



2023

TONG YANG GROUP Sustainability Report



東陽實業股份有限公司
Tong Yang Industry Co., Ltd.

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Chairman's Message

Since the founding of Tong Yang Industry in 1952, it has been focusing on "people-oriented management" and has taken "enthusiasm, honesty and innovation" as the corporate philosophy. Driven by the strategy of globalization and professionalization, Tong Yang has utilized its OEM and AM business groups to implement global logistics management, and integrated resources, produced and marketed automotive plastics, sheet metal, and cooling parts, strengthened the professional supply systems of auto parts, enhanced its competitive advantages, and completed its layout of global channels, laying the foundation for the sustainable development of Tong Yang Group.

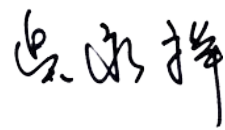


Based on the goal of sustainable development and growth and for the interests of all stakeholders, Tong Yang introduces relevant laws and regulations in terms of environment, safety, and health, and makes improvement based on the employees' needs to ensure compliance and conformity with the government's environmental and industrial safety regulations for the creation of a new milestone of the LOHAS Spirit at Tong Yang. In recent years, the R&D of new automobiles has been emphasizing on being lightweight to meet the increasingly stricter requirements for energy conservation and carbon reduction in various countries on one hand, and also to meet the needs of the development of electric vehicles on the other. Tong Yang makes its all-out effort in the development of "lightweight" auto parts through its own technical capabilities while responding to environmental protection, pursuing the business opportunities in the development trend of green auto manufacturing and lightweight new energy vehicles.

In 1993, Tong Yang established the "Tong Yang Wu Kao Culture and Education Foundation with the purpose of "caring for the road traffic of the society and improving the traffic quality of the people". The Foundation has promoted traffic safety education in every part of the society seeking to establish the correct traffic safety awareness. Over the past 30 years, the foundation has made use of online and physical channels to hold various events such as lectures, driving tests, Tong Yang Campus Road Safety Talent Competition and online digital competitions. In addition, the media platform, GoNews, has been created for the promotion of road safety and road information to establish a civic awareness and attention to "traffic", hoping that this media platform can be a popular one promoting road safety, aiming at promoting the culture of road safety into everyone's life.

Looking forward to the future, we will continue to strive for Tong Yang's sustainable growth. Tong Yang is committed to the sustainable development of the enterprise and the society to create multiple wins for all stakeholders, as well as enhancing economic value of the society, and contributing to upward social mobility.

