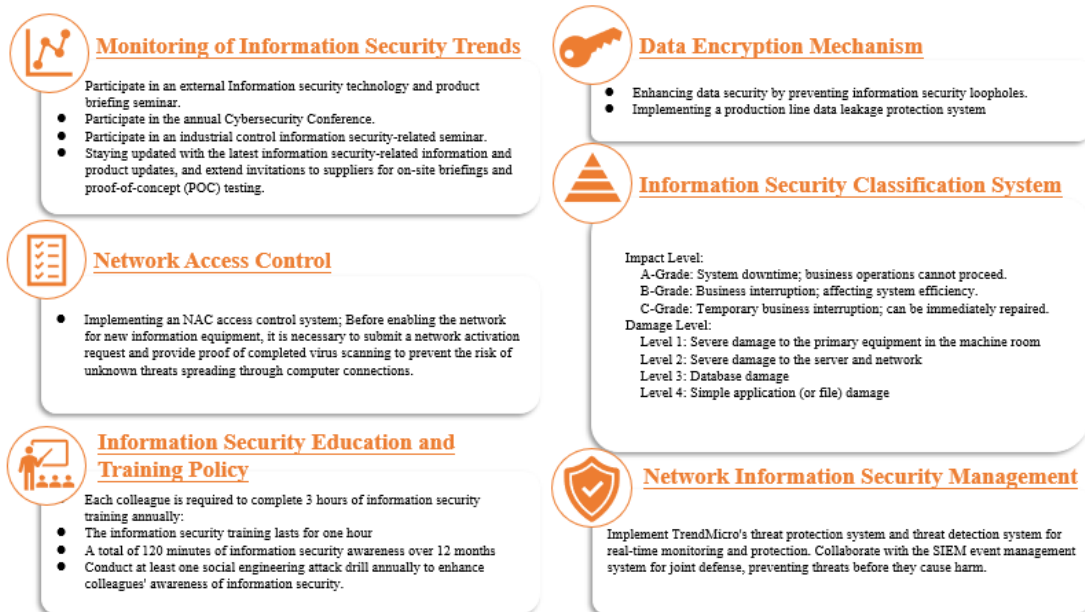
Information Security Units at TSMT



Information Security Policy

TSMT initiated the ISO 27001 Information Security Management System implementation plan on October 3, 2023. In response to this project, the cyber security policy will be revised, and the revised version is scheduled to be completed and issued in 2024.

In order to enable various information security-related units to establish a basic security protection network and effectively implement information security measures in daily activities, TSMT has formulated six major information security management policies. These policies include employee security education and training, internal data encryption mechanisms, data classification management, network data security, network access control, and information security trend tracking. Based on the Company's information security management framework, the information security policy is supplemented with information security work to effectively integrate resources and enhance the information asset protection mechanism.

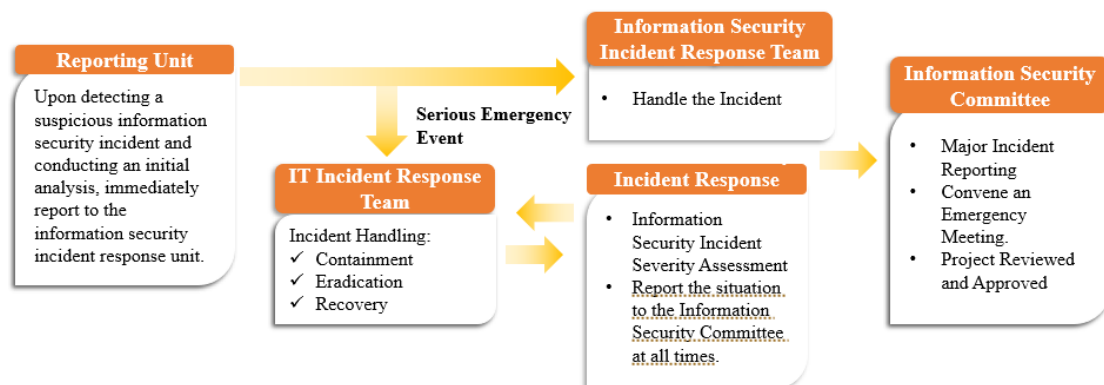


TSMT Information Security Policy

Information Security Incident Reporting and Response Process

The implementation of information security is fundamental to the Company's daily operations. In the event of severe external information security attacks or virus invasions that disrupt internal systems, it not only carries the risk of sensitive data leakage but, in severe cases, can lead to the forced shutdown of highly digitized factories, interruptions in production lines, and potential financial losses, along with the risk of failing to deliver goods to customers on time.

To minimize the time and extent of the impact of information security incidents on the Company, the Company has established an internal information security incident reporting and response process. This process allows each department to report incidents to the responsible unit in accordance with the Standard Operating Procedure (SOP) as soon as an information security incident occurs. The incidents are then classified and handled according to their severity and urgency, ensuring that rescue and recovery efforts are precise and efficient. This approach helps keep the impact timeline of information security incidents on the Company within a manageable range.

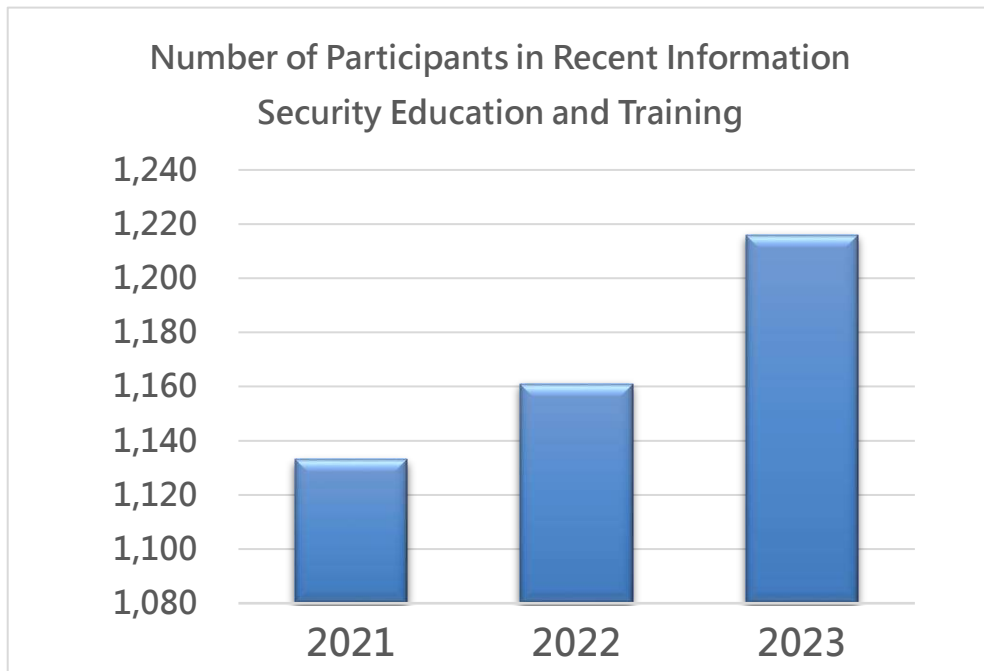


Information Security Incident Reporting and Handling Procedures

Information Security Education and Training

TSMT aims to ensure that every employee has a basic awareness of information security and is committed to implementing the Company's information security policy in all aspects of daily work. Therefore, the Information Security Department compiles monthly information security trends and distributes them to all employees in the form of security awareness articles. This not only enhances the defense capabilities of all employees against security threats but also expects all colleagues to have a basic understanding of current information security issues.

In addition to being continuously updated on information security trends, the Company also regularly organizes information security general education courses, training, and assessments. Each employee is required to complete a minimum of three hours of information security training annually. In 2023, a total of 1,216 employees from the Taiwan factory participated in information security education and training. 100% of the employees completed the information security education and assessment for that year. In response to the increasing frequency of social engineering attacks in recent years, the Company conducts one social engineering attack drill annually. In 2023, a total of 2,353 personnel from Taiwan, China, and India, the global locations of TSMT, participated in the social engineering attack drill. The overall pass rate for the drill testing reached 98%, and individuals who did not pass the drill were required to undergo educational training and pass the exam again.



Number of Participants in Recent Information Security Education and Training

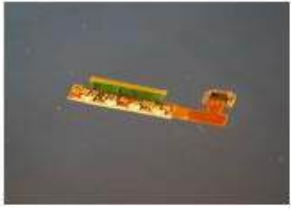
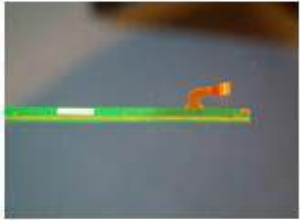







3.3 Green Production and Quality Management

Management Policy for Material Topics

Material Topics	Product Quality Management
Impact Statement	The quality of products is crucial to customers' assessment of TSMT. Good product quality is highly favored, and the stable production of high-quality products contributes to establishing long-term cooperative relationships. If the Company does not ensure product quality, it may affect the Company's reputation and even result in fines from customers or competent authorities.
Policy	TSMT aims for zero defects as its long-term quality management goal and implements a quality policy of applying effective management systems, achieving real-time comprehensive quality, and ensuring complete customer satisfaction.
Objective	Annual Ongoing Goals: 1. Customer Satisfaction Score \geq 80 points 2. Production Yield (VI) $>99.98\%$ 3. Final Visual Inspection (FVI) Yield $>99.98\%$ 4. Shipment Achievement Rate: 100%
Commitment	TSMT has implemented the ISO 9001 Quality Management System and adheres to quality processes and policies. We utilize a robust IT information system and management procedures to monitor, measure, analyze, and continuously enhance quality-related indicators. Through the comprehensive implementation of the PDCA cycle, our objective is to proactively prevent the occurrence of poor quality.
Responsibility	1. Quality Assurance: Management is conducted based on the quality management system. 2. All employees: Perform operations according to the respective operating SOPs.
Resources	Costs of personnel education and training, ISO 9001 system verification, internal/external auditing costs
Grievance Mechanism	tsmt_service@tsmt.com.tw
Action Plan	1. Regularly conduct education and training related to quality management 2. Through the Continuous Improvement Process (CIP), we aim to continuously enhance product quality and reduce production costs.
Assessment Mechanism	Through annual management review meetings, annual audits, and satisfaction surveys, the achievement of quality objectives is confirmed, and the progress toward annual goals is monitored

Major Products

TSMT is a leading global supplier of thin-film transistor liquid crystal display (TFT-LCD) surface mount technology (SMT) production solutions. Our business scope includes the procurement and management of raw materials and components, engineering design processes, SMT assembly processes, quality assurance, logistics management, and after-sales service. As our production facilities have grown, the variety of products we manufacture has also increased. From early personal computer motherboards to mobile phones and even liquid crystal displays, with the rapidly evolving field of electronics, our services have become more diverse, always maintaining status as a key driver of global informatization. TSMT upholds the business philosophy of customer first and is committed to maintaining a high level of quality and providing the best services to our customers. Meanwhile, the Company places great emphasis on environmentally friendly production facilities and processes, as well as addressing global green energy issues by reducing pollution in the production process and mitigating the impact on the environment. Furthermore, the Company is focused on the development of environmentally friendly and energy-efficient products.

 <p>Mobile phone</p>	 <p>15" Laptop</p>	 <p>Printer</p>
 <p>LCD television</p>	 <p>FPCA</p>	 <p>Light Bar</p>
 <p>LCM PPCBA</p>	 <p>Inverter</p>	

Quality Management and Assurance

TSMT's primary business operations encompass general electronic information products, circuit board design, processing, and manufacturing with surface adhesion assembly. To ensure the highest product quality for customers, all of TSMT's production plants have obtained ISO-9001 quality management and ISO-14001 environmental management system certifications. Additionally, the Company has also passed quality audits from brands such as Dell, Pioneer, and Bosch to ensure that the quality meets customer expectations.

Certification Statistics for Each Factory	Taiwan	Dongguan	Suzhou	Ningbo	Xiamen	Chongqing
ISO-9001 Quality Certification	✓	✓	✓	✓	✓	✓
ISO-14001 Environmental Certification	✓	✓	✓	✓	✓	✓
ISO 13485 Medical Devices - Quality Management Systems	✓		✓	✓		
ISO 14064-1 GHG Certification	✓			✓		
ISO-45001 Occupational Health and Safety Management System Certification	✓	✓	✓	✓	✓	✓
UL Certification	✓	✓	✓	✓	✓	✓
RBA Code of Conduct Training and Promotion (Formerly known as EICC)	✓	✓	✓			✓
ISO/TS16949 Implementation of Production Conditions and Related Service Items in the Automotive Industry	✓	✓	✓	✓	✓	

experienced, and knowledgeable team of testing and analysis technicians.

The laboratory operates in strict accordance with the CNAS-CL01:2006 (ISO/IEC 17025) system requirements. It was accredited by the China National Accreditation Service for Conformity Assessment (CNAS) in July 2008 and has become a testing laboratory with professional testing capabilities, capable of issuing impartial testing reports. With the rapid development of the LED industry, TSMT invested in establishing an optical performance and safety regulation testing laboratory for LED/LED lighting fixtures in 2011. And reached an agreement with Underwriter Laboratories Inc. (UL) in the United States. TSMT became an authorized UL certification laboratory for lighting fixtures in 2011. It is also authorized for lighting fixtures CB scheme certification and Energy Star certification. It has passed the capability verification tests conducted by the National Institute of Standards and Technology (NIST) in the United States, establishing itself as a professional one-stop testing laboratory for lighting fixtures.



CNAS Accreditation Certificate

UL Energy Star Authorization Certificate



CB Scheme Authorization Certificate

UL Lighting Safety Authorization Certificate

TSMT Quality-Related Certifications



Environmental Reliability Testing



Analysis of Electronic Product Failures



Environmental Hazardous Substance Testing



Light Fixture Safety Testing and Certification



Light Fixture Safety Testing and Certification



Lighting Fixture Performance Testing and Certification



Lighting Fixture Performance Testing and Certification

TSMT Laboratory and Certification

Green Production

To reduce environmental and human health hazards during the production process and ensure that the materials, auxiliary materials, and finished products used in the production process comply with international standards (such as RoHS, REACH, California Proposition 65) and client requirements, TSMT has established a Green Product Quality Specification Manual. Suppliers are required to comply with TSMT specifications for lead-free processes, lead-free products, halogen-free processes, and halogen-free products, and to sign a commitment guarantee.

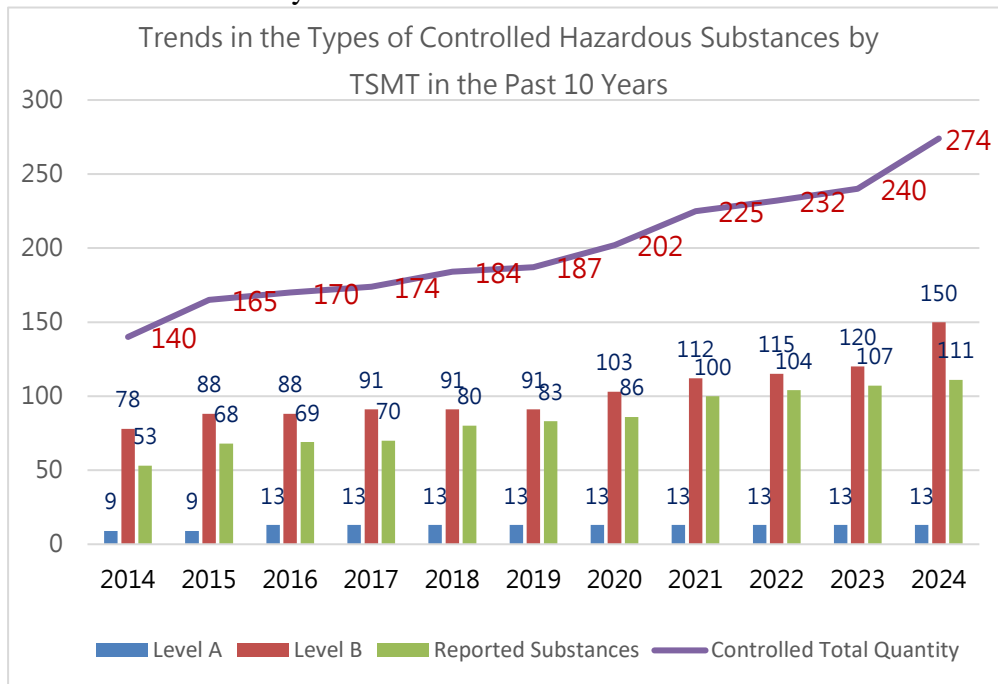
The Engineering Department annually tracks international regulations and customer requirements related to hazardous substances. The Green Product Quality Specification Manual is continually adjusted and updated to align with these trends. All materials used by the Taiwan Division, including materials, parts, components, process materials, and auxiliary materials, must comply with this specification.

TSMT fully complies with the requirements of the Restriction of Hazardous Substances (RoHS) regulation established by the European Union. In 2023, there were no violations of relevant product regulations, and no products were prohibited from being sold due to regulatory violations or incidents of violating marketing regulations. As of the end of 2023, TSMT has included 240 hazardous/restricted substances in its internal regulatory management. These substances are classified into three categories based on their level of hazard: Level A (prohibited substances), Level B (restricted substances), and substances requiring reporting. Suppliers are required to provide supporting documents and samples in accordance with the classification requirements for each substance, for TSMT to conduct green component audits.

Classification of Hazardous Substances	Management Policy
Substances Requiring Reporting	This kind of substance, while not prohibited, can affect the recycling and final disposal of the product when present in the product. Therefore, the use of such substances must be understood and controlled. If a supplier uses or adds such substances in components, the supplier must list them in the Material Safety Data Sheet (MSDS) or the component list to inform TSMT.
Restricted substance of	This kind of prohibited substance must provide MSDS or ingredient list and environmental management substance' to

Classification of Hazardous Substances	Management Policy
Level B substance	demonstrate that the product does not contain or use such prohibited substances and complies with the restricted concentration specifications for such prohibited substances. In addition, substances classified as Level B, are further divided into three levels of management based on their prohibition/restriction levels.
Prohibited Substances of Level A	These restricted substances of this kind must provide a chemical analysis report, MSDS or ingredient list, and an environmental management substance non-use certificate to demonstrate that the product complies with the specifications for these prohibited substances. Based on their prohibition/restriction goals, they are further divided into three management levels.