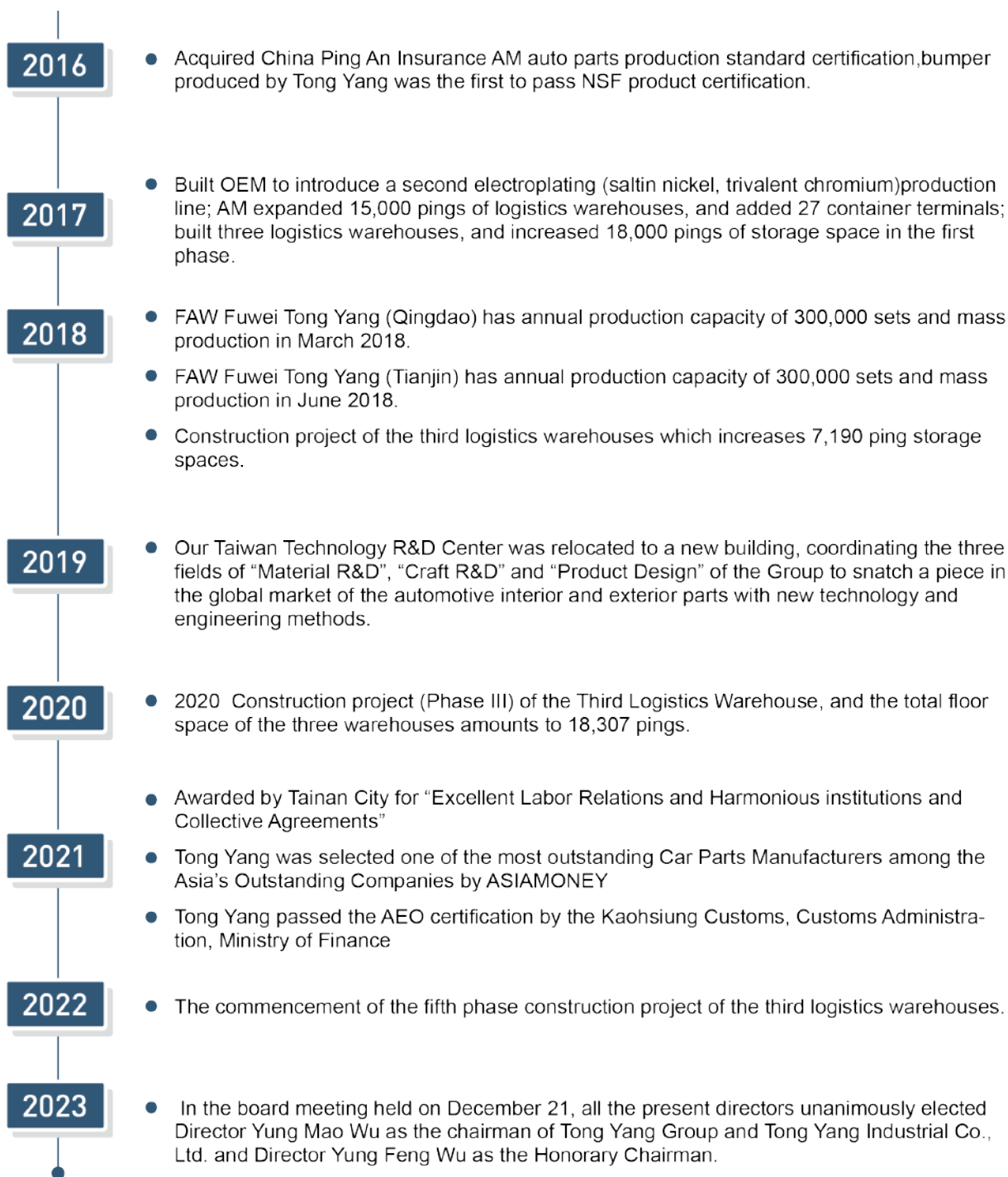
CEO



Tong Yang' s History







About This Report

Tong Yang published the Sustainability Report in accordance with “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies” for the first time in 2016. We will publish the ESG Report annually. This is the eighth Sustainability Report issued by Tong Yang Group (hereinafter referred to as Tong Yang, the Company, or We). Through the publication of the CSR Report, the Company makes transparent disclosure of the efforts in sustainability in terms of environmental, social and corporate governance aspects and the achievement of implementation so that our stakeholders can understand the endeavor in Tong Yang’s implementation of corporate sustainable development and social responsibility as well as our determination to continue progress.

Scope and Basis of Statistical Data

The data and contents disclosed in the Report covers the data in 2023 (January 1 to December 31 in 2023). Some of the data would be traced back to cases before or after 2018. The information of the report covers operational systems and practices of Tong Yang industrial factories in Taiwan (Tainan Headquarter, Guanyin Factory in Taoyuan, Taipei Office). There are no significant changes in the scope and boundaries of topics compared with our 2019 Report. Contents involving other reporting scope would be explained separately in the text of the Report. Moreover, in addition to taking into account the materiality principle of the GRI Guidelines, the Report is compiled with more stringent standards. Through continuous improvement and review of the data collection process and scope, the quality of various data has been improved year by year.

The statistical data disclosed in this Report are from our own statistics and survey results. The financial data were from the annual financial report verified by certified public accountants (Ernst & Young Global Limited) and all calculated in New Taiwan Dollars. Moreover, the environmental safety and health related performances are presented in internationally recognized indicators. Some data were referred from the information announced on the websites of government agencies and are presented in the most common way of description. Estimations or assumptions are specified in relevant sections.

Reporting Guidelines

The content framework of this Report referred to the Universal Standards 2021 published by GRI (Global Reporting Initiative and Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, and the framework of Task Force on Climate-related Financial Disclosures (TCFD) as the principles to disclose the relevant strategies, goals and specific actions of the material topics of the Company. The Report was compiled by using SASB (Sustainability Accounting Standards Board) Standards. Please see Appendix for GRI Content Index. The restatement of some information in this Report during the reporting period will be detailed in the text.

The Editing and Verification of this Report

Relevant information in this Report was reviewed by the heads of all departments for the accuracy and completeness. Although it was not verified by an external third party, we still made rigorous internal review and incorporated the preparation of this Report into the internal control system to ensure the accuracy of the data in financial, environmental and social aspects.

Publishing Schedule

In the future, the Company will annually publish our ESG Report. In response to environmental protection, we are committed to the promotion of paperless practice. Therefore, the electronic version of this Report will be published in the Corporate Governance- ESG Report Section of the Company's official website at <https://www.tyg.com.tw/ESG-report.html>.

- ◆ Previous edition: June, 2023
- ◆ Current edition: June, 2024

Contact Information

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Chapter 1

Stakeholder Inclusion and Common Prosperity

1.1 Identification of and Communication with Stakeholders

1.2 The Value Chain Boundary of Material Topics

1. Stakeholder Inclusion and Common Prosperity

1.1 Identification of and Communication with Stakeholders

Tong Yang believes that the opinions of stakeholders are the driving force for the Company's continued growth. Therefore, Tong Yang actively communicates with various stakeholders to understand stakeholders' issues of concern and hopes to respond to the issues and considerations the stakeholders are concerned about through the Sustainability Report.

1.1.1 Identification of Stakeholders

To pursue corporate sustainable management, we attach great importance to the voice of our stakeholders. We list all individuals or groups that may have significant impacts on the Company's operations as our stakeholders. In 2023, the Company referred to the GRI Standards for the possible stakeholders of the Company, including shareholders and other investors, financial institutions, government agencies, employees and other workers, clients, consumers, business partners, suppliers, local communities, non-governmental organizations, social welfare organizations, public associations, and so on. In addition, we also referred to the stakeholders identified in the same trade and in our 2022 Report. The actual and potential negative as well as positive impacts of the stakeholders on the Company were scored by external experts, and the scores were added up. Those with the sum over 10 points were the major stakeholders of the Company in 2023.





The nine categories of major stakeholders identified in 2023 included Employees, Suppliers, Media, Investors/Shareholders, Clients, Foundation, Government Agencies, Community, and Financial Institutions. There is no significant difference in the stakeholders compared with 2022.



1.1.2 Stakeholders Communication Channels and Frequency

We attach great importance to the rights and opinions of our stakeholders and have set open and direct communication channels with our stakeholders. In addition to providing relevant information of corporate social responsibility (CSR) management, we also work with our stakeholders to achieve a win-win situation to realize the idea of sustainable corporate management by understanding the topics of their concern. We also continuously review and improve our performance in terms of CSR. The channels we use to interact with the stakeholders are detailed as follows.

Stakeholders	Communication Channels	Topic of Interests
 Employees	Internal website Group Company announcement Regular meetings of organizations Unscheduled meetings of organizations Diverse employee communication channels Labor Union	Employment Market Presence (Salary level) Occupational Health and Safety Labor/Management Relations Human Rights Assessment Training and education
 Suppliers	Supply Headquarters Website Announcement feedback mailbox Procurement business meeting Regular and irregular visits SCM Platform	Economic performance Quality Management Delivery Management Technology Innovation Procurement Practices Customer Health and Safety
 Media	Press conference and thematic planning Press release / Special interview Telephone interview Unscheduled visit	R&D Innovation Economic Performance Waste Compliance
 Investors/Shareholders/ Financial Institutions	Annual general meeting of shareholders Investment Conference Forum Participate in face-to-face communication meetings at investment institutions at home and abroad Annual report Unscheduled posting of major messages to MOPS (Market Observation Post System) or on the company's website	Economic Performance Technology Innovation Labor/Management Relations Employment Human Rights Assessment