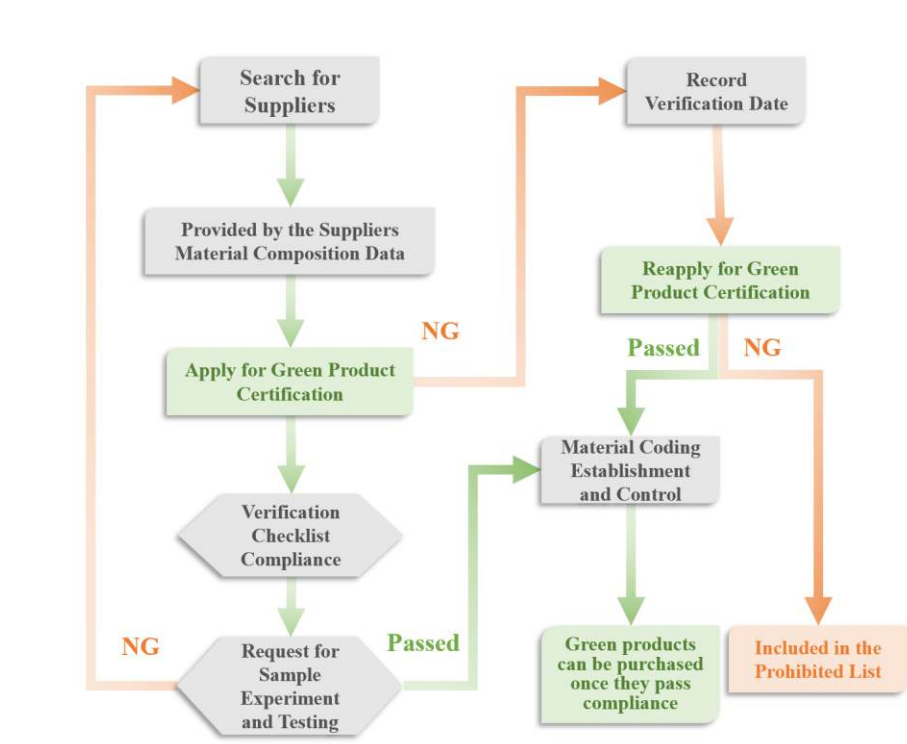
With the increasing focus on hazardous substances in recent years, driven by international regulations and customer demands, TSMT has consistently raised its self-regulatory standards. By 2024, the Company has already managed 274 hazardous substances. The 17th edition of the Green Product Quality Specification Manual will come into effect on February 1, 2024. In the future, TSMT will maintain communication and collaboration with its suppliers to reduce the presence of prohibited and restricted substances in its products, thereby establishing a green supply chain and pursuing environmental sustainability.



Trends in the Control of Hazardous/Limited Substances by Suppliers Over the Years

The State Council of the People's Republic of China issued the Three-Year Action Plan for Winning the Blue Sky War in 2018, strengthening the management of volatile organic compounds (VOCs) in enterprises. Although TSMT's Taiwan factory is not within the scope of this plan, it has still conducted an inventory of the use of cleaning water, adhesives, inks, and paints in the factory area as requested by customers. The investigation was completed in 2023, covering a total of 25 item numbers. TSMT also requires all materials submitted by the aforementioned suppliers to fully comply with the Chinese national standards for the limited requirements of VOCs (Volatile Organic Compounds).

To effectively manage and identify the types of hazardous substances covered by the parts provided by suppliers, TSMT has established the Green Product Supplier Hazardous/Restricted Substance Management Procedure. When suppliers cooperate with TSMT for the first time, they must apply for Green Product certification in accordance with the Green Product management procedure. They are required to provide ingredient lists and samples of raw materials for testing in the TSMT laboratory. Only after passing the test can they become qualified suppliers and begin the procurement process. If the supplier's parts and materials cannot pass the hazardous/restricted substance testing, they will be included in the list of prohibited materials.

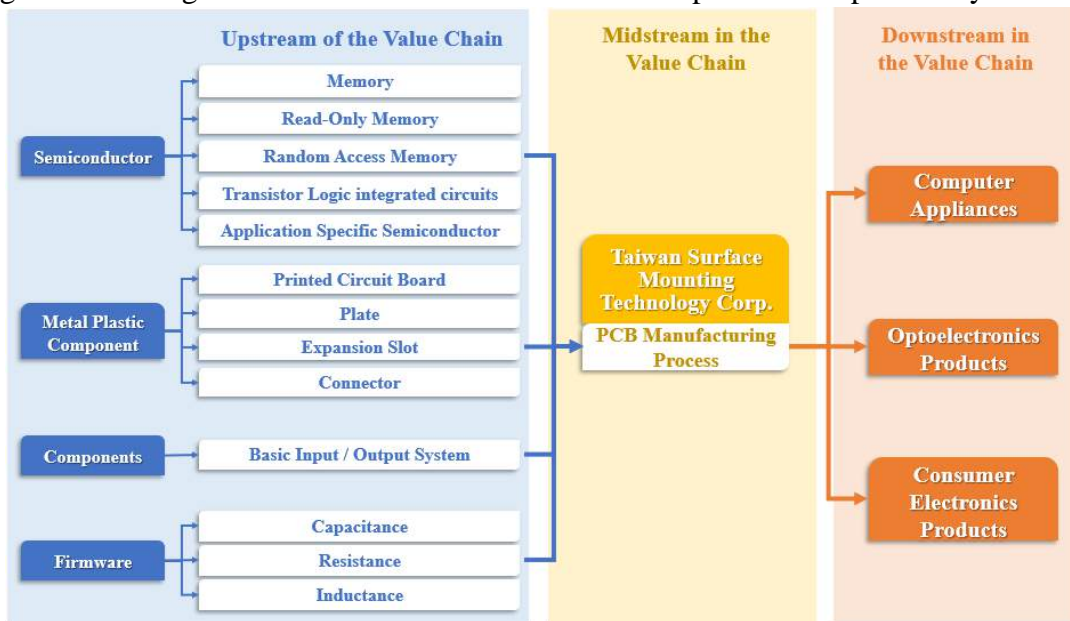


TSMT Supplier Hazardous/Restricted Substance Management Procedure

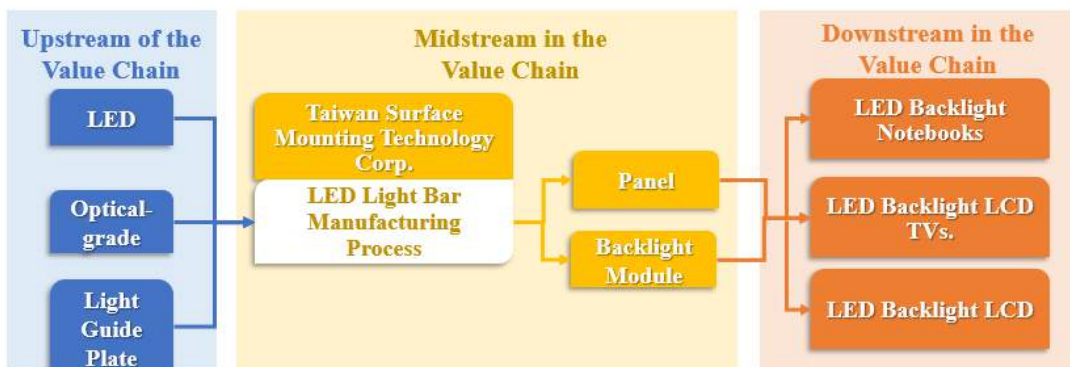
3.4 Responsible Supply Chain

TSMT Value Chain Upstream and Downstream

the Company is primarily involved in PCB substrate processing and manufacturing, as well as the production and sale of LED light bars. Therefore, the Company's business falls within the electronic hardware industry, and its processing services encompass information technology, optoelectronics, and information appliances, among other areas. When electronic hardware products are manufactured, from design and component manufacturing to assembly and shipment, PCB substrate processing plays a crucial role in the manufacturing process. If this process is not handled properly, it is bound to affect product quality. Information and electronics manufacturers have gradually outsourced PCB processing and manufacturing in recent years due to the increasing specialization within the electronics industry. This trend aims to achieve rapid expansion of production capacity while minimizing investment and equipment-related risks. As a result, providing specialized assembly foundries has more potential for growth. There were no significant changes in TSMT's value chain in 2023 compared to the previous year.



Relation among PCB with up-, mid-, and downstream



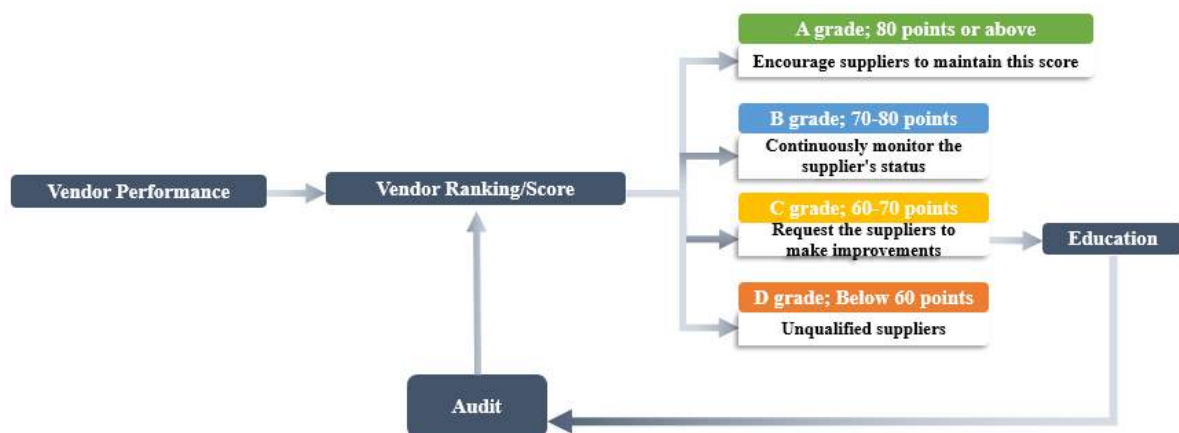
Relation among LED light bar and up-, mid-, and downstream

Sustainable Supply Chain

TSMT firmly believes that the success of a Company cannot be achieved by individual efforts alone. It requires the mutual support of the entire supply chain, fostering coexistence and mutual prosperity. The same applies to achieving sustainable development, where issues such as carbon reduction, human rights protection, and environmental conservation must be addressed through collaborative efforts and consensus among industry stakeholders. Only then can the industry as a whole truly exert long-term influence on the external environment and society.

Besides the quality, delivery, cost, and service of supplier products, we also urge suppliers to pay attention to human rights and global environmental protection issues. In response to the EU RoHS directive and REACH regulations, TSMT requires suppliers to comply with the relevant specifications for lead-free processes, lead-free products, halogen-free processes, and halogen-free products, and to sign relevant commitments. This will drive the supply chain to reduce the use of harmful/restricted substances and minimize the impact on the environment.

In order to select suppliers that meet the quality, human rights, and hazardous/restricted substance requirements of TSMT, new suppliers of TSMT must comply with the Green Product Quality Specification of TSMT, and possess the latest ISO 9001:2015 certification and complete the RBA commitment letter. Only after passing the audit by the audit team can they become qualified suppliers of TSMT. Suppliers with an audit score of 90 or above will be given priority, while suppliers with a score of 70 or above will need to make significant improvements after guidance and undergo a reassessment within 7 days to ensure full compliance with the standards of TSMT. Suppliers with a score below 69 will not be chosen as suppliers for TSMT.



Supplier Assessment Management Workflow

In addition, TSMT conducts supplier audits every six months. During this period, suppliers who have placed orders are evaluated to continuously monitor and investigate the improvement of high-risk suppliers. This is to ensure that TSMT effectively and comprehensively enhances product safety, production processes, working environment, human rights, health, and safety aspects in its overall supply chain. In 2023, TSMT completed on-site audits of 11 major suppliers following RBA guidelines and did not find any significant violations by the suppliers. If any suppliers are found to be involved in the procurement of conflict minerals or the employment of child labor in conflict areas, investigations will be initiated. In 2023, no instances of human rights violations or violations of corporate ethics were found among the suppliers.

Responsible Business Alliance (RBA)

TSMT has adopted the Responsible Business Alliance (RBA) Code of Conduct, which is an international standard that ensures suppliers comply with RBA's guidelines and commitments in operational management, labor rights, environmental protection, occupational health and safety, and management systems. Formerly known as the Electronic Industry Citizenship Coalition (EICC), the RBA's Code of Conduct was implemented by TSMT in 2018 and has since been verified by a third-party audit. All suppliers are required to sign the RBA Commitment Letter.

Out of the 103 new suppliers in 2023, 89 have completed the RBA Commitment Letter, accounting for 86.4% of the new suppliers for the year. As for the 785 suppliers involved in annual transactions, a cumulative total of 427 have completed the RBA commitment letter, accounting for 54.4% of the suppliers involved in annual transactions. In the future, TSMT will continue to urge suppliers to sign the RBA commitment letter in order to exert influence on the supply chain.

RBA Signature Status of Existing Suppliers	TSMT	Suzhou Regent Electron	Total
Total number of suppliers in annual transactions	457	328	785
Number of suppliers in annual transactions who have signed the RBA Commitment Letter	287	140	427
Percentage of suppliers in annual transactions who have signed the RBA Commitment Letter	62.8%	42.7%	54.4%
RBA Signature Status of New Suppliers for the Year	TSMT	Suzhou Regent Electron	Total
Number of new suppliers for the year	90	13	103
Number of new suppliers for the year who have signed the RBA requirements	78	11	89
The percentage of new suppliers signing the RBA Commitment Letter for the year.	86.7%	84.6%	86.4%

TSMT will continue to leverage its influence to enhance the supply chain's focus and actions on environmental and human rights issues, to reduce the impact on external stakeholders. The Company has established the following regulations to be adhered to by all suppliers to improve and enhance environmental, labor rights, and safety conditions, and to expand the social responsibility of the supply chain:



- **Business Integrity:** All business interactions must adhere to the highest standards of integrity. All participants should prohibit all forms of corruption, extortion, embezzlement, and other misconduct. Monitoring and strengthening procedures must be implemented to ensure compliance with ethical business operation requirements.
- **No Improper Gains:** Providing or accepting bribes or any other improper gains is prohibited.
- **Information Disclosure:** In compliance with applicable laws and major industry practices, information related to business activities, organizational structure, financial condition, and performance is disclosed.
- **Intellectual Property:** Respect the transfer of intellectual property, technology, and production experience, and ensure its proper protection.
- **Fair Trade, Advertising, and Competition:** Establish standards for fair trade, advertising, and competition. Participants must have measures in place to protect customer information.
- **Identity Confidentiality:** Procedures should be established to protect the identities of suppliers and employee whistleblowers and ensure their confidentiality

Conflict Mineral Management

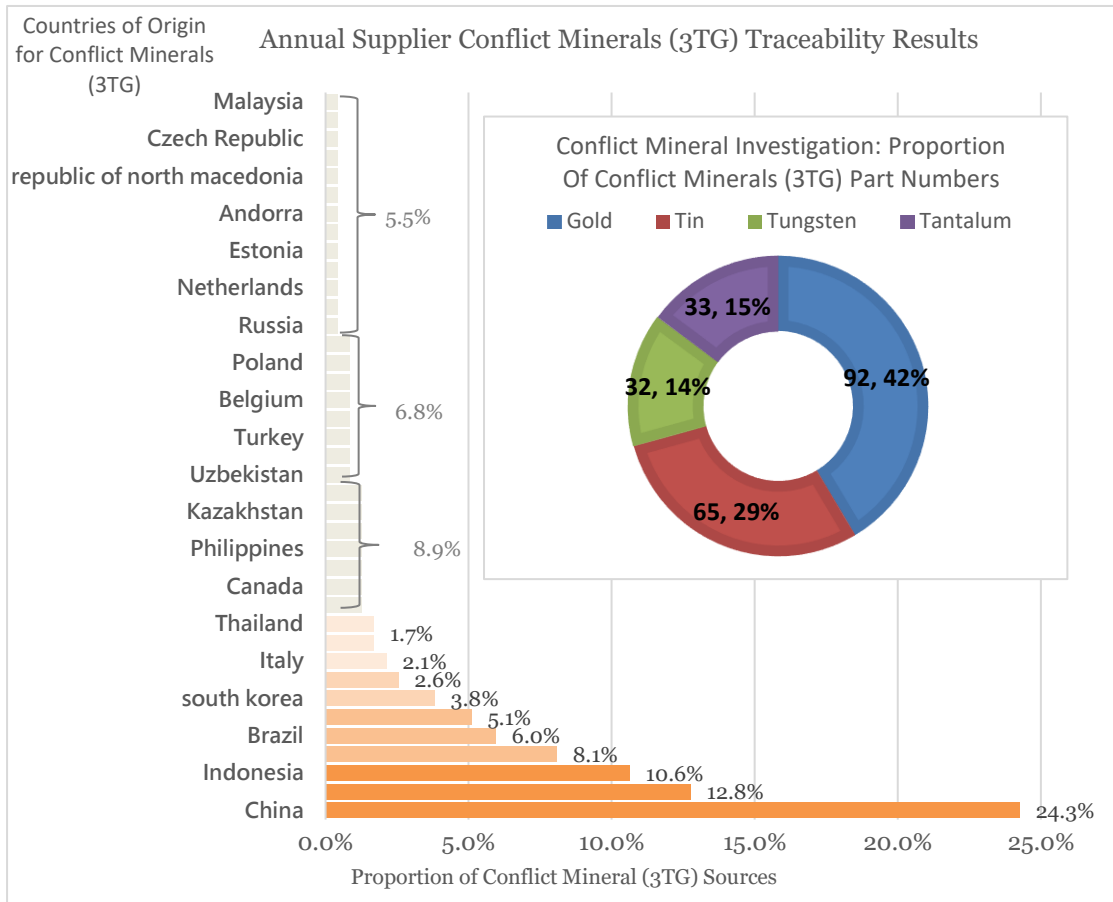
Conflict minerals refer to metals and minerals extracted in environments marked by human rights violations and armed conflicts. This term generally applies to minerals

sourced from the mining areas in the eastern part of the Democratic Republic of the Congo (DRC). These minerals, including commonly used elements in the electronics industry like tungsten, tin, tantalum, and gold (3TG), have been associated with ongoing issues. Owing to the rich mineral resources in the DRC, numerous illegal armed groups have seized control of local mining areas, resulting in frequent human rights violations such as fraud, forced labor, child labor, and safety concerns for workers in the surrounding areas. This situation has led to the introduction of legislation in the United States and the European Union, which mandates companies to prohibit the use of minerals originating from regions with a high risk of human rights violations.

Although TSMT's main business is contract manufacturing and does not directly procure metal raw materials, it still aims to reduce its impact on the environment and society through its influence on the supply chain. Therefore, since 2014, TSMT has implemented a conflict minerals policy and responded to international due diligence initiatives concerning conflict minerals. We have issued statements to our suppliers prohibiting the use of conflict minerals in accordance with the Organization for Economic Cooperation and Development (OECD) Due Diligence Guidance. We require suppliers to refrain from sourcing conflict minerals from high-risk human rights and environmental areas, ensuring that gold (Au), tantalum (Ta), tin (Sn), tungsten (W), cobalt (Co), mica, and other metals are not obtained from illegal groups or high-risk conflict regions. This guarantees that the raw materials handled by our Company do not contain conflict minerals, indirectly reducing the support for armed crimes and human rights abuses.





In 2023, TSMT required all suppliers involved with 3TG to trace the sources in their supply chains using the latest version of the Responsible Minerals Initiative Conflict Minerals Reporting Template (CMRT). TSMT verified the reports submitted by suppliers, which included 3TG, and traced a total of 222 supplier 3TG part numbers. This process confirmed the countries where their smelters are located. The identification results showed that the 3TG smelters procured by suppliers in that year originated from 37 countries, with China, Japan, Indonesia, and the United States being the major sources. No minerals from the Democratic Republic of Congo or smelters located in high-risk areas were identified. In the future, TSMT will continue to annually identify and supervise the 3TG sources of its suppliers to ensure that we can reduce funding to human rights-violating organizations or countries through its supply chain influence.

Annual Conflict Minerals Due Diligence Results



Ch4. Climate Change and Environmental Sustainability

Sustainability Performance and Corresponding SDGs

SDGs			2023 Annual Job Performance
SDG 6	 <p>6 淨水與衛生</p>	Clean Water and Sanitation	<ul style="list-style-type: none"> ● In 2023, TSMT had a total water consumption of 81 million liters, a decrease of 13 million liters from the 94 million liters recorded the previous year. ● All wastewater discharge complies with regulatory standards and local laws, and there were no significant fines incurred in 2023 for violations of regulations. ● In 2023, all water quality met the standards, with no incidents of abnormal quality of effluent discharge occurring.
SDG 7	 <p>7 可負擔與潔淨能源</p>	Affordable and Clean Energy	<ul style="list-style-type: none"> ● In 2023, TSMT in Taiwan had a total energy consumption of 42,535.88 GJ, a decrease of 1,314.37 GJ, or 23.60%, compared to 2022. ● In 2023, Regent in Suzhou had a total energy consumption of 300,879.64 GJ, a decrease of 40,455.55 GJ, or 11.85%, compared to 2022. ● Suzhou Regent Electron installed a total solar power capacity of 2.34 MW in 2023 and also purchased green certificates corresponding to 7,340,024 kWh of electricity. ● Implementing the ISO 50001 Energy Management System in 2023.
SDG 12	 <p>12 責任消費與生產</p>	Responsible Consumption and Production	<ul style="list-style-type: none"> ● The waste recovery rate reached 56.35%, an increase of 4.06% compared to last year.
SDG 13	 <p>13 氣候行動</p>	Climate Action	<ul style="list-style-type: none"> ● In accordance with the guidelines of the GHG Protocol, the GHG inventory was conducted in 2023, with annual GHG of 54,926.9247 tonnes of CO₂e, a decrease of 11.19% compared to 61,844.7913 tonnes of CO₂e in 2022. ● In 2023, TSMT implemented an energy-saving and carbon reduction program, with an annual carbon reduction of 1,045.86 metric tons of CO₂e. ● In 2023, we implemented the TCFD framework to analyze climate-related risks and opportunities. We assessed a total of one opportunity, two transition risks, and one physical risk.

4.1 Responding to Climate Change (TCFD)

Climate change poses significant risks and challenges to the global community. According to the Intergovernmental Panel on Climate Change (IPCC) of the United Nations, businesses must actively respond to and plan for mitigation and adaptation policies. Minimizing climate risks and adapting to climate change have become highly prioritized issues for governments, businesses, and societies worldwide.

TSMT has consistently integrated environmental considerations into its production and operations. To gain a comprehensive understanding of the environmental risks associated with the Company's operations, as of the end of 2022, TSMT has implemented the ISO 14001:2015 Environmental Management System. TSMT has also adopted the Task Force on Climate-Related Financial Disclosure (TCFD) framework and conducted a GHG inventory by the GHG Protocol, showcasing its commitment to climate action.

TSMT will continue to maintain the validity of international accreditation, conduct annual GHG inventories, implemented the ISO 50001 Energy Management System in 2023, will conduct GHG assurance in the future. Establish resilience to climate risks through the quantified management and monitoring of environmental performance.

Management Policy for Material Topics

Material Topics	Response to Climate Change (TCFD); Energy and GHG Management
GRI Indicators	GRI202-2 、 GRI302 、 GRI305
Impact Statement	In response to global climate change, we are committed to adapting and mitigating the environmental impact of our business operations. We strive to promote resource reduction management, reduce GHG and energy consumption, and fulfill our responsibility for global environmental protection. Our goal is to build a sustainable green enterprise.
Policy/Commitment	To ensure the achievement of resource management and GHG emission reduction goals, TSMT has obtained the ISO 14001:2015 Environmental Management System and ISO 50001 Energy Management System certifications. Additionally, TSMT has been conducting GHG inventories and implementing the TCFD Framework. By tracking the environmental activity data of operational sites and production bases, the Company confirms the implementation status of projects and continuously reviews and proposes improvement measures. This serves as the basis for setting goals and managing actions for the next year, to achieve the Company's carbon reduction target.
Objective	<p>Short-term Goals (2024)</p> <ol style="list-style-type: none"> 1. Comply with government carbon emission policies and meet environmental regulations, achieving zero violations. 2. Utilize the ISO 14001 Environmental Management System and ISO 50001 Energy Management System for continuous review and improvement, reducing energy consumption and costs, and enhancing the effectiveness of energy management. 3. In Suzhou, an air conditioning energy-saving project is planned. The project proposes to dismantle one existing screw chiller unit and install a 400RT magnetic levitation centrifugal variable frequency chilled water unit in its original location. The project will also include a central air conditioning cold source energy-saving control system, with variable frequency operation of the water pump. Comprehensive evaluation calculations estimate that the project will save 1.8147 million kWh of electricity annually, achieving a 30% energy-saving rate.

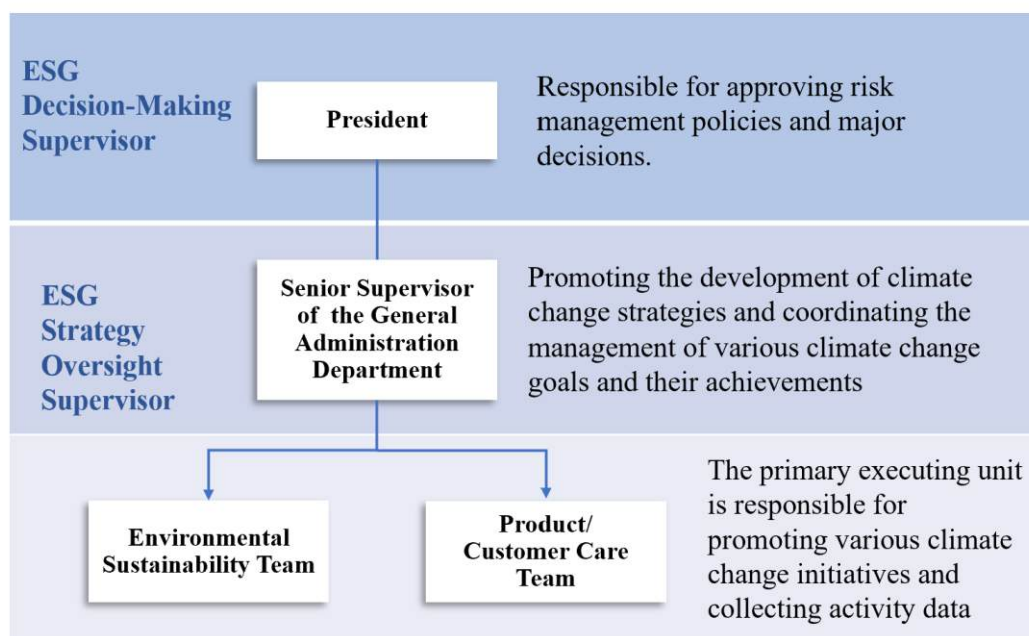
	<p>4. Taiwan is replacing old production lines with new LED lighting to achieve energy savings and efficiency.</p> <p>5. Taiwan has added variable frequency drive (VFD) energy-saving systems (for all plant area chilled water main engine motors).</p> <p>Medium to Long-term Goals (2025-2026)</p> <p>1. Furthermore, complete GHG assurance.</p>
Responsibility	ESG Working Initiative Team
Resources	Conducting a GHG inventory and addressing costs related to the ISO 50001 Energy Management System
Grievance Mechanism	Company Email: tsmt_service@tsmt.com.tw
Action Plan	<p>Positive Effective Management</p> <p>1. In 2023, we implemented the TCFD framework to analyze climate-related risks and opportunities. We assessed a total of one opportunity, two transition risks, and one physical risk.</p> <p>2. In accordance with the guidelines of the GHG Protocol, the GHG inventory was conducted in 2023, resulting in annual GHG of 54,926.9247 tonnes of CO₂e.</p> <p>Negative-Impact Response</p> <p>1. Regularly replace old and energy-consuming equipment, such as motors in public facilities.</p> <p>2. Purchased products with environmental certification, such as paper boxes, ink cartridges, toilet paper, photocopy paper, and laptops.</p> <p>3. Post energy-saving labels and provide employees with information on electricity conservation.</p>
Assessment Mechanism	<p>1. The annual regular meeting reviews the results of the GHG inventory and the effectiveness of the reduction target program.</p> <p>2. Regular internal and external audits are conducted to maintain the effectiveness of the management system, such as ISO 14001 and ISO 50001.</p> <p>3. No significant environmental violations.</p>

4.1.1 Climate Governance Framework

Since 2022, TSMT has followed the TCFD guidelines issued by the Financial Stability Board (FSB). Through the four-fold framework of governance, strategy, risk management, and indicators and targets, it transparently discloses the management status of key risks and opportunities. This also ensures the long-term operation and sustainable development of the business by formulating environmental strategies and goals.

To effectively supervise and manage climate issues, TSMT has established an ESG Working Initiative Team within the existing organizational structure. This group serves as the responsible unit for climate change and environmental management, with the General Manager as the highest decision-maker, responsible for approving management strategies and policies. The group is led by the highest executive of the General Administration Department, who coordinates and promotes the development of climate change strategies. Regular meetings are held each year to assess and monitor environmental management data, as well as the effectiveness of various initiatives.

■ TSMT Climate Risk Governance Framework



4.1.2 Identification of Climate-Related Risks and Opportunities

In 2023, the TSMT ESG Working Initiative Team held a workshop on climate change risks and opportunities, bringing together the Environmental Sustainability Team and the Product/Customer Care Team to assess climate-related risks and opportunities for TSMT. Based on the TCFD framework, TSMT has categorized the issues into three major categories: transition risks, physical risks, and opportunities. By considering the likelihood, severity, and duration of impacts, the significant risk values for each issue have been evaluated, and a risk and opportunity matrix has been created. Ultimately, TSMT has identified and summarized four major climate-related risks and opportunities, including two transition risks, one physical risk, and one opportunity. The Sustainable Development Team will develop relevant response strategies and goals for each issue and will regularly monitor the implementation of each program and the achievement of goals in the future.

■ TSMT Climate Risk and Opportunity Matrix



4.1.3 Climate Change Response Strategy

Based on the analysis of the climate risk and opportunity matrix, it can be determined that the climate transition risks that have a significant impact on TSMC are the strengthening of emission reporting obligations and changes in customer behavior. The physical risks include the "increased severity and frequency of extreme weather events (typhoons, floods, heavy rainfall, etc.)". The climate opportunities include adopting low-carbon energy projects and implementing energy-saving measures. For details on the impact and management strategies related to climate issues, please refer to the table below.

Factors	Issues	Period of Occurrences	Financial Impacts	The Impact and Influence of Risk/Opportunities on TSMC	Response Strategy
Transition Risks - Policies and Regulations	R2 Strengthening the Obligation to Report Emissions	Short-term (Occurred within 3 years)	Increased operating costs	<ul style="list-style-type: none"> In March 2022, the Financial Supervisory Commission (FSC) released the Sustainable Development Roadmap for Listed Companies, which mandates the phased disclosure of carbon inventory data based on differences in capital. Taipei Science and Technology Corporation has a capital of NT\$29.2 billion. All consolidated subsidiaries are required to complete greenhouse gas inventories by 2027, individual company greenhouse gas assurance by 2028, and consolidated subsidiary assurance by 2029. 	<ul style="list-style-type: none"> In 2023, TSMC followed the GHG Protocol to conduct an internal GHG inventory for both Taiwan and Suzhou Regent Electron. We would complete the GHG assurance before the stipulated deadline.

Factors	Issues	Period of Occurrences	Financial Impacts	The Impact and Influence of Risk/Opportunities on TSMT	Response Strategy
Transition Risks - Market	R4 Customer Behavior Change	Medium-term (Occurred within 3-10 years)	The inability to meet customer or stakeholder demands has led to a decrease in orders and a decline in revenue.	<ul style="list-style-type: none"> ■ According to statistics from the United Nations Global Compact, Scope 3 carbon emissions account for approximately 70% of the overall emissions of global businesses. Supply chain decarbonization has become a critical factor for companies to achieve their net-zero carbon emissions goals. ■ The customers of TSMT are all global electronics manufacturers and terminal brand merchants. Currently, the Company has received requests from customers for carbon emission data disclosure. In order to maintain stable cooperative relationships with customers, TSMT has been investing in climate change and environmentally related governance in recent years to enhance its corporate competitiveness. 	<ul style="list-style-type: none"> ■ Establish an ISO 14001 environmental management system and an ISO 50001 Energy Management System and create an integrated environmental management framework to effectively manage the Company's environmental impact. ■ Introducing TCFD climate financial disclosure to identify and disclose climate risks and opportunities, enhancing management performance. ■ In 2023, following the GHG Protocol, an internal GHG inventory was conducted, with the expectation of completing GHG assurance before the stipulated deadline. ■ TSMT obtained the ISO 50001 Energy Management System certification in 2023.
Physical Risk - Acute Risk	R5 Increased Severity and Frequency of Extreme Weather Events (Typhoons, Droughts and Flooding, Heavy	Medium-term (Occurred within 3-10 years)	The business incurred losses due to production disruptions.	<ul style="list-style-type: none"> ■ Climate change has become a global concern, marked by a rise in extreme weather events. This is expected to worsen regional water and energy challenges, compelling businesses to confront an array of physical operational risks. These risks include potential disruptions to operations and 	<ul style="list-style-type: none"> ■ In 2012, TSMT Taiwan experienced road flooding in front of the Company due to heavy rainfall, which prevented employees from coming to work. At the time, tools were used to block the water flow into the factory,

Factors	Issues	Period of Occurrences	Financial Impacts	The Impact and Influence of Risk/Opportunities on TSMT	Response Strategy
	Rain, etc.)			<p>production lines, heightened challenges in allocating water resources due to more severe droughts and floods, and the possibility of supplier interruptions. These challenges are likely to result in additional costs for recovery, delays in product delivery, increased management expenses, and an impact on corporate sales revenue.</p> <ul style="list-style-type: none"> ■ According to the Annual Climate Report published by the Taiwan Central Weather Administration and the China Meteorological Administration's China Climate Bulletin, the climate systems in Taiwan and Jiangsu have been warming in recent years, and the risk of extreme weather events will further intensify. 	<p>and a waterproof gate was installed later that year. In May 2021, the city government initiated the Taoyuan Taoying Road Rainwater Discharge Project to eliminate the water bottlenecks from Shuren 3rd St to Dazhi Road. They also installed smart, sensor-based pumping units and integrated related equipment into Taoyuan City's smart monitoring system for real-time water status monitoring.</p> <ul style="list-style-type: none"> ■ Although Suzhou Regent Electron has never experienced production and operational disruptions from extreme weather events, the frequency of major disaster-related and sudden extreme weather events in Suzhou in recent years has prompted the Company to develop emergency response measures to mitigate the risk of disasters. <ul style="list-style-type: none"> (1) For typhoons: Prepare adequate emergency supplies and reinforce

Factors	Issues	Period of Occurrences	Financial Impacts	The Impact and Influence of Risk/Opportunities on TSMT	Response Strategy
					<p>outdoor signs and other objects that are prone to falling.</p> <p>(2) For floods and heavy rainfall: Prepare an adequate supply of sandbags, submersible pumps, etc., to prevent operational disruptions. Also, regularly clear the discharge system.</p>
Opportunity-Energy Source	O3 Adopting Low-Carbon Energy Projects and Implementing Energy-Saving Measures	Medium-term (Occurred within 3-10 years)	Reduce energy usage costs	<ul style="list-style-type: none"> ■ According to Article 9 of the Energy Administration Act, if the contracted electricity capacity of the Taiwan production base of TSMT exceeds 800Kw, it is considered a regulated energy user and must achieve an annual energy saving rate of at least 1% in accordance with the regulations. ■ In 2023, Taiwan passed the Climate Change Response Act through three readings. It is expected that starting in 2024, a carbon fee will be imposed on power and manufacturing industries with annual emissions exceeding 25,000 tonnes. The expected standard fee is around NT\$300 per tonne. Although TSMT hasn't reached the collection threshold, it should still be aware of potential risks. ■ TSMT specializes in the processing and 	<ul style="list-style-type: none"> ■ TSMT is continuously promoting energy-saving measures, improving equipment efficiency, and conducting energy-saving and carbon reduction campaigns. In addition to reducing GHG and carbon dioxide emissions, TSMT can also simultaneously lower operating costs from a corporate sustainability perspective. ■ Suzhou Regent Electron replaced traditional mercury street lamps with solar-powered street lamps to achieve energy-saving and carbon reduction benefits. ■ Suzhou Regent Electron

Factors	Issues	Period of Occurrences	Financial Impacts	The Impact and Influence of Risk/Opportunities on TSMT	Response Strategy
				<p>manufacturing of PCB boards. The primary source of energy for production operations is electricity. Therefore, if the relevant factories can enhance energy efficiency, conduct maintenance and upkeep, replace high-efficiency equipment or components for lighting, power, air conditioning, or other energy-consuming equipment, or even install a self-use renewable energy generation system, it can reduce TSMT's long-term operational costs.</p>	<p>invested in a solar power project in 2023 with a total installed capacity of 2.34 MW. The estimated average annual electricity generation for the next 20 years is 2,326,000 kWh, equivalent to 2.326 million kWh. The generated electricity will be sold to the local power plant, and Suzhou Regent Electron will also purchase green certificates for a corresponding amount of 7,340,024 kWh.</p> <ul style="list-style-type: none"> ■ In 2023, electricity meters and flow meters were installed to measure the energy consumption of the ice machines. Through modifications, an energy savings rate of 40% was calculated, resulting in an annual energy saving of 1,814,700 kWh.

4.1.4 Indicators and Objectives

In line with the global net-zero sustainability trend and to establish a foundation for energy conservation and emission reduction management, starting in 2022, the Company has been conducting an inventory of GHG within the organization for Taiwan and Suzhou Regent Electron, following the guidelines of the GHG Protocol. Based on the inventory results, we will develop a more proactive plan for reducing GHG. In the future, each factory will continue to independently complete the GHG inventory for the previous year and plan to conduct GHG verification to enhance and ensure the accuracy of the GHG inventory results.

TSMT Climate Goals		
Timeline	Taiwan	Suzhou Regent Electron
Short-term Goals (2024)	<ol style="list-style-type: none"> 1. Comply with government carbon emission policies and meet environmental regulations, achieving zero violations. 2. Utilize the ISO 14001 Environmental Management System and ISO 50001 Energy Management System to continue reviewing and improving, reducing energy consumption and costs, and enhancing the effectiveness of energy management. 	
	<ol style="list-style-type: none"> 1. Taiwan is replacing old production lines with new LED lighting to achieve energy savings and efficiency. 2. Taiwan has added variable frequency drive (VFD) energy-saving systems (for all plant area chilled water main engine motors). 	<p>In Suzhou, an air conditioning energy-saving project is planned. The project proposes to dismantle one existing screw chiller unit and install a 400RT magnetic levitation centrifugal variable frequency chilled water unit in its original location. The project will also include a central air conditioning cold source energy-saving control system, with variable frequency operation of the water pump. Comprehensive evaluation calculations estimate that the project will save 1.8147 million kWh of electricity annually, achieving a 30% energy-saving rate.</p>
Medium to Long-term Goals (2025-2027)	Complete GHG assurance.	

4.2 Energy and GHG Management

With the introduction of the 1.5°C target in the Paris Agreement and the concept of net zero emissions proposed by the Intergovernmental Panel on Climate Change (IPCC), governments around the world have successively put forward declarations of net zero emissions and carbon neutrality and have also implemented climate regulations and strategies to collectively address the challenges of climate change. In March 2022, Taiwan announced its Pathway to Net-Zero Emissions in 2050, and China has incorporated the Dual Carbon Goal into multiple national key policy objectives and plans. As a result, the gradual phase-out and reduction of the use of fossil fuels and the decrease in GHG have become an inevitable global trend.

4.2.1 Energy Consumption and Energy Consumption Intensity

In 2023, the total energy consumption of TSMC was 335,921.76 GJ. The energy structure was mainly composed of purchased electricity, accounting for 97.82% of the total consumption. This electricity was used in the processing and manufacturing of electronic products. The remaining energy consumption included gasoline and diesel consumption for official vehicles and process equipment, as well as the use of liquefied natural gas in employee dormitories, totaling approximately 2.18%. Overall, total energy consumption decreased by 13.50% compared to 397,012.44 GJ in 2022.