Stakeholders	Communication Channels	Topic of Interests
 Clients	Business meeting Regular or irregular visit	Delivery Management Quality Management Customer Privacy Customer Satisfaction Marketing and Labeling Customer Health and Safety Technology Innovation
 Foundation	Document exchange Regular or irregular visit/ Meeting	Local Communities Indirect Economic Impacts
 Government agencies	Document exchange Meeting Communication with the competent authority	Emissions Waste Human Rights Assessment Water and Effluents Employment
 Community	Participate in the operation of the association Irregular visits Face-to-face communication	Waste Emissions Local Communities

1.1.3 Advisory and Grievance Channels

■ Communication mechanism

Tong Yang has established diverse communication channels for employees to express opinions, matters of encouragement and grievance, including labor regulation, environment, health and safety, restaurant benefits, notification of pregnancy, equipment, and all sorts of issues.

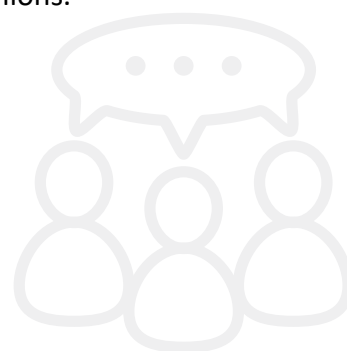


■ Internal channels

1. Established the “Opinion and Feedback Platform” for employees to express opinions by scanning the QR code on their badge to access to the platform. Upon receiving employee opinions, the respective units will be informed to respond and process according to the attribute of the opinion.
2. Set up union opinion mailbox and contact phone number of the human resource manager and the trade union.

■ External channels

1. Set up grievance/reporting mailbox on the Company’s official website.
2. Provide complaints/reporting mailboxes and telephone number in the factory guard room and on the external identification card for external personnel to provide opinions.



Graphic expression of the complaint hotline posted in the guard room at the gate



Besides diverse communication channels, Tong Yang established complete opinion responding process. Upon receiving opinions, the Company appoints designated team to investigate relevant issues, and the result will be reported to the Company and provided to the informer.

QR Code is provided in the manufacturer ID card for external parties to respond when necessary



東陽事業集團

東陽實業股份有限公司

廠商識別證



92101

廠商： 潤○企業 姓名： 趙○銓

使用期限： 20240420 車號： 2x6-Q5

*車輛一律停放停車格，臨停廠區道路需放置三角錐；行車速限 25 公里。

*限本人使用，如有冒用以偽造文書論。




*遇本公司員工要求饋贈、請客或索賄等行為
請利用保密申訴管道：
集團網站 www.tyg.com.tw




1.2 The Value Chain Boundary of Material Topics

1.2.1 Material Topics Identification Process

Materiality analysis was introduced during the preparation of this Report. It is hoped that through a systematic analysis model, the issues of concern to stakeholders can be identified and the impact on the Company can be assessed as the basis of reference for the preparation of the Report. It is hoped that through the disclosure of information, we can have effective communication with the stakeholders and demonstrate the Company's efforts in corporate management, environmental protection and social welfare. Tong Yang's identification process of issues of concerns of the stakeholders in 2023 was as follows.

2023 Tong Yang's identification process of issues of concerns of the stakeholders			
Step	Item	Description	Result
1	 Identification of stakeholders	Through the internal discussions between the editorial team members and the heads of all departments and by referring to the stakeholder groups identified in the same trade, 9 categories of stakeholders were identified based on GRI standards, including Employees, Suppliers, Media, Investors/Shareholders, Clients, Foundation, Government Agencies, Community and Financial Institutions.	9 categories of stakeholders
2	 Collection of ESG topics	With the context of sustainability in the summary of issues, the ESG topics were collected based on the Global Reporting Initiative (GRI) Standards guidelines and by referring to the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies and considering the company's operation and industrial characteristics, a total of 39 topics were summarized, including corporate governance, economy, and environmental and social related issues that were used in the design of the questionnaires.	39 ESG topics
3	 Prioritization of material topics	Tong Yang referred to GRI topic standards, SASB standards, and the material topics in 2021 ESG Report and summarized a total of 39 sustainability topics. External experts then scored the actual and potential negative as well as positive impacts of these sustainability topics on the economy, environment, and society (people and human rights). The scoring results were then discussed by the external experts and the departments of the Company based on the past operating experience for the significance of the impacts and the possibility of the topics, and 17 material sustainability topics of Tong Yang were determined. External experts then conducted comprehensive assessments with the departments in accordance with the nature of the issues and induced the 17 material sustainability topics into the contents in the 15 material topics management forms for the communication and response to stakeholders through the Sustainability Report.	17 material topics 15 Management forms

2023 Tong Yang's identification process of issues of concerns of the stakeholders



Step	Item	Description	Result
4	 Review and discussion	<p>After the identification, the company will continue to strengthen management and disclose relevant information concerning the material topics, responding chapters and sections and boundary analysis in the ESG Report. In the future, we will review whether there is a need to adjust the material topics. There is no significant difference in material topics compared with 2022.</p>	8th Edition of ESG Report

1.2.2 Prioritization of Material Topics



Compared with 2022, there are no newly added material topics in 2023. Relevant management measures are detailed in the Management Approach.

2023 Tong Yang Material Topics		
E: Environment	S: Social	G: Corporate Governance
Emissions	Employment	Economic performance
Waste	Customer Health and Safety	Quality Management
Energy	Labor/Management Relations	Customer Satisfaction
Materials	Occupational Health and Safety	Delivery Management
	Customer Privacy	Corporate Governance
	Training and Education	Anti-competitive Behavior
	Product Safety	



1.2.3 Management List of Material Topics

Material Topics	Describe the Organization's policies or commitments related to Material Topics	Describe the influences and impacts
 <p>Economic performance</p>	<p>Develop the professional-scale components for both interior and exterior automotive (motorcycle) accessories. Accelerate the development of advanced technologies, deliver more reliable products, provide customers with faster and more comprehensive services, and create excellent operational performance for the Company.</p>	<p>Economic Aspect- Potential/ Negative Impact:</p> <p>If the Company's revenues are lower than then expected target or show a loss, it will make capital turnover difficult, which will in turn damage the rights and interests of the shareholders and employees.</p>
 <p>Quality Management</p>	<ol style="list-style-type: none"> All members within the organization shall be responsible for quality. Quality is the guarantee for the implementation of lean production, targeting at maximizing profits and lowering costs. The operators shall understand the product process of products. Education and training for operators shall be implemented so that the product yield will not be affected. 	<p>Environmental Aspect- Actual/ Positive Impact:</p> <ol style="list-style-type: none"> Use the renewable energy and environmental technology in the manufacturing and traditional industries and use the eco-friendly materials to reduce environmental pollution and generation of waste. <p>Economy Aspect- Actual/ Positive Impact:</p> <ol style="list-style-type: none"> Optimize the process and stabilize the quality to reduce the defect rate and cost, and improve competitiveness as well as the customer satisfaction at the same time. Reduce the personnel turnover rate to stabilize the quality. Optimize the working environment to meet environmental safety, so as to improve the efficiency of the operators and the stability of quality. Improve the quality to reduce waste and increase productivity, and naturally the effect of reducing costs and increasing profits can be reached.