The following presents the energy consumption of TSMC in 2023, and discusses the energy consumption structure and trends of Taiwan and Suzhou Regent Electron.

■ TSMC Energy Structure in 2023

Energy Items	Location	Unit	Energy Consumption in 2023	Subtotal	Percentage (%)
Gasoline	Taiwan	Billion gigajoules (GJ)	948.72	7,493.76	2.18%
	Suzhou Regent Electron	Billion gigajoules (GJ)	1,080.45		
Diesel	Taiwan	Billion gigajoules (GJ)	1,268.60		
	Suzhou Regent Electron	Billion gigajoules (GJ)	4,004.47		
Liquefied Natural Gas	Taiwan	Billion gigajoules (GJ)	0		
	Suzhou Regent Electron	Billion gigajoules (GJ)	191.52		

Energy Items	Location	Unit	Energy Consumption in 2023	Subtotal	Percentage (%)
Purchased Power	Taiwan	Billion gigajoules (GJ)	40,318.56	335,921.76	97.82%
	Suzhou Regent Electron	Billion gigajoules (GJ)	295,603.20		
Energy Consumption		Billion gigajoules (GJ)	343,415.52	343,415.52	100%

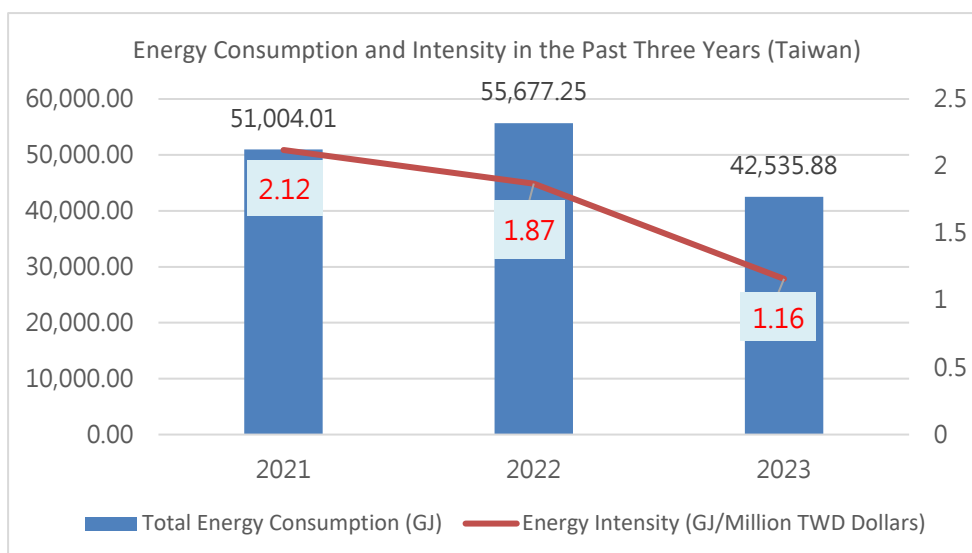
■ Energy Consumption and Intensity in the Past Three Years (Taiwan)

In 2023, TSMT consumed a total of 42,535.88 GJ of energy in Taiwan. This represents a 23.60% decrease from the previous year. Through regular equipment maintenance, energy usage efficiency was improved, leading to a continued decline in energy intensity (energy consumption / annual revenue). Energy intensity reached 1.16 (GJ/NT\$100 million), a decrease of 0.71 (GJ/NT\$100 million) from the previous year.

Due to TSMT's contracted electricity capacity in Taiwan exceeding 800 kW, it falls under the category of regulated energy users as defined by the Energy Administration Act. In accordance with the regulations, the Company is required to achieve an annual energy savings rate of at least 1% as stipulated in the energy-saving goals and implementation plan. Although the production capacity of TSMT has increased in the past three years, the energy-saving measures implemented over the years have resulted in an average annual energy-saving rate that meets the legal requirements.

Energy Items		Unit	Historical Consumption		
			2021	2022	2023
Non-renewable Energy	Gasoline	Liters (L)	15,474.93	21,196.40	30,724.00
		Billion gigajoules (GJ)	570.18	780.99	948.72
	Diesel	Liters (L)	33,814.08	28,856.30	24,340.20
		Billion gigajoules (GJ)	1,104.32	942.41	1268.60
	Purchased Power	Megawatt-hours (MWh)	13,699.520	14,983.768	13,755.60
		Billion gigajoules (GJ)	49,329.51	53,953.85	40318.56
Energy Consumption		Billion gigajoules (GJ)	51,004.01	55,677.25	42,535.88
Energy Intensity		Billion gigajoules (GJ)/Million New Taiwan Dollars	2.12	1.87	1.16

Note 1: TSMT's electrical calorific value = 860 kcal/kWh, gasoline's calorific value = 8,800 kcal/L, and diesel's calorific value = 7,800 kcal/L. Source of Coefficients: Energy Administration, Ministry of Economic Affairs' "Heat Content of Energy Products."



■ **Energy Consumption and Intensity in the Past Three Years (Suzhou Regent)**

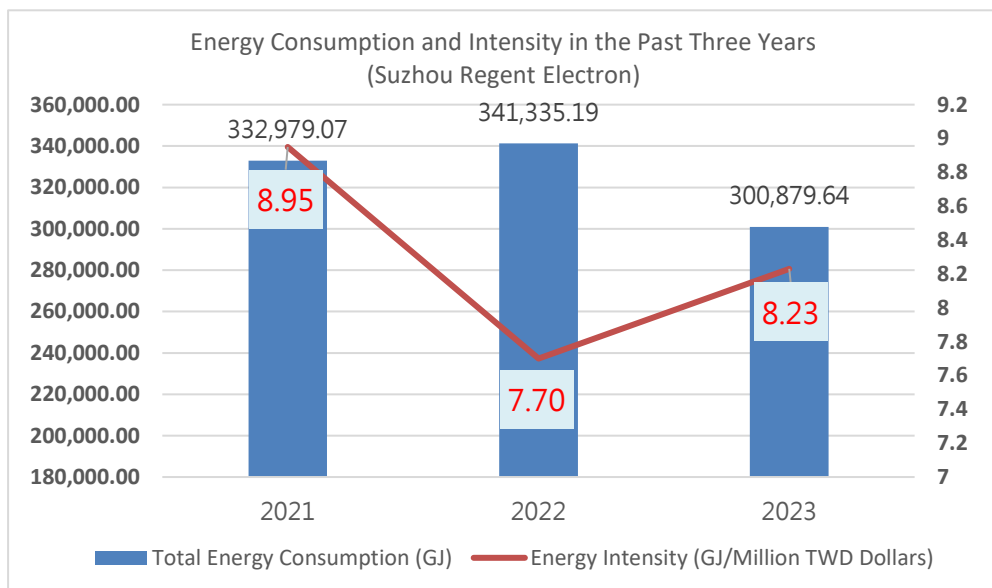
In 2023, Regent Electron (Suzhou) Co., Ltd. had a total energy consumption of 300,879.64 GJ, which was a slight decrease of 1.34% compared to the previous year. However, through annual energy-saving project planning and execution to enhance energy efficiency, the energy intensity (energy consumption/revenue) continued to decrease.

Energy Items		Unit	Historical Consumption		
			2021	2022	2023
Non-renewable Energy	Gasoline	Liters (L)	22,017.88	20,923.80	31,490.70
		Billion gigajoules (GJ)	949.55	902.36	1080.45
	Diesel	Liters (L)	132,714.36	140,035.00	144,461.20
		Billion gigajoules (GJ)	5,667.88	5,980.53	4,004.47
	Liquefied Natural Gas	Cubic meter (m ³)	4,900.00	4,853.00	2,286.00
		Billion gigajoules (GJ)	252.35	249.93	191.52
	Purchased Power	Megawatt-hours (MWh)	90,565.284	92,812.850	82,112.00
		Billion gigajoules (GJ)	326,109.29	334,202.37	295,603.20
Energy Consumption		Billion gigajoules (GJ)	332,979.07	341,335.19	300,879.64

Energy Intensity	Billion gigajoules (GJ)/Million New Taiwan Dollars	8.95	7.70	8.23
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Note 1: Suzhou Regent Electron's revenue is calculated using the average exchange rate of 4.4024:1 between the Chinese yuan and the New Taiwan dollar, based on the Central Bank's 2023 annual rate.

Note 2: The heat value of Suzhou Regent Electron electricity=860 kcal/kWh, the heat value of gasoline=10,300 kcal/L, the heat value of diesel=10,200 kcal/L, and the heat value of liquefied natural gas=12,300 kcal/cubic meter. Source of Coefficient: State Administration for Market Regulation and the Standardization Administration of China' "General Rules for Calculation of the Comprehensive Energy Consumption."



4.2.2 Renewable Energy Installation

In responding to energy conservation, TSMT is currently evaluating an air conditioning energy-saving project. The project proposes to dismantle one existing screw chiller unit and install a 400RT magnetic levitation centrifugal variable frequency chilled water unit in its original location. The project will also include a central air conditioning cold source energy-saving control system, with variable frequency operation of the water pump. Comprehensive evaluation calculations estimate that the project will save 1.8147 million kWh of electricity annually, achieving a 30% energy-saving rate.

TSMT responds to the government's renewable energy policy and actively promotes the transition to low-carbon energy. Suzhou Regent Electron installed solar power generation equipment in 2023. The generated electricity will be sold to the local power

plant, with a total installed capacity of 2.34 MW. The estimated average annual electricity generation for the next 20 years is 2,326,000 kWh, equivalent to 2.326 million kWh. It also subscribed to the corresponding amount of green certificates totaling 7,340,024 kWh in 2023.



4.2.3 GHG Emissions

To adapt to global climate change and international environmental trends, TSMT conducted an inventory of GHG within Taiwan Surface Mounting Technology Corp. (Taiwan) and Regent Electron (Suzhou) Co., Ltd. in 2023. Through a systematic inventory and list of GHG, the Company aims to accurately understand its current GHG and, based on the inventory results, further invest in GHG management and reduction planning. The goal is to effectively reduce GHG and mitigate the impact of climate change on the environment.

In 2023, TSMT conducted a GHG inventory based on the guidelines of the GHG Protocol, using the Operational Control Act to inventory "direct GHG" and "energy indirect GHG" related to operations within the boundary. This covers various GHG types, including carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorinated compound (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).

In 2023, the total GHG from TSMT were 54,926.9247 tonnes of CO₂e. Scope 1 emissions were 1,289.2187 tonnes of CO₂e, while Scope 2 emissions were 53,637.706 tonnes of CO₂e. The GHG emission intensity was 1.5020 tonnes of CO₂e per million

New Taiwan Dollars. The investigation results revealed that the largest source of GHG is the purchased electricity required for operations, which is used to power daily office activities and various production equipment. The second largest source is the use of fuel oil, including gasoline for Company-owned vehicles and diesel for generators and forklifts. The total greenhouse gas emissions of the Taiwan Table Tennis Association decreased by 11.19% compared to the previous year, which was 61,844.7913 metric tons of CO₂e.

■ **GHG Summary Table for 2023**

Category	Location	Emissions (tonnes of CO ₂ e)	Percentage (%)
Scope 1: Direct GHG Emissions		1,289.2187	2.35%
Fixed Combustion Direct Emissions	Taiwan	4.1835	-
	Suzhou Regent Electron	101.6862	
Mobile Combustion Direct Emissions	Taiwan	132.6239	-
	Suzhou Regent Electron	353.7848	
Direct Fugitive Emissions from GHG Releases in the Anthropogenic System	Taiwan	202.3769	-
	Suzhou Regent Electron	494.5634	
Scope 2: Indirect GHG Emissions from Electricity		53637.706	97.65%
Emissions From Purchased Electricity	Taiwan	6,809.0220	-
	Suzhou Regent Electron	46,828.6840	
Total GHG Emissions		54,926.9247	100%
Carbon Intensity (Total GHG emissions/million New Taiwan Dollars)		1.5020	-

Note 1: The GWP value is based on the 2021 IPCC AR6, as announced by the IPCC in their IPCC Sixth Assessment Report.

Note 2: Fixed combustion and mobile combustion source coefficients: Quoted from the Ministry of Environment's Direct emissions: GHG Emission Factor Table (6.0.4)

Note 3: The calculation of direct fugitive GHG emissions uses the mass balance method.

Note 4: Power Carbon Emission Coefficient: Suzhou adopts the national average emission factor of 0.5703 tonnes CO₂e/MWh as announced in the Notice on Doing a Good Job in 2023-2025 Reporting and Management of GHG Emissions of Power Generation Enterprises issued by the

Ministry of Ecology and Environment of China in 2022. As Taiwan has not yet published the report, the calculation is based on the carbon emission coefficient of 0.509 kilograms CO₂e/kWh announced by the Energy Administration, Ministry of Economic Affairs for the year 2021.

4.2.4 Energy-saving and Carbon Reduction Measures

TSMT continues to promote energy-saving measures by improving chiller efficiency, replacing old production lines with LED lighting, improving lighting and air conditioning efficiency, as well as regular equipment maintenance, to reduce energy consumption. In addition to reducing GHG and carbon dioxide emissions, TSMT can also simultaneously lower operating costs from a corporate sustainability perspective. In 2023, TSMT implemented an energy-saving and carbon reduction program, with an annual carbon reduction of 1,045.86 metric tons of CO₂e.

Plan	Region	Execution Status	Efficiency Performance (GJ)	Carbon Reduction (tonnes of CO ₂ e)
Replacing old production lines on the 3rd floor with LED lighting	Taiwan	To achieve energy conservation and carbon reduction, the production line will be equipped with new LED lights, providing brighter illumination.	76.59	10.94
Improving chiller efficiency	Suzhou Regent Electron	<ol style="list-style-type: none"> 1) Currently, electricity meters and flow meters have been installed to measure the energy consumption of the chiller. 2) Through the renovation, with an energy efficiency rate of 40%, the annual electricity savings are 1,814,700 kWh. 	6,532.92	1,034.92

Note 1: Due to the inconsistency in the timing of implementation plans, the plans presented above are

all estimates of annual energy-saving and carbon-reduction achievements.

Note 2: Power Carbon Emission Coefficient: Suzhou adopts the Notice on Doing a Good Job in 2023-2025 Reporting and Management of GHG Emissions of Power Generation Enterprises issued by the Ministry of Ecology and Environment of China.

4.3 Water Stewardship

According to The United Nations World Water Development 2023 report, the demand for water resources will continue to increase, with an estimated increase of 20-30% by 2050. In recent years, the frequency of alternating droughts and floods has been on the rise due to the impact of climate change, leading to higher risks in accessing and utilizing water resources. Therefore, TSMT conducts identification and response to water risk factors and regularly investigates the water usage situation every year. We continuously monitor and manage to proactively address complex water resource issues and understand the risks and opportunities that water resources pose to the Company's operations.

4.3.1 Risk Management for Water Resources

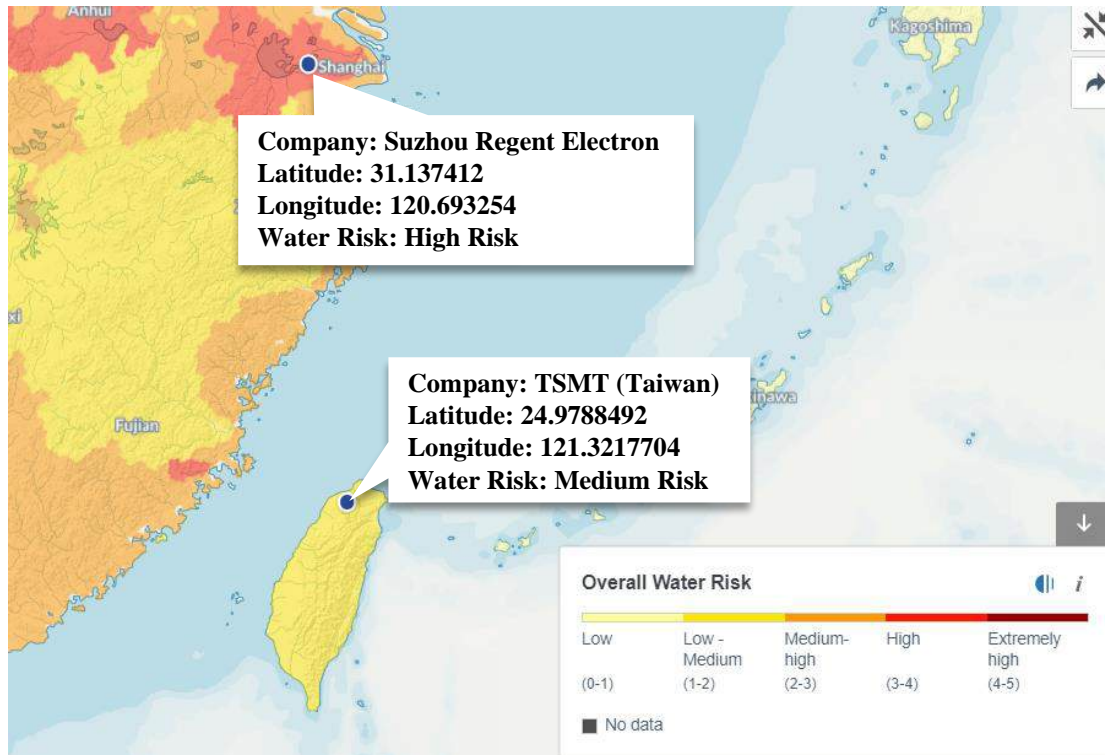
TSMT's factories are all located within an economic development zone or industrial zone established by the public sector, which is not an area related to ecological conservation. The main water usage in each production base is for domestic purposes, and the production process does not heavily rely on water resources. However, the Company is still committed to water conservation to improve the efficiency of water resource allocation and usage, reduce operational risks, and minimize the impact on the water environment.

Through the Aqueduct Water Risk Atlas, a water risk assessment tool developed by the World Resource Institute (WRI), TSMT has identified the water risk index levels in the regions where its factories are located. TSMT's Taoyuan production base is situated in a medium to low-water-risk area, while its Suzhou Regent Electron facility is located in a high-water-risk area. Over the past three years, TSMT has not experienced any operational disruptions due to droughts or floods. In the future, TSMT will conduct regular assessments and implement water resource management to mitigate the impact of risks.

■ Water Sources and Discharge Destinations for TSMT's Plants

Production Base	Catchment	Water Sources	Wastewater Treatment	Discharge Destination
Taiwan	Shihmen Reservoir	Taiwan Water Corporation	Wastewater Treatment Plant at Guishan Industrial Park	Nankan River
Suzhou Regent Electron	Lake Taihu Watering Source	Wujiang Huayan Water Services Co., Ltd.	Yundong Wastewater Treatment Plant	Wusong River

■ WRI Water Risk Assessment Results at TSMT



4.3.2 Water Usage Structure

In 2023, the primary water source for TSMT is third-party tap water, primarily used for domestic purposes. Only a minimal amount of groundwater is withdrawn to meet the irrigation needs of the factory area's vegetation. In 2023, the total water intake was 401 million liters, a decrease of 13.9% from the previous year. The total water discharge was 320 million liters, a decrease of 14.2% from the previous year. The total water consumption was 81 million liters, a decrease of 13.8% from the previous year, demonstrating effective water conservation and a commitment to water resource stewardship.

In view of the importance of water resources, TSMT has been implementing water conservation improvement programs in recent years. They also regularly monitor water usage in the factory area. In Taiwan, the main approaches include promoting water conservation policies and replacing manual faucets with sensor-activated automatic faucets. On the other hand, Suzhou Regent Electron has established an ROR water recycling system to reuse processed wastewater for rooftop cooling towers, thereby enhancing the utilization of water resources. In response to the easing of the pandemic,

we will continue to strengthen the promotion of water conservation policies, replace water-saving equipment, and increase the proportion of recycled water usage to reduce the impact of water shortage risks.

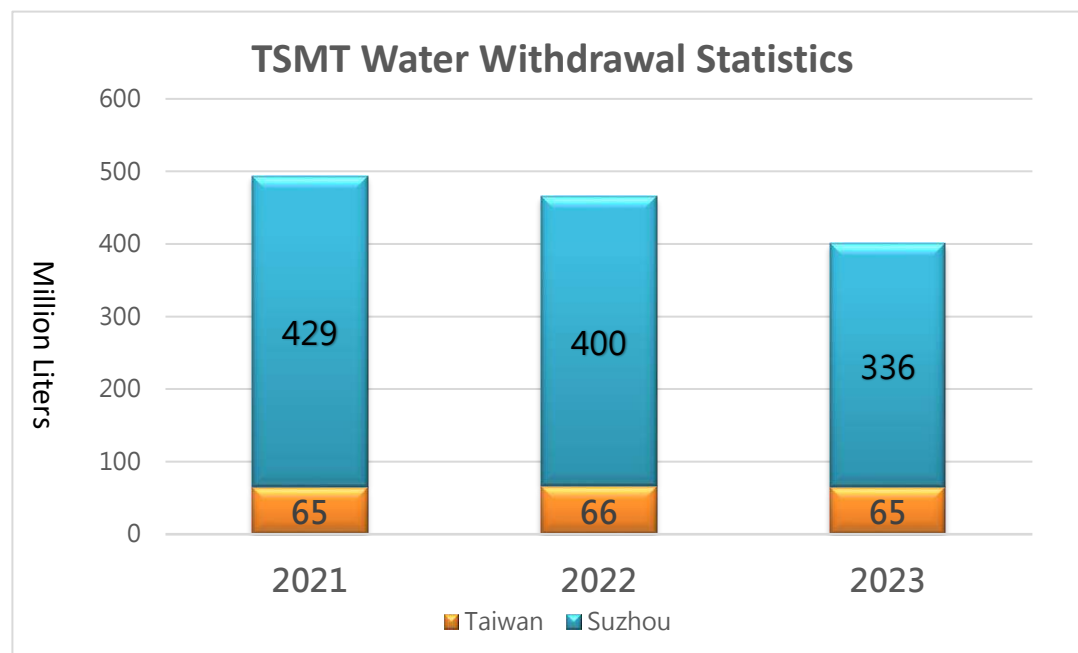
■ **Historical Structure of Water Usage in TSMT**

Item	Source	Unit: Million Liters		
		2021	2022	2023
Total Water Withdrawal	-	494	466	401
Taiwan	Tap water	65	66	65
Suzhou Regent Electron	Tap water	428	399	335
	Groundwater	1	1	1
Total Water Discharge	-	395	373	320
Taiwan	-	52	53	52
Suzhou Regent Electron	-	343	320	268
Total Water Consumption	-	99	94	81
Taiwan	-	13	14	13
Suzhou Regent Electron	-	86	80	68
Water Withdrawal Intensity (million liters/million NTD)	-	0.0081	0.0063	0.0110

Note 1: The water withdrawal is based on the data from the Taiwan Water Corporation

Note 2: The groundwater withdrawn by Suzhou Regent Electron is used for landscaping irrigation in the factory area twice a month.

Note 3: Water Intensity = Water Withdrawal (million liters) / Annual Revenue (million NTD).



4.3.3 Water Pollution and Prevention Control

The wastewater discharge of TSMT follows the regulations and requirements of the park where the factory is located. The wastewater from daily life and production in Taiwan is directly discharged into the wastewater system and sent to the industrial wastewater treatment plant. However, Suzhou Regent Electron has its own wastewater treatment system because the wastewater discharge contains special substances such as NH₄OH, EDTA, and potassium sodium tartrate. After preliminary treatment, it is then discharged to the local wastewater treatment plant. TSMT conducts annual independent testing of the quality of wastewater discharge to ensure compliance with local regulations or industrial zone management standards. In 2023, the water quality met the standards, and there were no incidents of abnormal quality or discharge of wastewater discharge.

■ Water Quality Monitoring Items for Discharge (Taiwan)

Water Quality Monitoring Items	Unit	Referencing Standards Limits	Year		
			2021	2022	2023
pH value	-	5-9	6.80	7.10	7.49
Chemical Oxygen Demand (COD)	mg/L	<320	236.50	227.50	226.04
Suspended Solid (SS)	mg/L	<200	67.25	61.50	59.06

Note 1: Referencing standards limit: Guishan Industrial Park Wastewater Quality Standard.

■ Water Quality Monitoring Items for Discharge (Suzhou Regent Electron)

Water Quality Monitoring Items	Unit	Referencing Standards Limits	Year					
			2021		2022		2023	
			Phase 1	Phase 2	Phase 1	Phase 2	Phase 1	Phase 2
pH value	-	6-9	8.14	6.13	6.9	6.9	7.51	7.7
Chemical Oxygen Demand (COD)	mg/L	<500	309	474	299	416	328	441
Suspended Solid (SS)	mg/L	<400	40	40	34	35	22	26
Petroleum Products	mg/L	<20	-	-	1.62	2.41	0.72	0.75
Total Nitrogen	mg/L	<70	54.6	35.2	42.8	47.1	48.3	52
Total Phosphorus	mg/L	<8	4.25	6.90	3.85	5.29	4.86	5.17
Ammoniacal Nitrogen	mg/L	<45	36.4	30.2	37	41.0	35.8	41.7
Biochemical Oxygen Demand (BOD)	mg/L	<300	148	156	117	149	83.8	68.9
Animal and Vegetable Oils	mg/L	<100	10.0	6.45	0.17	3.26	5.85	1.7

Note 1: Reference Standard Limits: Class 3 standards in Table 4 of the Integrated Wastewater Discharge Standard GB8978-1996, Class A standards in Table 1 of the Wastewater Quality Standards for discharge to Municipal Sewers GB/T 31962-2015.

Note 2: The Suzhou Regent Electron production base consists of Phase 1 and Phase 2 buildings. Phase 1 refers to the wastewater discharge pipeline of the Phase 1 building, while Phase 2 refers to the wastewater discharge pipeline of the Phase 2 building. Both discharge pipelines are regularly sampled for wastewater quality testing.

4.4 Waste Management

TSMT values the sustainable utilization of resources, following the principle of resource optimization and adhering to the ISO 14001 standard. We have established the Energy and Resource Management Procedures and the Waste Management Procedures, and assigned dedicated personnel to continuously track the flow of resource materials. This ensures that reusable resources are used in the appropriate places, promoting the sustainable circulation of resources.

4.4.1 Waste Structure

The waste produced by TSMT can be divided into two categories: hazardous waste and non-hazardous waste. All of them are entrusted to legal waste disposal companies for off-site treatment. In 2023, the total amount of waste generated by TSMT was 2,200.25 tonnes, with non-hazardous waste accounting for approximately 298.72 tonnes (86.42%). Hazardous waste, on the other hand, accounted for only 298.72 tonnes (13.58%). The waste density was 0.06. Furthermore, due to the inconsistent types of waste between Taiwan and Suzhou Regent Electron, they are presented separately in detailed tables.

■ Summary Table of Waste Quantity in TSMT

Category	Location	Unit	Production Volume	Subtotal	Percentage (%)
Non-hazardous Waste	Taiwan	tonnes	503.89	1901.54	86.42%
	Suzhou Regent Electron	tonnes	1,397.65		
Hazardous Waste	Taiwan	tonnes	36.40	298.72	13.58%
	Suzhou Regent Electron	tonnes	262.32		
Total Quantity (tonnes)				2,600.26	100%
Waste Density (tonnes/million NTD)				0.06	-

■ 2023 Types of Waste (Taiwan)

Types of Waste		Treatment Method	Amount of Waste Generated (tonnes)	Categorized by Type (tonnes)
Non-hazardous Waste	Domestic Waste	Incinerated	274.52	503.89
	Plastic Waste	Recovered	46.94	
	Paper Waste	Recovered	163.234	
	Waste Wood	Recovered	16.56	
	Scrap Metal	Recovered	2.633	
Hazardous Waste	Printed Circuit Board that Contains Metal	Physical Treatment	35.68	36.40
	Scrap Tin	Recycled Materials	0.723	
Total				540.29

■ 2023 Types of Waste (Suzhou Regent Electron)

Types of Waste		Treatment Method	Amount of Waste Generated (tonnes)	Categorized by Type (tonnes)
Non-hazardous Waste	General industrial Waste	Incinerated	472.94	1,397.65
	Types of Tray Package	Recovered	234.12	
	Paper/Cardboard/ Carrier Tape	Recovered	680.51	
	Other	Recovered	10.08	
Hazardous Waste	Acid Waste	Incinerated	0	262.32
	Ink Waste	Incinerated	0	
	Alkali Waste	Incinerated	0	
	Engine Oil Waste	Incinerated	0.57	
	Engine Oil Waste	Recycled Materials	2.05	
	Used Wiping Paper	Incinerated	24.41	
	Barrels and Empty Bottle Packaging	Incinerated	7.52	
	Waste Board Edges	Recovered	7.05	
	Waste Organic Solvents	Incinerated	54.62	
	Rubber Waste	Incinerated	5.65	
	Ion Exchange Resin Waste	Incinerated	0.06	
	Waste Activated Carbon	Recycled Materials	23.78	
	Raw Material Barrel Waste	Incinerated	25.55	
	Waste Circuit Boards	Recovered	78.33	
	Sludge	Incinerated	32.30	
Battery Waste	Recovered	0.23		
Waste Solder Paste Cans and Waste Solder Paste		0.2		
Total				1,659.97

4.4.2 Waste Disposal and Reduction

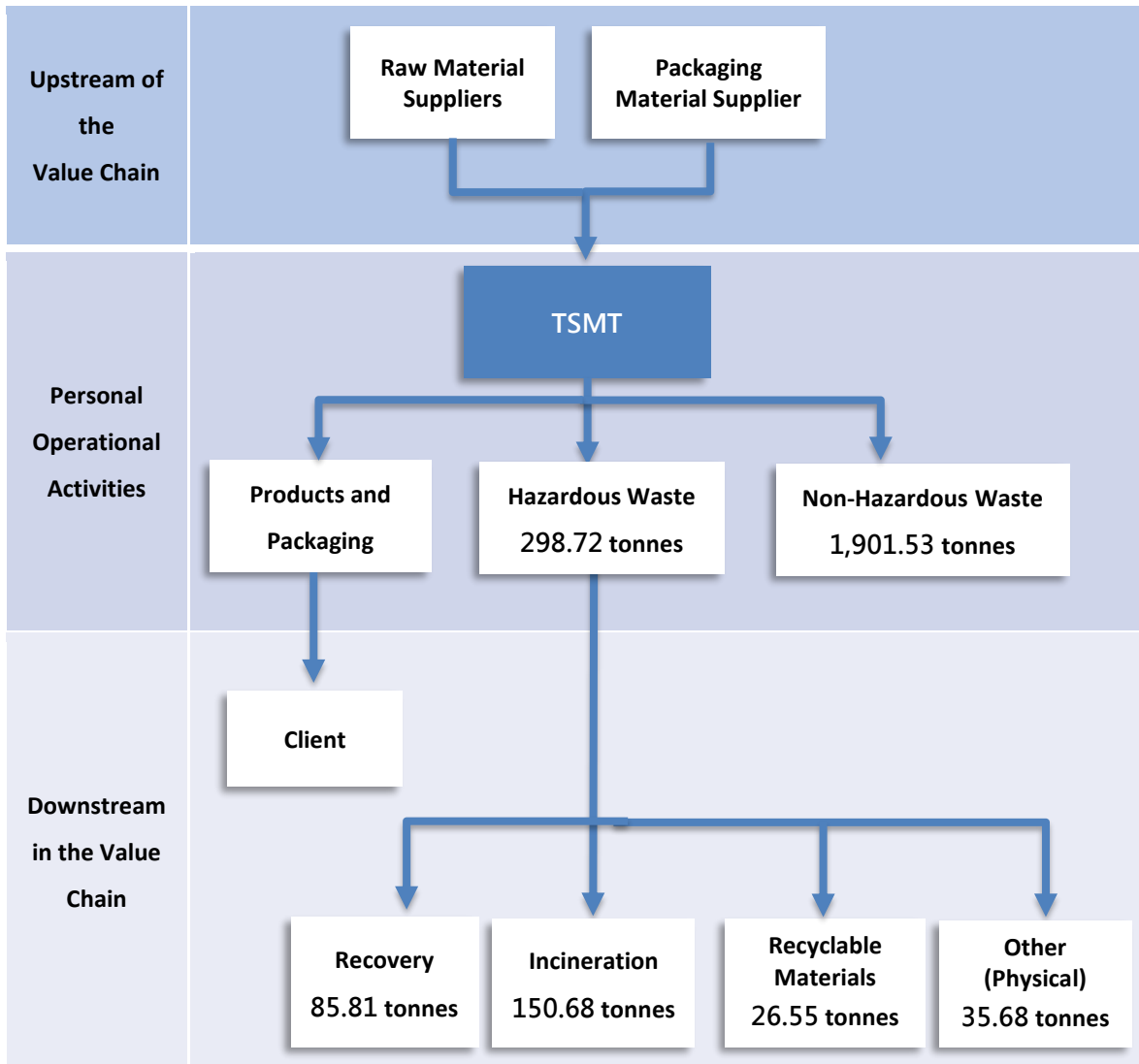
To achieve the goal of efficient resource recovery, TSMT has established temporary resource waste storage areas in each factory area and office. In following regulations, potential resource waste, such as cardboard boxes, waste paper, waste plastic materials, waste metal, circuit boards, batteries, and more, are identified. After the production units have calculated the total amount and quantity of recyclable materials, the management department will arrange for them to be placed in designated areas based on their categories. When a sufficient quantity has accumulated, qualified waste disposal companies will be notified for transportation. In 2023, the waste recovery rate at TSMT reached 56.35%, an increase of 4.06% compared to the previous year, and efforts will be made to further enhance the resource recycling ratio in the future.

Except for recyclable waste, other hazardous waste generated during the process, such as chemical solvents, acids and alkalis, inks, and waste ion exchange resins, are temporarily stored in waste storage facilities after being labeled for classification. They are classified and stored according to waste compatibility, component characteristics, and storage regulations, and then cleared and treated by qualified vendors approved by the competent authority. In addition, to ensure that the generated waste does not have a significant impact on the surrounding environment, our Company not only selects qualified transportation and disposal organizations but also strengthens waste inspection and control through irregular on-site audits and regular monitoring. This is to fulfill our responsibility in waste management.

■ Methods of Disposing of Waste in TSMT in 2023



Category	Unit	Disposal Method				Total Amount
		Incinerated	Recovered	Recycled Materials	Other (Physical)	
Non-hazardous Waste	tonnes	747.46	1,154.07	0	0	1,901.53
Hazardous Waste	tonnes	150.68	85.81	26.55	35.68	298.72
Subtotal	tonnes	898.14	1,239.88	26.55	35.68	2,200.25
Percentage (%)	%	40.82%	56.35%	1.21%	1.62%	100%

■ **Waste Logistics of TSMT Value Chain**



Ch5. Employee Care and Social Welfare

Sustainability Performance and Corresponding SDGs

SDGs		2023 Annual Job Performance
SDG 3	 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Health and Well-Being</p> <ul style="list-style-type: none"> ● 9,526 individuals participated in health promotion activities, fostering a healthy workforce. ● Establishment of designated parking spaces for expectant mothers. ● Installation of accessibility facilities. ● Organization of various domestic and international trips.
SDG 5	 <p>5 GENDER EQUALITY</p>	<p>Gender Equality</p> <ul style="list-style-type: none"> ● The retention rate for unpaid parental leave reached 63.6%, easing the stress for employees while raising their children. ● Promote workplace equality, without different pay for the same job positions.

5.1 A Safe and High-Quality Working Environment

Management Policy for Material Topics

Material Topics	Occupational Health and Safety
GRI Indicators	GRI403
Impact Statement	<p>a. The purpose of promoting occupational health and safety is to prevent the occurrence of occupational accidents, as the consequences of accidents can lead to harm to personnel or asset losses, resulting in various losses for the Company.</p> <p>b. Positive: Committed to enhancing personnel's safety awareness, reducing the occurrence of accidents, and enabling employees to pursue a better working environment.</p> <p>Negative: Ignoring occupational safety can cause harm to personnel's health and impact production issues, potentially increasing costs.</p>
Policy/Commitment	TSMT has established a range of measures in accordance with the Occupational Safety and Health Act to create a high-quality occupational health and safety environment for the Company, all while ensuring the effectiveness of the occupational health and safety management system certification.
Objective	<p>Short-term:</p> <ol style="list-style-type: none"> 1. Zero cases of severe workplace accidents were recorded 2. The number of accidents classified as minor or above is ≤ 10 <p>Medium to long-term:</p> <p>Continuously provide optimal resources to improve the safety and hygiene facilities in the factory area, and strengthen various employee health service projects to establish a safe and healthy working environment and enhance the overall safety culture.</p>
Responsibility	Health and Safety Management Committee
Resources	TSMT established the Health and Safety Management Committee at the Taoyuan factory, comprising a total of 14 members, including three labor representatives who are department managers and labor representatives themselves. The committee convenes meetings on a quarterly basis. A Health Management Department was established at the Suzhou plant, consisting of a total of eight employees, including one supervisor. This department is dedicated to its functions and holds weekly meetings.

Grievance Mechanism	Email: Colleagues can report environmental health and safety issues via email.
Action Plan	<ol style="list-style-type: none"> 1. Implement preventive management to ensure a safe working environment and operations. 2. Regularly conduct educational training and occupational safety promotion. 3. Comply with safety and health regulations and strive for zero accidents 4. Provide on-site medical personnel services, conduct colleague health management, and offer health consultation services
Assessment Mechanism	<ol style="list-style-type: none"> 1. Pass ISO 45001 Occupational Health and Safety Management System verification annually 2. The committee reviews and confirms the needs and expectations of stakeholders on a quarterly basis

Occupational Health and Safety Management System

TSMT is committed to creating a high-quality, safe, and stable working environment. We have established regulations for employee labor safety and protection to ensure strict hygiene and safety in the workplace. The Taiwan and Suzhou factories have achieved ISO 45001 Occupational Health and Safety Management System certification, ensuring compliance with international standards for environmental, safety, and health management. This certification is aimed at promoting employee safety awareness, providing a safe and healthy working environment, and fostering a comprehensive safety culture within the Company. The management scope covers internal employees and other workers (Coverage Rate=100%). In order to continuously maintain the validity of the certificate, the health and safety management policies and performance are reviewed twice a year to meet the goal of TSMT in creating a high-quality, safe, and stable working environment.