Mainly affected by	Negative impacts of Preventive or Remedial Measures	Goals & Objectives	Management Policy Corresponding Chapters
Investors/ Shareholders, Employees	<p>Preventive measures: Review the operating status to ensure sufficient supply rate, product development projects, accounts receivable management, and attention to issues related to carbon footprint through the Company's business meetings.</p> <ol style="list-style-type: none"> 1. Group business decision-making meeting (quarterly) 2. Monthly meeting with the mobilization of the whole company (quarterly) 3. Monthly business group meeting (monthly) 4. Monthly quality meeting <p>Remedial measures: Ensure the emergency response procedures can be operational immediately in the event of an emergency.</p>	<p>Short-term goals:</p> <ol style="list-style-type: none"> 1. Continue to develop new customers, new product certification, and optimized quality. 2. Employee salary and welfare investment to increase by 5% compared with the previous year. <p>Medium- and long-term goals</p> <ol style="list-style-type: none"> 1. Employee salary and welfare investment to increase by 5.5% compared with the previous year. 2. Improve corporate governance and stable profitability. 3. Become a benchmark enterprise for corporate governance and business performance in the same trade. 	2.2 Integrity Management
Upstream procurement, Clients, Consumers, Suppliers, Community	<p>Preventive measures:</p> <ol style="list-style-type: none"> 1. Employees of the on-site units follow the SOP for product production and check at every level to prevent the outflow of defective products. 2. Proactively identify problems and fix them before negative reviews arise. <p>Remedial measures:</p> <ol style="list-style-type: none"> 1. If there are quality-related problems, replenishment or price deduction will be provided to maintain clients' trust in the company products. 	<p>Short-term goals:</p> <ol style="list-style-type: none"> 1. Improve the one-pass rate (target:74.5%) and maintain the maximum yield rate of products. 2. OEM Reduce customer complaint amount ratio (target: 0.0700%) 3. AM Reduce customer complaint amount ratio (target: 0.0830%) 4. Continue quality management certification 5. The objects to which the rights and obligations of both parties to an economic contract are directed (such as goods, labor services, and engineering projects). <p>Medium- and long-term goals: The enterprise is determined to implement ESG, track and update the company's ESG reforms and improvement results, supervise the verification operations conducted by entrusted external agency, participate in the establishment of corporate culture, and enhance brand value.</p>	3.3.2 OEM Product Quality Control Policy 3.4.2 Quality Management Policy of AM Products

Material Topics	Describe the Organization's policies or commitments related to Material Topics	Describe the influences and impacts
 <p>Employment / Labor / Management Relations</p>	<p>The most important assets of an enterprise are its people. Stable and harmonious employment-labor relations or labor management relations are the foundation for continuous growth for an enterprise, which is also the important operating principle of the company.</p>	<p>People and Human Rights Aspect- Actual/ Positive and Negative Impacts:</p> <p>Through employer brand maintenance, the Company attaches great importance to the corporate social responsibility, improves human rights protection, and avoids incidents of inequality and discrimination.</p>
 <p>Customer Satisfaction</p>	<p>Customer satisfaction determines the competitiveness of an enterprise. Continuous improvement of customer satisfaction is the driving force for an enterprise to grow and also an important issue for an enterprise.</p> <p>Strategy: Work closely with customers and understand as well as respond to customers' needs and opinions through regular meetings & questionnaires to provide the best customer service.</p>	<p>Economic Aspect- Actual/ Positive Impact:</p> <p>Provide complete and timely information to ensure the success of customer product finalization; strengthen the process and system architecture to ensure that customer product information is protected by the highest standards, striving to establish long-term and far-reaching partnership with customers.</p>