The Company utilizes this safety and health management system:

- Hazard Identification, Risk Assessment, and Risk Control Planning/ISO45001 Management Plan/Structure and Responsibility Division
- Training, Understanding, and Capability / Consultation and Communication / Operations Management / Emergency Prevention and Response / Performance Measurement, Monitoring, and Improvement

Health and Safety Management

The Occupational Health and Safety Office of TSMT oversees safety and health matters across different regions. In compliance with legal regulations, the Taoyuan factory has established a Health and Safety Management Committee, comprising a total of 14 members, including three labor representatives, who consist of department heads and labor representatives. The committee convenes meetings quarterly to address recent significant and non-significant occupational safety incidents and health issues. Resolutions are then communicated to all Company colleagues to enhance overall occupational safety awareness. Matters handled by the committee include:



Taiwan - Meeting Agenda	
1.	Provide recommendations for the employer's proposed occupational health and safety policy
2.	Coordinate and recommend the occupational health and safety management plan
3.	Review the implementation plan for safety and health education and training
4.	Review the operational environmental monitoring plan, monitoring results, and corrective measures
5.	Review health management, occupational disease prevention, and health promotion matters
6.	Review various health and safety proposals
7.	Review matters related to self-inspection and occupational health and safety audits by business units
8.	Review preventive measures for hazards related to machinery, equipment, or raw materials and materials
9.	Review occupational accident investigation reports
10.	Assess on-site health and safety management performance
11.	Review health and safety management matters related to contracted services
12.	Other matters related to health and safety management

Employee health and safety education and training

To enhance employees' awareness of occupational health and safety, TSMT regularly organizes occupational safety training and courses in health. Each year, an education and training plan is developed based on practical needs. This plan includes health and safety education and training for both new and existing employees, as well as training for legal certifications, such as first aid, rescue training, radiation safety training, and industrial safety training. Additionally, emergency response training and contractor education and training are provided. Furthermore, employees are given opportunities for hands-on practice to enhance their knowledge, skills, and ability to respond to various situations. In 2023, a total of 28 promotional and training events were conducted, with 5,583 participants in total (excluding new employee educational training).

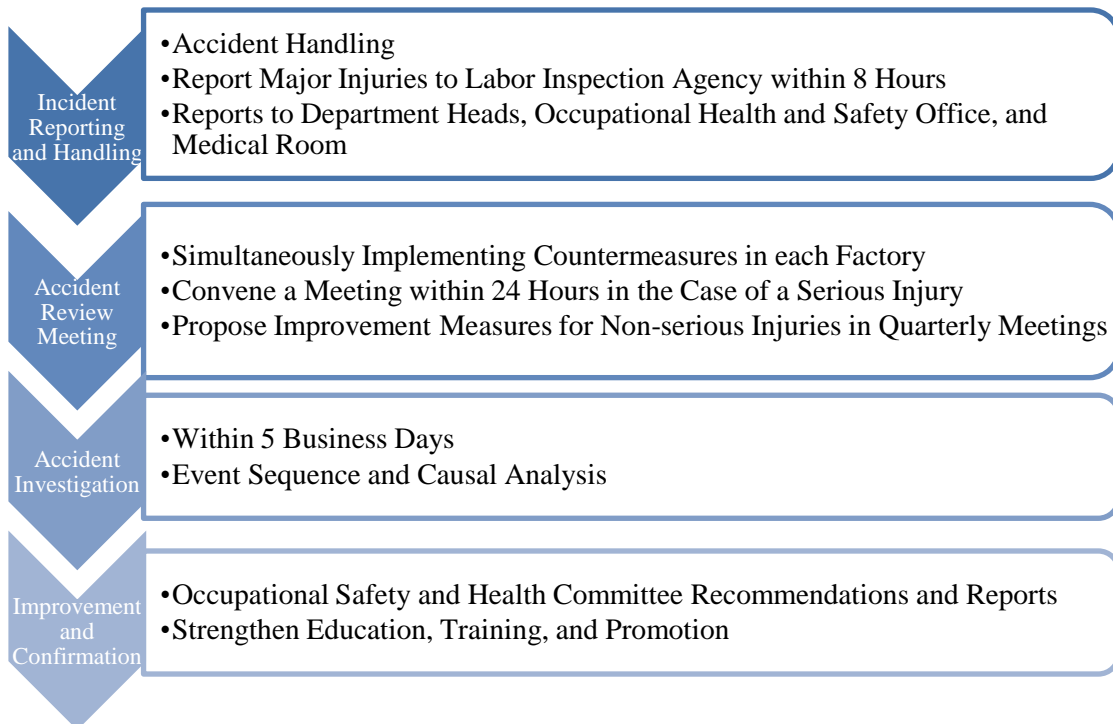
Name of the Training Program	Description of the Training Program Content	Number of Events Organized	Number of Participants
First Aid Training	Training in CPR, basic first aid knowledge, including simple wound dressing and the Heimlich maneuver	12	75
Occupational Health Management Training	Gaining a deeper understanding of our Company's work-related hazard descriptions and hazard job management program.	1	35
Radiation Safety Training	Knowledge of X-rays, their impact on the human body, and protective measures	13	35
Workplace Injury Safety Training	Definition of workplace injury, scope of application, relevant cases, and preventive measures	2,398	12,000
Emergency Response Drill	Emergency Response Drill	30	110
New Employee Occupational Health and Safety Training	<ol style="list-style-type: none"> Occupational Health and Safety Regulations Occupational Health and Safety Concepts Workplace Safety and Health Matters Fire Safety Knowledge Chemical Safety Knowledge Accident Reporting and Investigation 	Newly Hired Employees * New employees are required to undergo education provided on an ad hoc basis	Newly Hired Employees * New employees are required to undergo education provided on an ad hoc basis

Additionally, other measures have been implemented to enhance occupational safety awareness, including the placement of warning signs, daily deficiency checks, and the establishment of a system for monitoring and incentivizing safe practices. These measures are aimed at continuously reinforcing the fundamental safety practices in the factory area to achieve early detection and timely prevention goals.



Accident Reporting and Investigation Process

After an accident occurs, an investigation team is established to conduct on-site inspections, interviews, and monitoring, collecting accident data and reconstructing the sequence of events. Accident analysis is then performed. Based on the cause-and-effect relationship, responsibility for the accident is determined, and necessary criticisms, educational measures, administrative penalties, or financial penalties are imposed on relevant personnel in the department. This is done to enhance safety awareness among personnel and prevent the recurrence of incidents.



Management Measures for Hazard Identification and Risk Assessment

To prevent occupational accidents, TSMT has developed the Hazard Identification and Risk Assessment Management Procedure to categorize the risks associated with events that may harm personnel. Subsequently, management strategies are devised and implemented based on the level of risk and the frequency of occurrence. To effectively identify safety and health hazards arising from work activities, the work environment, and various types of hazards, responsible units are required to conduct annual hazard identification and risk assessments based on the likelihood and severity of incidents.

The Occupational Health and Safety Management Office categorizes risk levels into three ranges: unacceptable, temporarily acceptable, and acceptable. For unacceptable risks, immediate improvement measures are instituted, and unit supervisors are required

to implement these improvements within a specified period. The discussion of risks falling into the temporarily acceptable and acceptable categories occurs during the quarterly Health and Safety Management Committee meetings. In addition, if employees believe that the job content may result in injuries or illnesses, they can request to change their job position or resign without being bound by any Company regulations.

Level	Risk	Control Measures	Is it Acceptable to Take the Risk?
1	Very high	Review the effectiveness of current protective measures and promptly develop a management plan.	Unacceptable: Immediate action is required to implement improvement measures and reduce the risk level to an acceptable range. If the risk cannot be reduced, operational control measures and emergency response plans should be developed.
2	High	After being reviewed by each department, operational guidelines will be established.	
3	Medium to High	Additional protective measures need to be strengthened.	Temporarily Acceptable: Strengthen or revise existing protective measures and controls to continuously improve the risk.
4	Medium	Attention should be given to the current regulatory status.	
5	Medium to Low	Considered acceptable, to be monitored using existing methods.	Acceptable: Confirm the effectiveness of current protective control measures and carry out relevant education and training.
6	Low	Acceptable, no improvement is needed.	

Control measures for intolerable (Level 1-2) risks.

This type of risk accounts for 8% of the total risk, comprising a total of 54 items. The following table presents control measures for risks that are considered intolerable within the organization. These measures are based on guidelines for risk assessment techniques and include elimination, replacement, engineering controls, administrative management, the use of personal protective equipment, and vigilance maintenance to reduce hazards. Additionally, relevant management improvement plans are developed to mitigate the severity of high-risk operational activities.

For instance, in the context of serious traffic accidents, the Company established an

occupational safety policy in 2023 that involves the participation of all employees, intending to prevent injuries and illnesses. Through administrative management and other control measures, it is anticipated that the occupational accident rate related to traffic accidents will be reduced by 10% by 2024.

Control measures for temporarily tolerable (Level 3-4) risks

This type of risk constitutes 12% of the overall risk, totaling 70 items. The severity is temporarily acceptable. Relevant control measures include reinforcing administrative management, such as on-site operational safety and health management, adhering to standard operating procedures for machinery and equipment operation, and the use of personal protective equipment during operations.

For instance, the risk associated with chemical hazards is temporarily tolerable. Common issues within the factory include employees not fully complying with general measures for handling chemicals. TSMT has established a management plan to label hazardous substances and revise SDS (Safety Data Sheets). Administrative management includes the provision of general education courses on organic solvents used in the factory. On-site inspections are carried out to assess employees' understanding of relevant emergency response procedures when using chemicals. This is expected to enhance colleagues' knowledge of chemical labeling, content, hazard characteristics, and first aid methods.

Risk Level		Hazard Type	Hazard Statement	Control Measures	Percentage of People
1	Very high	Collison	Traffic accidents while commuting or on business trips	1. Administrative Management (1) Strengthening Traffic Safety Promotion 2. Producing relevant promotional announcements for all employees	Cannot be calculated

Risk Level	Hazard Type	Hazard Statement	Control Measures	Percentage of People
2	High	Electric shock (1) Electrical leakage (2) Poor grounding (3) Contact with live wires/current (4) Contractor's hydraulic and electrical operations	1. Engineering Control (1) Priority should be given to selecting electrical appliances that have been inspected and approved by the Power Department. 2. Administrative Management (1) Regularly inspect equipment and machinery in the factory for electrical leakage or insulation damage (2) Regularly maintain relevant equipment and post warning signs for public area power distribution equipment and engine rooms (3) General employee health and safety education and training (4) Enhance contractor management, focusing on hazard notification and related education and training for hydraulic and electrical operations (5) Strengthen the promotion of conducting water and electricity/electrical fire extinguishing operations, ensuring proper testing and power disconnection 3. Personal Protective Equipment Personnel must wear personal protective equipment and insulating gloves when performing hydraulic and electrical operations.	Cannot be calculated

Risk Level	Hazard Type	Hazard Statement	Control Measures	Percentage of People
	Fire	<ul style="list-style-type: none"> (1) Smoking and disposal of cigarette butts in inappropriate places (2) High-temperature items (3) Power overload (4) Chemical Fire (5) Contractor's hot work operations (6) Emergency response drill for firefighting, uncontrolled ignition source 	<ul style="list-style-type: none"> 1. Engineering Control <ul style="list-style-type: none"> (1) Installation of an automatic power cut-off device for long-duration charging equipment (2) Chemicals are stored in explosion-proof cabinets on the production line 2. Administrative Management <ul style="list-style-type: none"> (1) Designated smoking areas will be established within the factory premises, with smoking strictly prohibited in indoor areas. (2) Strict no smoking and open flame warning signs posted in restricted area (3) Fire-related equipment is automatically inspected monthly to ensure its effectiveness (4) Chemical Management (5) Enhance contractor management, focusing on hazard notification and related education and training for hot work operations (6) Strengthening employees' fire safety knowledge and conducting biannual emergency response drills 	Cannot be calculated

Risk Level	Hazard Type	Hazard Statement	Control Measures	Percentage of People
	Fall	(1) Elevator malfunction traps individuals; the contractor/rescued individuals improperly operate the door opening. (2) Elevated contractor work	1. Administrative Management (1) Enhance contractor management, providing hazard notification and related education and training for operations with a height greater than two meters (2) Enhancing employee elevator safety through general occupational health and safety training 2. Personal Protective Equipment (1) During elevated operations, it is necessary to wear safety helmets, back-covered safety belts, and other relevant protective equipment	Cannot be calculated
	Hypoxia/ Poisoning	(1) Contractor Confined Space Operations	1. Administrative Management (1) Enhance contractor management, providing hazard notification and related education and training for confined space operations at elevated heights. (2) Warning signs should be placed in confined spaces to prevent employees from entering them accidentally 2. Personal Protective Equipment Personnel should wear full-body safety harnesses and have emergency rescue lifting equipment available.	Cannot be calculated

Risk Level	Hazard Type	Hazard Statement	Control Measures	Percentage of People
	Collison	(1) General employees/contractors forklift operations (2) Operating the router machine	1. Engineering Control (1) Safety device added to the router machine 2. Administrative Management (Forklift Operations) (1) Enhance contractor management, focusing on hazard notification and related education and training for forklift operations (2) A regulation sets the maximum speed for forklifts in the factory at 10 km/hr (3) Enhance general safety training for employees 3. Administrative Management (Router Machine) (1) Warning signs posted on the router machine (2) Ensure that all colleagues strictly adhere to standard operating procedures, and supervisors should strengthen active management (3) Automatically inspect the safety devices of the router machine	1. Number of personnel operating the router machine: Approximately 120 people 2. Accounting for 8% of the total Company workforce

Control measures for acceptable (Level 5-6) risks

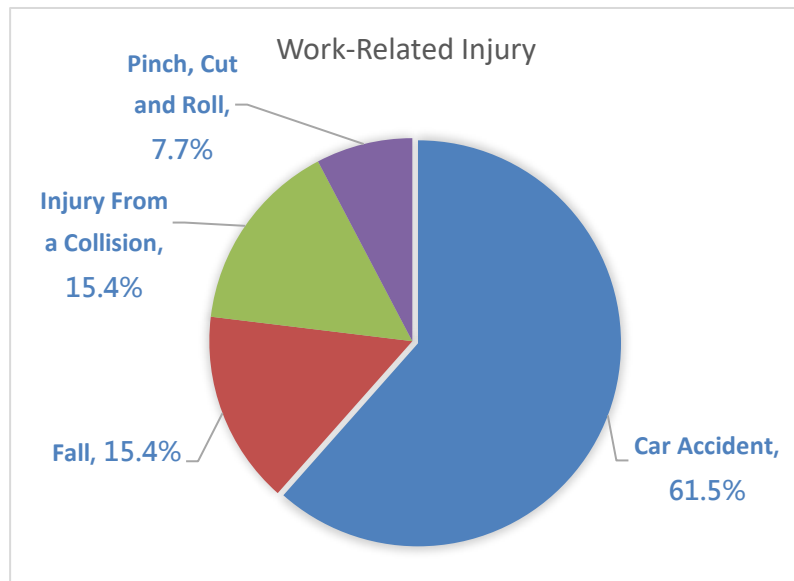
This type of risk accounts for 80% of the overall risk, totaling 480 items. The level of risk is considered acceptable. The related control measures mainly involve verbal reminders to personnel and ensuring the effectiveness of existing control measures.

Work-related Injury Statistics

In addition to establishing employee labor safety and protection regulations, the Company also implements preventive measures such as conducting emergency response drills and actively educating employees on safety and health. These measures are aimed at preventing accidents and minimizing the occupational injury rate, in order

to establish a safe and high-quality working environment. In 2023, the Company had work-related injury totaling 13 cases, a decrease of 6 cases compared to the 19 cases in 2022. The Company has no work-related fatalities this year. There were also no chemical injury cases. Traffic accidents and abrasions are the most common, with a total of 10 cases. The primary type of occupational injury was caused by improper use of machinery, resulting in crushing injuries. Our Company will actively promote various safety and health management operations, comply with safety and health regulations, and adhere to the principles of hazard prevention and full participation. We are committed to continuous improvement in order to establish a safe and healthy workplace environment.

Total number of employees	Car Accident	Fall	Injury From a Collision	Chemicals	Burn	Pinch, Cut and Roll	Total
5,315	8	2	2	0	0	1	13



Occupational Diseases

TSMT is committed to enhancing workplace safety and health management, improving employees' self-awareness of health hazards. Through various courses and promotions, employees are encouraged to strengthen their knowledge of safety and health in their job positions. In addition, emergency response procedures are developed through risk assessments. In order to address potential occupational hazards such as physical, human, chemical, and ionizing radiation, TSMT Suzhou has established various control

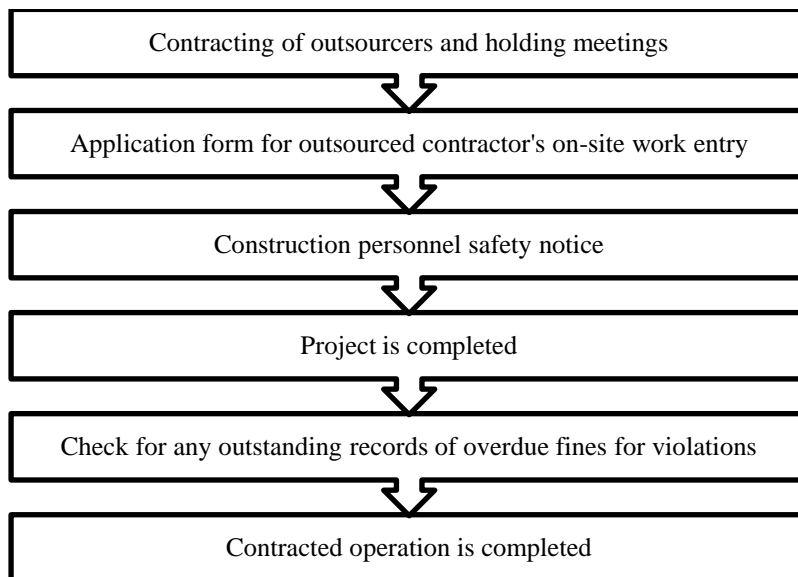
measures, including chemical management regulations, environmental exception handling procedures, and ESH supervision measurement control programs. Employees are also required to comply with rules and regulations to minimize the occurrence of occupational diseases.

In 2023, the Taoyuan factory did not identify any occupational disease risks, while the Suzhou factory identified potential occupational hazards such as occupational radiation diseases, occupational pneumoconiosis, and occupational deafness. In response, TSM has implemented a series of management measures for occupational disease prevention. In addition, the Taoyuan factory is visited monthly by the factory doctor to inspect the work site for any potential risks. They also conduct preventive lectures, occupational injury and illness consultations, and special health hazard operation health check management. In 2023, TSM had no reported cases of occupational diseases.

Measures to Prevent and Reduce Occupational Health Hazards	Company Practices
Personal Occupational Disease Prevention	<ol style="list-style-type: none"> 1. A hazard identification and risk management process will be developed, with the risk assessment classified as high and the identification as an unacceptable risk. Immediate improvement measures will be implemented. 2. Regular special health check-ups are scheduled for employees in positions that may be at risk of occupational diseases.
Provision of Protective Equipment	Provision of personal protective equipment, such as face masks, gloves, and earplugs.
Supervision and Educational Training	<ol style="list-style-type: none"> 1. Regularly provide safety training for employees to enhance safety awareness. 2. Increase the frequency of routine inspections of the factory premises and review employee work processes.
Environmental Prevention	<ol style="list-style-type: none"> 1. Regularly conduct occupational hazard factor testing in the workplace to monitor whether the values of the hazard factors exceed the standards. 2. Improve production processes and update outdated equipment.

Contractor Safety Management

Contractors are important partners for TSMT. They provide construction safety training to contractors and relevant personnel involved in on-site construction. Only those who have obtained the training safety certificate will be allowed to enter the site for construction. They will be informed of the construction regulations and procedures to ensure standardized construction. Furthermore, the Company has established detailed management procedures and supervises the construction application department personnel and occupational safety personnel to conduct inspections. In the event of operations that do not comply with safety and health regulations, on-site guidance is provided for immediate improvement, improvement within a specified period, work stoppage, and fines. Additionally, a report is presented at the quarterly Occupational Health and Safety Committee meeting to address non-compliance issues, ensuring that relevant personnel fully understand the contractor's safety and health regulations and implement inspections to prevent hazards. In 2023, no contractor-related injuries or fatalities occurred.



➤ Contractor training course

In order to prevent and reduce accidents involving contractors and enhance their safety awareness, TSMT organized a total of 30 contractor education and training courses in 2023, with a total of 315 participants. Contractors were required to sign a safety and health commitment letter and follow the course content to minimize accidents and injuries.

5.2 Talent Attraction and Retention

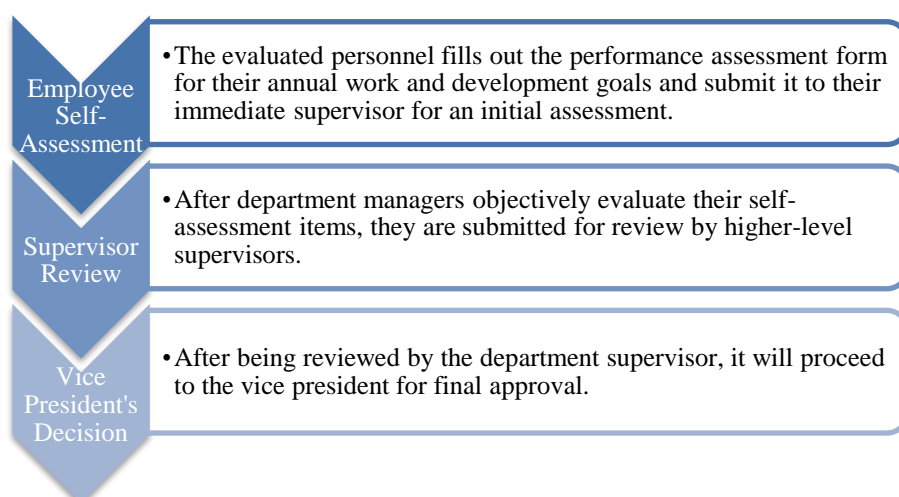
Management Policy for Material Topics

Material Topics	Talent Attraction and Retention
GRI Indicators	GRI401 、 GRI404 、 GRI405
Impact Statement	<p>Talent is the crucial driving force for business advancement. The Group actively recruits and retains outstanding and diverse talent to cultivate Taiwan and establish a global presence, thereby providing a competitive advantage.</p> <p>Positive: If the Company values talent and retention, it will help improve the stability and capabilities of industry talent, promote improvements in labor conditions and benefits in the industry, boost employee morale, and enhance the willingness to learn</p> <p>Negative: Talent is the crucial driving force for business advancement. Neglecting talent retention will indirectly impact the pool of innovative talent in the industry and hinder the Company's ability to maintain its competitive edge. It also contributes to a negative work environment for professionals in the same field.</p>
Policy/ Commitment	Providing employees with fair and comprehensive compensation, benefits, and policies is essential for attracting and retaining talented individuals, which, in turn, contributes to the competitiveness of the Company. In addition to reasonable salaries, various performance bonuses are awarded based on the Company's operations and performance, providing the necessary recognition and actively retaining high-performing talents.
Objective	<p>Short-term: Increase employees' professional competence by providing department-specific professional training.</p> <p>Medium to long-term: Increase the retention rate of key talents to 90%</p>
Responsibility	Human Resources Unit
Resources	Regularly organize various types of educational training to enhance employees' professional skills and increase their sense of identification with the Company.
Grievance Mechanism	<p>The communication procedures, complaint and suggestion guidelines of the Company should be followed when submitting through any channel.</p> <p>The channels for reporting, lodging complaints, and making suggestions are as follows:</p> <ol style="list-style-type: none"> 1). Dedicated mailbox located in front of the B1 convenience store (on the right side). 2). Internal Complaint Hotline: 03-2189988 ext. 29902 3). Internal Complaint Email: lisa-lu@tsmt.com 4). External Complaint Hotline: +886-3-2189988 ext. 29122 5). External Complaints Inbox: tsmt_service@tsmt.com.tw
Action Plan	<ol style="list-style-type: none"> 1. Utilize annual employee assessments and KPI assessments to establish a fair and equitable employee compensation system. 2. To attract like-minded talents, we offer competitive salaries and bonuses, as well as benefits that exceed legal requirements.
Assessment Mechanism	<p>Daily management meetings are conducted to monitor personnel recruitment and turnover, perform manpower audits, and analyze the reasons and issues related to recruitment and turnover on a monthly basis.</p> <p>Annual assessments and KPI assessments are also carried out.</p>

5.2.1 Performance Management

TSMT has implemented a fair and comprehensive performance management system that incorporates an overall performance assessment process for all employees. This system aligns the Company's strategic goals with individual work objectives and performance measurement standards for employees. At the end of each year, every full-time employee undergoes an assessment that forms the basis for job promotions, salary adjustments, employee compensation distribution, and employee development training, among other management operations. The assessment criteria encompass job objectives, job performance, and teamwork, encouraging employees to pursue diverse development.

The assessment mechanism process established by our Company is as follows:



Position/ Gender	Male			Female			Total		
	Number of people evaluated for performance	Total number of people	Proportion of people undergoing performance assessment	Number of people evaluated for performance	Total number of people	Proportion of people undergoing performance assessment	Number of people evaluated for performance	Total number of people	Proportion of people undergoing performance assessment
Supervisor	358	358	100%	180	180	100%	538	538	100%
Non-supervisor	2832	2832	100%	1945	1945	100%	4777	4777	100%
Total	3190	3,190	100%	2120	2,120	100%	5,315	5,315	100%

5.2.2 Educational Training

Professional competence employee education and training

Talent has always been the most valued asset of our Company, and education and training are an important means to ensure the continuous growth of our human capital. In addition to taking good care of the physical and mental health of its employees, TSMT also offers employee development programs to help them enhance their professional skills and grow steadily through various educational training. Through a series of educational training programs, we aim to enhance employees' professional skills, improve their job performance, and strengthen organizational efficiency to achieve our Company's business objectives and ensure sustainable development. Employee education and training at TSMT is based on on-the-job training and individual development plans. It consists of three main parts: training for new employees, specialized training, and hierarchical management and leadership training. These training programs aim to assist employees in demonstrating the Company's core values and achieving the Company's vision and strategies.

TSMT has established a comprehensive career development program, allowing employees to choose the most suitable development path based on their needs, whether it be promotion, job rotation, or overseas assignments. This program aims to strengthen employees' development in various areas and promote lifelong learning.

- **General Courses:** Upon joining the Company, to ensure the basic education and training of all colleagues, the Company holds regular general education and occupational health and safety education training every year. This enhances the lifelong learning goals of each employee, providing them with skills, knowledge, emotional intelligence, effective communication, and critical thinking to strengthen their foundational knowledge.



TSMT General Education and Training Courses	
Electrostatic Discharge Control and Production Line Protection	1.5 hours
Information Security Management	1 hour
Social Responsibility Policy and Employee Ethics	1 hour
Quality Thinking and Policies	2 hours
Integrated General Education (6S, Conflict Minerals and GPM, Workplace Health and Safety Promotion)	2 hours
General Occupational Safety and Health On-the-Job Education and Training	3 hours

■ **Professional Courses:** In addition to providing basic general education, our Company also offers various internal and external training programs for employees in professional positions and technical roles. These training programs are designed to develop the necessary professional skills as determined by department managers. We not only encourage employees to continue their education, but also enhance their professional knowledge and career advancement goals through professional course training. The training situation for 2023 is as follows:

		Taoyuan			Suzhou		
		Number	Hours	Average hours per person	Number	Hours	Average hours per person
Gender	Male	589	20,215	34.32	2,601	87,118	33.5
	Female	710	25,196	35.49	1,415	36,449	25.8
Total		1,299	45,411	34.96	4,016	123,567	30.8



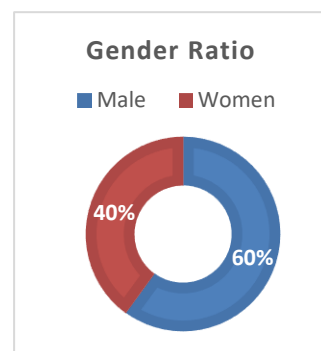
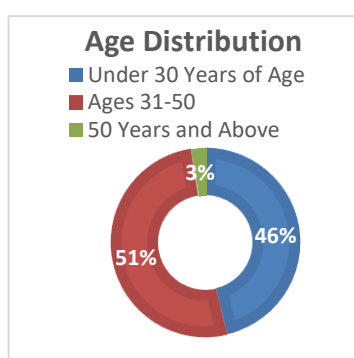
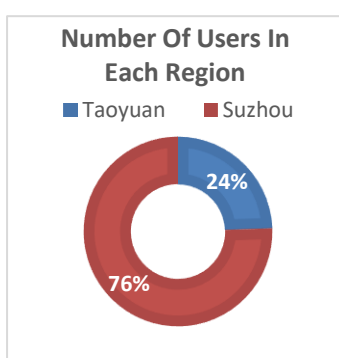
5.2.3 Employee Structure

● Employee Structure

TSMT believes that talent is the cornerstone of the Company and an important seed for sustainable growth. It needs to be carefully nurtured and cultivated. Having a robust human resource management system and a high-quality talent development model are essential to fulfilling the Company's commitment to sustainable development. Our Company values its employees and is committed to providing comprehensive welfare systems, safeguarding the rights and benefits of employees, establishing a safe and high-quality working environment, ensuring the safety and health of the workplace, nurturing employees, emphasizing talent development, and prioritizing communication and coordination with employees through a people-oriented and humane management approach.

The Company recruits outstanding talents from various channels based on its operational strategy and employee career development, according to the professional abilities and requirements of each position. When recruiting new employees, TSMT also adheres to the principles of fairness and equality, selecting individuals based on their excellent abilities and moral character. In order to comply with the government's employment policy for people with disabilities, the Taoyuan factory will hire an excess number of disabled employees in 2023, including those with language barriers and mobility issues, to achieve the goal of caring for the vulnerable and promoting diversity in employment. In addition, the number of foreign employees hired has reached 172, continuing to move towards a more diverse workforce.

Age \ Gender	Age			Total	
	<30	31-50	>50	Gender	Percentage (%)
Male	1,585	1,524	81	3,190	60%
Female	874	1,204	47	2,125	40%
Total	2,458	2,729	128	5,315	100%



Job Type

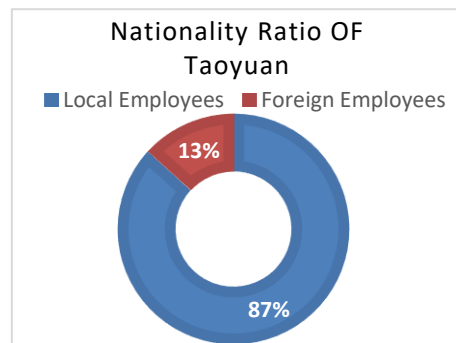
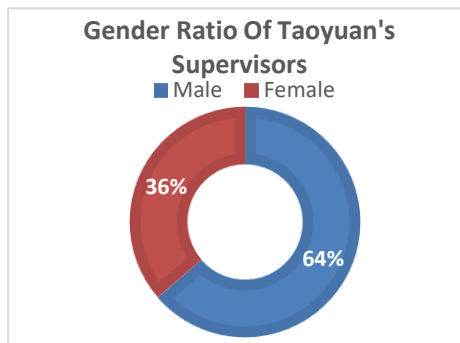
Taoyuan					
Item	Classification	Male		Female	
		Number	Percentage (%)	Number	Percentage (%)
Job Type	Supervisor (Manager and above)	28	5%	16	2%
	Non-supervisor	561	95%	694	98%

Age

Taoyuan					
Item	Classification	Male		Female	
		Number	Percentage (%)	Number	Percentage (%)
Age	<30	180	31%	223	31%
	30-50	380	65%	440	62%
	>50	29	5%	47	7%

By Nationality

Taoyuan			
Item	Classification	Number	Percentage (%)
Nationality Type	Local Employees	1,127	87%
	Foreign Employees	172	13%



Job Type

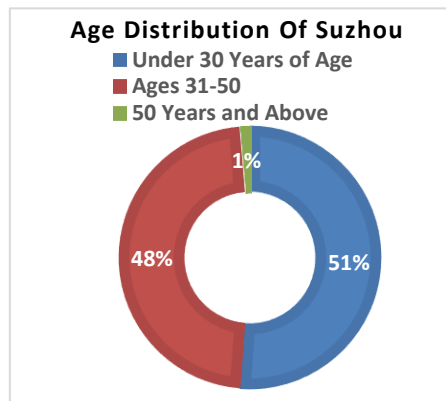
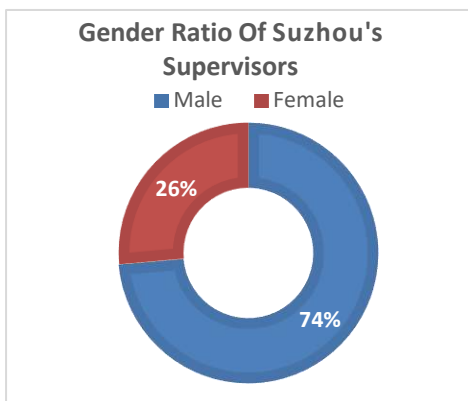
Suzhou					
Item	Classification	Male		Female	
		Number	Percentage (%)	Number	Percentage (%)
Job Type	Supervisor (Manager and above)	78	3%	28	2%
	Non-supervisor	2,523	97%	1,387	98%

Age

Suzhou					
Item	Classification	Male		Female	
		Number	Percentage (%)	Number	Percentage (%)
Age	<30	1,405	54%	651	46%
	30-50	1,144	44%	764	54%
	>50	52	2%	0	0%

Turnover Rate

Turnover Rate			
"Factory Area"	Number	Number	Percentage (%)
Taoyuan	1,299	120	9%
Suzhou	4,016	493	12%



■ Labor-Management Communication

TSMT values labor-capital equality and provides various channels for employees to express their work needs, actively promoting workplace equality, including quarterly labor-capital meetings and a complaint mailbox (tsmt_service@tsmt.com.tw). During the 2023 fiscal year, no significant labor-management issues were encountered. Maintaining a positive work environment remains a key objective for the company. Regarding changes to labor conditions, employees in Taiwan are notified in accordance with the Labor Standards Act. In mainland China, the Labor Contract Law is followed, and in the event of significant operational changes, the situation is explained in advance to the labor union or all employees.

5.2.4 Comprehensive Welfare System

TSMT values employee welfare. We offer our employees a comprehensive salary, bonus, dividend, and benefits system, enabling each employee to contribute their efforts in their respective positions and receive recognition for outstanding performance.

Retirement System

- **Under the previous system in Taiwan**, TSMT had an "Employee Retirement Plan," which, in accordance with the legal regulations of each operational site, allocated contributions for each employee to pay for various types of social insurance, such as labor retirement, medical, and senior citizen pensions. The Taiwanese factory has established the Retirement Fund Supervisory Committee in accordance with the law, which is responsible for the management of retirement pensions and the implementation of retirement regulations. Under the old retirement system, the retirement pension is calculated at 2% of the monthly salary for each employee based on their years of service under the old system, and it is deposited monthly into the Taiwan Bank's old retirement reserve account.
- **New Taiwan System: Following** the implementation of the new retirement system, companies allocate 6% of employees' retirement benefits to their personal retirement accounts on a monthly basis, determined by the retirement benefit level. In addition to the fixed Company allocation, employees can opt to deposit their retirement benefits within the 6% into a special account to enjoy tax benefits.
- **Mainland Retirement System:** In Mainland China factory areas, employees are also mandated by local regulations to participate in the pension insurance plan. Their contributions are calculated as a percentage of their monthly salary, determined by the payment base, with employees contributing 8% and employers contributing 15% to 20%.

	Retirement Fund Contribution as a Percentage of Salary	Extent of Employee Participation in Retirement Plans
Taiwan*	Old Retirement Plan: Employer 2%, Employee 0%	100%
	New Retirement Plan: Employer 6%, Employee 0-6%.	
Suzhou	Employer 15-20% Employee 8%	100%

* Excluding dispatched employees and foreign employees

Comprehensive welfare system

The Taiwan factory has established the Employee Welfare Committee, referred to as the Welfare Committee, with the main source of funding coming from the Company's monthly operating revenue of 0.05% and a 0.5% contribution from Taiwan factory employees' salaries. Budgets are allocated from this fund, and employee welfare initiatives are implemented in accordance with resolutions made during committee meetings.

Item	Content
Bonus	Holiday bonus, performance bonus, holiday gift vouchers, and birthday gift vouchers (for Taoyuan and Suzhou factories)
Leave	Employees are entitled to various types of leave, including paid leave, marriage leave, bereavement leave, public holiday leave, work-related injury leave, paternity leave, maternity leave, sick leave, menstrual leave, personal leave, family care leave, overseas return leave, pandemic prevention leave, and vaccination leave. Among them, the standards for sick leave, partial bereavement leave for relatives, typhoon leave, and paid leave for vaccinations exceed the standards set by labor laws (Taoyuan factory)
Insurance	Employees are covered by mandatory social insurance and contribute to retirement funds. Additionally, they benefit from commercial insurance, including group insurance and accident insurance (Taoyuan and Suzhou factories).
Catering	Meal subsidy for employees on a daily basis. The restaurant conducts regular ingredient inspections to ensure safety and hygiene. Special holiday-themed dishes are introduced, and additional dishes are added on a weekly basis as a token of appreciation for the hard work of the employees (Taoyuan Factory).
LOHAS	Employee domestic and international travel and subsidies, year-end banquet, club activity subsidies, and sports competition events (Taoyuan, Suzhou factory areas).

Item	Content
Continuing Education	Offer comprehensive education and training opportunities, encourage employees to acquire professional certifications, participate in foreign language training, and provide corresponding rewards after certification attainment (Taoyuan Factory).
Health	The Company provides a medical room and a lactation room, staffed with dedicated medical personnel and professional on-site doctors. They offer free medical consultations, emergency services, and provide employees with a complimentary annual health check-up. The Company also actively monitors employee health on a regular basis. Additionally, the Company organizes periodic hygiene training and seminars.
Other	Employee marriage subsidy, employee and family funeral subsidy, maternity subsidy/congratulatory gift, employee children/self-education subsidy (Taoyuan and Suzhou factories); establishment of convenience stores and special discount stores (Taoyuan factory).

Parental leave

TSMT provides employee benefits such as maternity leave, paternity leave, parental leave, and menstrual leave, regardless of gender, in accordance with the law. In Mainland China, employees are also entitled to legal and appropriate types of leave in accordance with various regulations and non-labor laws in different regions. While showing consideration for the hard work of employees in raising children, the Company provides a caring and gender-equal friendly workplace environment.

In accordance with Article 16 of the Gender Equality in Employment Act in Taiwan, employees who have been employed for at least six months may apply for parental leave before each child reaches the age of three. The leave period shall end when the child reaches the age of three, but shall not exceed two years. During the leave period, employees may apply for "allowance during parental leave without pay."

The number of employees at TSMT (Taoyuan Plant) who actually utilized parental leave in 2023 is as follows:

Item	Number
Number of employees who applied for parental leave in 2022	11
Number of employees who applied for reinstatement in 2023	7
Number of employees who applied for an extension in 2023	0
Reinstatement/Return Rate	63.6%

Note: The Suzhou plant is governed by different local regulations and policies and is therefore not included in the table.

5.2.5 Gender Pay Gap

The philosophy of the Company's remuneration policy is:

- Balancing the Interest of Employees and Shareholders
- Attracting and Retaining Talented Individuals
- A Fair and Incentivizing System
- Ensuring a Competitive Compensation Package

The compensation and benefits provided by TSMT comply with local legal requirements and are never lower than the legally mandated minimum wage. All full-time employees are entitled to the insurance and pension plan mandated by law. All employees are compensated under an equal pay for equal work policy. Remuneration is not differentiated based on geographic location, race, ethnicity, upbringing, social class, lineage, religion, physical disability, gender, sexual orientation, pregnancy, marital status, union membership, political views, or age. The remuneration system is based on the concept of total remuneration, which includes salary, benefits, bonuses, and compensation.

In order to enhance the competitiveness of our colleagues, TSMT determines salary standards based on the Salary Operation Management Regulations. In addition, salaries are adjusted based on external environmental changes, company operational performance, and individual performance, ensuring that salaries are in line with market standards and are fair. Meanwhile, by enhancing operational efficiency, employee income levels will be increased.

Determine comprehensively based on employees' educational background, professional knowledge and skills, professional experience, and individual performance. In addition to the fixed monthly salary, various bonuses, such as quarterly bonuses, year-end bonuses, periodic performance achievement bonuses, and annual profit-sharing bonuses, are established to encourage employees to take on expanded responsibilities and exceed expectations. Through various employee incentive programs, outstanding teams and individuals are publicly recognized, acknowledging their excellent contributions in various areas and enhancing the Company's operational performance. In accordance with job requirements, the Company also provides various allowances

and benefits.

The remuneration of directors and executives is evaluated by the Remuneration Committee, based on the salary level of the position in the job market, the scope of responsibilities within the Company, the contribution to the Company's operational objectives, and other performance indicators.

TSMT examines the gender pay gap among its employees based on employee category. The salary differences are primarily attributable to variations in factors such as seniority, job level, and job nature, rather than gender. The Company aims to continue making progress toward gender equality.

TSMT's 2023 annual salary information for full-time employees not holding managerial positions in Taiwan indicates an average salary of NT\$655,000 and a median salary of NT\$514,000. Salary information for previous years for full-time employees not holding managerial positions can be found on the Market Observation Post System.

The regional salary information is presented in the table below

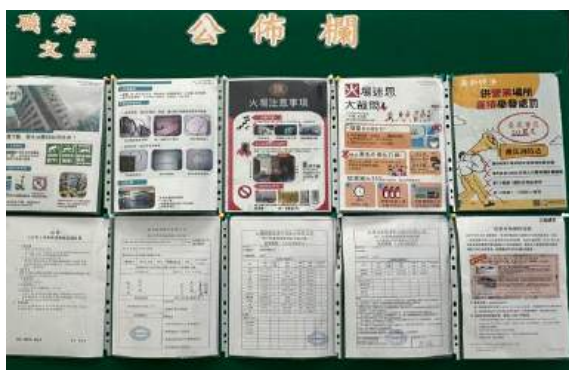
Region	Year	2021		2022		2023	
	Employee Category	Male	Female	Male	Female	Male	Female
Taoyuan	Supervisor (Director and above)	1.23	1	1.23	1	1.22	1
	Supervisor (Deputy director and above)	1	1	1	1	1	1
	Non-supervisory personnel	1.2	1	1.17	1	1.16	1
Suzhou	Supervisor (Director and above)	1.11	1	1.09	1	1.10	1
	Supervisor (Deputy director and above)	1.11	1	1.07	1	1.07	1
	Non-supervisory personnel	1.14	1	1.03	1	1.13	1

Healthcare Services

TSMT provides annual employee health check-ups and on-site physician consultations, allowing employees to maintain their health even in a busy work environment. The Company follows safety and health laws, regulations, and requirements, continually seeks improvement through the prevention of hazards and staff participation, and aims to establish a safe and healthy work environment.

Health Promotion

TSMT is committed to encouraging employees to actively participate in promoting a healthy lifestyle and creating a healthy and safe work environment. The management team takes concrete actions to support and participate in various health promotion activities. In recent years, to promote work-life balance for employees, sports and fitness centers have been established in various factory areas. These centers provide a variety of exercise equipment, allowing employees to work out and relieve stress together. In 2023, we integrated various sports clubs, consolidated internal and external resources, and actively encouraged colleagues to participate in sports programs on a regular basis.



5.2.6 Percentage of Employees Who Participated in the Labor Union

TSMT has a labor union organization in Suzhou, with 100% of employees signing the agreement. In Taiwan, labor-management meetings are held in accordance with Article 83 of the Labor Standards Act and regulations promulgated by the Ministry of the Interior. Regulations for Implementing Labor-Management Meeting has been established, and labor-management meetings are regularly conducted to facilitate labor-management negotiations and discussions on labor issues.

Region	Number of Participants	Percentage of Participation (%)
Taoyuan	No labor union has been established	
Suzhou	4,016	100%

5.2.7 Human Rights Management

■ Human Rights Policy

TSMT emphasizes human rights and is committed to integrating the principles and spirit of human rights into the Company's values and culture as a commitment to safeguarding human rights. The Company follows the Responsible Business Alliance (RBA) Code of Conduct and establishes internal regulations that cover labor rights, health and safety, the environment, ethical standards, and management systems. When recruiting new employees, our Company adheres to a policy of diversity and inclusivity, avoiding discrimination based on race, gender, age, religion, nationality, or political stance. We also strictly prohibit the employment of child labor or forced labor. To protect the employment and labor rights of individuals with disabilities and to continuously monitor human rights management practices, ensuring the protection of employee rights.

<Responsible Business Alliance Code of Conduct>

1. Comply with local regulations and support labor human rights norms.
2. Prohibit child labor by law and maintain strict safeguards to protect children.
3. Establishing clear work regulations to protect the employment rights of workers.
4. No discrimination or abuse; equal and respectful treatment with humanity.

5. Sexual harassment is strictly prohibited, and the work environment promotes gender equality.

5.3 Community Welfare

Adhering to the concept of "caring for society, a friendly community," TSMT actively engages in public welfare activities. They participated in a blood donation event in Suzhou and recruited volunteers to serve the community, including visiting the elderly in nursing homes and participating in environmental cleanup efforts. TSMT is concerned about local cultural and artistic activities and participates in cultural performances that benefit the public. By participating in community activities, including local sports events, we aim to give back to the community while pursuing business growth, enabling our Company to move towards sustainable operation and development.



Appendix 1. GRI Standards Index Table

Disclaimer	TSMT has prepared a sustainability report in accordance with the GRI guidelines. The data covers the period from January 1, 2023, to December 31, 2023.		
GRI 1 Used	GRI 1: Foundation 2021		
Applicable GRI industry Guidelines	GRI Guideline 2021		
GRI Guideline	Disclosure Items	Page Number	Additional Clarification
GRI 2: General Disclosures (2021)			
GRI 2: General Disclosures (2021)	2-1 Organizational details	19-21	2.1 About TSMT
	2-2 Entities included in the organization’s sustainability reporting	1	About This Report
	2-3 Reporting period, frequency and contact point	1	About This Report
	2-4 Restatements of information	-	No re-editing was needed
	2-5 External assurance	-	No external guarantees/assurances required
	2-6 Activities, value chain and other business relationships	68	3.4 Responsible Supply Chain
	2-7 Employees	123-126	5.2.3 Employee Structure
	2-8 Workers who are not employees	123-126	5.2.3 Employee Structure
	2-9 Governance structure and composition	9、22	1.2 Sustainable Governance Framework 2.2 Corporate Governance
	2-10 Nomination and selection of the highest governing body	24	2.2 Corporate Governance
	2-11 Chair of the highest governance body	22	2.2 Corporate Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	14	1.4 Material Topic Identification

2-13 Delegation of responsibility for managing impacts	9	1.2 Sustainable Governance Framework
2-14 Role of the highest governance body in sustainability reporting	9	The Sustainability Report for TSMT is currently being reviewed by the President.
2-15 Conflicts of interest	24-26	2.2 Corporate Governance
2-16 Communication of critical concerns	14	1.4 Material Topic Identification
2-17 Collective knowledge of the highest governing body	29	2.2 Corporate Governance
2-18 Evaluation of the performance of the highest governance body	31	2.2 Corporate Governance
2-19 Remuneration policies	31-32	2.2 Corporate Governance
2-20 Process to determine remuneration	31-32	2.2 Corporate Governance
2-21 Annual total compensation ratio	31-32	2.2 Corporate Governance
2-22 Statement on sustainable development strategy	3-4	Message from the Chairman
2-23 Policy commitments	3-4	Message from the Chairman
2-24 Embedding policy commitments	-	Management Policy for Various Material Topics
2-25 Processes to remediate negative impacts	-	Management Policy for Various Material Topics
2-26 Mechanisms for seeking advice and raising concerns	-	Management Policy for Various Material Topics
2-27 Compliance with laws and regulations	46	2.6 Regulatory Compliance
2-28 Membership associations	33	2.2 Corporate Governance
2-29 Approach to stakeholder engagement	10-13	1.3 Stakeholder Engagement
2-30 Collective bargaining agreements	132	5.2.6 Percentage of Employees Who Participated in the Labor Union

GRI 3: Material Topics (2021)			
GRI 3: Material Topics (2021)	3-1 Process to determine material topics	14-15	1.4 Material Topic Identification
	3-2 List of material topics	15-18	1.4 Material Topic Identification
Integrity Management			
3-3 Management of material topics		38-39	2.4 Fulfillment of Integrity Management
GRI 205: Anti-corruption (2016)	205-1 Operations assessed for risks related to corruption	40	2.4 Fulfillment of Integrity Management
	205-2 Communication and training about anti-corruption policies and procedures	41	2.4 Fulfillment of Integrity Management
	205-3 Confirmed incidents of corruption and actions taken	41	There has been no corruption this year
GRI 206: Anti-competitive Behavior (2016)	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	41	No incidents of anti-competitive behavior, anti-trust, or monopoly practices resulting in fines occurred during the current year.
Economic Performance			
3-3 Management of material topics		34	2.3 Economic Performance
GRI 201: Economic Performance (2016)	201-1 Direct economic value generated and distributed	37	2.3 Economic Performance
	201-3 Defined benefit plan obligations and other retirement plans	126	5.2.4 Comprehensive welfare system
	201-4 Financial assistance received from the government	37	2.3 Economic Performance

Energy and GHG Management			
3-3 Management of material topics		75-77	4.1 Climate Change Adaptation
GRI 302: Energy (2016)	302-1 Energy consumption within the organization	86-89	4.2 Energy and GHG Management
	302-3 Energy intensity	87-89	4.2 Energy and GHG Management
	302-4 Reduction of energy consumption	89-92	4.2 Energy and GHG Management
GRI 305: Emissions (2016)	305-1 Direct (Scope 1) GHG emissions	91-92	4.2 Energy and GHG Management
	305-2 Energy indirect (Scope 2) GHG emissions	91-92	4.2 Energy and GHG Management
	305-4 GHG emissions intensity	91	4.2 Energy and GHG Management
	305-5 Reduction of GHG emissions	90-92	4.2 Energy and GHG Management
Climate Change Adaptation			
3-3 Management of material topics		76-77	4.1 Climate Change Adaptation
GRI 201: Economic Performance (2016)	201-2 Financial implications and other risks and opportunities due to climate change	78-85	4.1 Climate Change Adaptation
GRI 403: Occupational Health and Safety			
3-3 Management of material topics		104-105	5.1 A Safe and High-Quality Working Environment
GRI 403: Occupational Health and Safety (2018)	403-1 Occupational health and safety management system	105-106	5.1 A Safe and High-Quality Working Environment
	403-2 Hazard identification, risk assessment, and incident investigation	109-115	5.1 A Safe and High-Quality Working Environment
	403-3 Occupational health services	116-117	5.1 A Safe and High-Quality Working Environment
	403-4 Worker participation, consultation, and communication on occupational health and safety	106-107	5.1 A Safe and High-Quality Working Environment

	403-5 Worker training on occupational health and safety	107-108	5.1 A Safe and High-Quality Working Environment
	403-6 Promotion of worker health	131	5.1 A Safe and High-Quality Working Environment
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	118	5.1 A Safe and High-Quality Working Environment
	403-8 Workers covered by an occupational health and safety management system	106-107	5.1 A Safe and High-Quality Working Environment
	403-9 Work-related injuries	115-116	5.1 A Safe and High-Quality Working Environment
	403-10 Work-related ill health	116-117	5.1 A Safe and High-Quality Working Environment
Talent Attraction and Retention			
	3-3 Management of material topics	119	5.2 Talent Attraction and Retention
GRI 401: Employment (2016)	401-1 New employee hires and employee turnover	123-125	5.2.1 Performance Management
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	126-130	5.2.2 Comprehensive Welfare System
	401-3 Parental leave	128	5.2.2 Comprehensive Welfare System
GRI 404: Training and Education (2016)	404-1 Average hours of training per year per employee	121-122	5.2.2 Educational Training
	404-2 Programs for upgrading employee skills and transition assistance programs	126-128	5.2.4 Comprehensive welfare system
	404-3 Percentage of employees receiving regular performance and career development reviews	120	5.2.1 Performance Management
	405-1 Diversity of governance bodies and employees	27-28 123-125	2.2 Corporate Governance 5.2.3 Employee Structure

GRI 405: Diversity and Equal Opportunity (2016)	405-2 Ratio of basic salary and remuneration of women to men	129-130	5.2.5 Gender Pay Gap
Information Security and Customer Privacy			
3-3 Management of material topics		52-54	3.2 Information Security and Customer Privacy
GRI 418 (2016): Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	55	3.2 Information Security and Customer Privacy
Product Quality Management			
3-3 Management of material topics		59	3.3 Green Production and Quality Management
GRI 416 (2016): Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	65	3.3 Green Production and Quality Management
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	65	3.3 Green Production and Quality Management
Other Disclosure Items			
GRI 300: Environment			
GRI 303: Water and Effluents (2018)	303-1 Interactions with water as a shared resource	94-95	4.3 Water Stewardship
	303-2 Management of water discharge-related impacts	97-98	4.3 Water Stewardship
	303-3 Water withdrawal	96	4.3 Water Stewardship
	303-4 Water discharge	96	4.3 Water Stewardship
	303-5 Water consumption	96	4.3 Water Stewardship
GRI 306: Waste (2020)	306-1 Waste generation and significant waste-related impacts	99-102	4.4 Waste Management
	306-2 Management of significant waste-related impacts	99-102	4.4 Waste Management
	306-3 Waste generated	99-102	4.4 Waste Management

	306-4 Waste diverted from disposal	101-102	4.4 Waste Management
	306-5 Waste directed to disposal	101-102	4.4 Waste Management
GRI 308: Supplier Environmental Assessment (2016)	308-1 New suppliers that were screened using environmental criteria	69	3.4 Responsible Supply Chain
	308-2 Negative environmental impacts in the supply chain and actions taken	69-70	There have been no instances where a cooperative relationship was terminated due to non-compliance with audit results in 2022
GRI 400: Society			
GRI 402: Labor/Management Relations (2016)	402-1 Minimum notice periods regarding operational changes	126	In the event of any significant operational changes, the Company will provide one month's notice in advance.
GRI 414: Supplier Social Assessment (2016)	414-1 New suppliers that were screened using social criteria	69	3.4 Responsible Supply Chain
	414-2 Negative social impacts in the supply chain and actions taken	69-70	There have been no instances where a cooperative relationship was terminated due to non-compliance with audit results in 2022

Appendix 2. Sustainability Disclosure Indicators - Photovoltaic Industry

Reference number	Indicator	Types of Indicators	Annual Disclosure Status	Unit	Note
1	Total Energy Consumption, Percentage of Purchased Electricity, and Renewable Energy Utilization Rate	Quantitative	Total Energy Consumption: 343,415.52 GJ Percentage of Purchased Electricity: 98.25% Renewable Energy Utilization Rate: 0%	One billion gigajoules (GJ), percentage (%)	
2	Total Water Withdrawal and Total Water Consumption	Quantitative	Total Water Withdrawal: 401,000 m ³ Total Water Consumption: 81,000 m ³	Thousand cubic meters (m ³)	
3	Hazardous Waste Generated and Recycling Percentage	Quantitative	Weight of Hazardous Waste: 298.72 t Percentage of Hazardous Waste Recycling: 28.73%	tonnes (t), Percentage (%)	
4	Explain Occupational Accident Categories, Number of Incidents, and Ratio	Quantitative	Types of occupational accidents: car accidents with 8 people, falls with 2 people, crushing and collisions injuries with 2 people, pinch injuries with 1 person, chemical injuries with 0 people, burns with 0 people, with a total of 13 people	Percentage (%), Quantity	
5	Disclosure of Product Lifecycle Management: Including the weight of discarded products and electronic	Quantitative	Weight of scrapped products and electronic waste: 114.01 tonnes Percentage of Recycling: 79.83%	tonnes (t), Percentage (%)	

Reference number	Indicator	Types of Indicators	Annual Disclosure Status	Unit	Note
	waste, as well as the percentage of recycling (Note 1)				
6	Description of Risk Management Related to the Use of Critical Materials	Qualitative Description	Please refer to Chapter 3.3 Conflict Minerals	N/A	
7	Total amount of monetary losses resulting from legal disputes related to anti-competitive practices regulations	Quantitative	There was no total amount of monetary losses resulting from legal disputes related to anti-competitive practices regulations in 2023	Reporting Currency	
8	Primary product production by product category	Quantitative	Manufacturing: 449,154 thousand pieces Other: 98,249 thousand pieces Total: 547,503 thousand pieces	Varies depending on the type of product	

Note 1: Include the sale of scrap or other recycling processes, with relevant explanations provided

Appendix 3. TCFD Guidelines Disclosure Index Table

Risks and Opportunities of Climate Change on the Company and Related Response Measures Taken by the Company

Item	Disclosure Content	Corresponding Section	Page number
1	Supervision and Governance of Climate-Related Risks and Opportunities by the Board of Directors and Management	4.1.1 Climate Governance Framework	78
2	How do climate-related risks and opportunities identified affect the business, strategy, and finance of the Company in the short, medium, and long term?	4.1.3 Climate Change Adaptation	80-84
3	Impact of Extreme Weather Events and Transition Actions on Finances	4.1.3 Climate Change Adaptation	80-84
4	Integration of Climate Risk Identification, Assessment, and Management Processes into Overall Risk Management System	4.1.2 Identification of Climate-Related Risks and Opportunities	79
5	When conducting climate risk assessment using scenario analysis, provide an explanation of the scenario, parameters, assumptions, analysis factors, and the main financial impacts	No scenario analysis was conducted	-
6	If there is a transition plan to address climate-related risks, please provide a description of the plan's content, as well as the indicators and objectives used to identify and manage physical and transition risks	4.1.3 Climate Change Adaptation	80-84

Item	Disclosure Content	Corresponding Section	Page number
7	If using internal carbon pricing as a planning tool, explain the basis for price determination	The carbon pricing instrument was not used	-
8	If climate-related goals are set, the activities covered, GHG scope, planning schedule, and annual progress should be explained. If carbon offsetting or Renewable Energy Certificates (RECs) are used to achieve the goals, the source and quantity of carbon offsets or the quantity of RECs should be specified	4.1.4 Indicators and Objectives	85
9	Inventory and Confirmation of GHG	In 2023, TSMT followed the GHG Protocol to conduct an internal GHG inventory for both Taiwan and Suzhou Regent Electron and completed the GHG assurance before the stipulated deadline.	-