Mainly affected by	Negative Impacts of Preventive or Remedial Measures	Goals & Objectives	Management Policy Corresponding Chapters
Employees	<p>Preventive measures:</p> <ol style="list-style-type: none"> The company regularly negotiates with the company's labor union for the labor-management agreement every year, inspects the working environments and labor conditions of employees and tracks internal norms and makes regular revisions. The company provides an opinion and feedback platform for employees to raise questions and suggestions to the personnel department concerning the internal environment and conditions of the company. <p>Remedial measures:</p> <p>The company has formulated internal reward and punishment regulations and complaint management regulations to abide by for the response measures for any negative impact.</p>	<p>Short-term goals:</p> <p>No occurrence of violations of human rights, discrimination or ILO Conventions.</p> <ol style="list-style-type: none"> Annual compilation and reporting of employee opinions on the platform. Review the collective agreement on a yearly basis and make adjustments based on the situation. <p>Medium- and long-term goals:</p> <ol style="list-style-type: none"> Emphasis on human rights. Gender equality. Complete corporate welfare. 	<p>4. Harmonious Workplace</p>
Clients, Consumers, Suppliers, Media, Government, Community, Employees	<p>Preventive measures:</p> <ol style="list-style-type: none"> Accurately respond to customer needs and work closely with clients. The Company makes regular inspection and analysis and proposes appropriate improvement plants to continue improvement of customer relations through a complete customer demand response process. <p>Remedial measures:</p> <ol style="list-style-type: none"> Due to the influence of COVID-19 pandemic, immediate communication with clients is conducted through video conferencing to win their trust. 	<p>Short-term goals:</p> <p>Grasp different customer compliant situations from the perspectives of quality, technology, services, delivery, and prices and establish relevant operating procedures.</p> <p>Medium- and long-term goals:</p> <p>Establish a two-way communication mechanism and maintain the partnership to obtain affirmation and long-term support from clients. At the same time, this will also drive the same trade to pursue satisfactory after-sales service.</p>	<p>3.3.2 OEM Product Quality</p> <p>Control Policy</p> <p>3.4.2 Quality Management Policy of AM Products</p>

Material Topics	Describe the Organization's policies or commitments related to Material Topics	Describe the influences and impacts
 <p>Delivery Management</p>	<ol style="list-style-type: none"> 1. Improve the bottleneck in the production line. 2. Shorten administrative procedures. 3. The goal to reach just-in-time delivery. 4. The scheduling of the production line should be revised in time with the supply to facilitate delivery. 	<p>Economic Aspect- Actual/ Positive Impact:</p> <ol style="list-style-type: none"> 1. The accuracy and punctuality of delivery affect the cost and turnover rate of inventory on the customer's side. 2. Check inventory regularly to avoid cost pressure caused by excessive stockpiling and shorten the delivery time of orders. 3. Improve productivity and product quality and facilitate the enterprise to make effective control of products and delivery time. <p>Economic Aspect- Potential/ Negative Impact:</p> <ol style="list-style-type: none"> 1. Poor delivery status will cause production problems for customers and that will lead to complaints from end users, which will further affect customers' reputation.
 <p>Customer Health Safety</p>	<p>Initiation of the Green Plan-Commitment to Net Zero Emissions by 2050:</p> <ol style="list-style-type: none"> 1. When we track the GHG emission conditions, the source of emissions is from electricity consumption, and the emissions have to reach zero growth to reduce the damage to the environment. 2. Reduce the direct carbon emissions from the production lines. For example, set the goal of reducing the carbon emissions in 2030 to the level of carbon emissions in 2020. 3. Use non-toxic coatings or materials, such as the use of water-based primer products to reduce VOC emissions for environmental protection and our competitiveness. 	<p>Economic Aspect- Actual/ Negative Impact: Violations may affect social perception, damage the corporate image, and even result in suspension of work or loss of business, impacting the sustainable management of the enterprise.</p> <p>Environmental Aspect- Actual/ Positive Impact:</p> <p>Lead the suppliers to review their own carbon emissions and maintain public safety, and continue to track suppliers' environmental impacts, set key indicators for energy and water conservation, waste and carbon reduction, and also the requirement for external verification of the GHG emissions.</p> <p>People and Human Rights Aspect- Actual/ Positive Impact:</p> <p>Avoid the manufactured products to endanger the health and safety of clients and general customers.</p>



Mainly affected by	Negative Impacts of Preventive or Remedial Measures	Goals & Objectives	Management Policy Corresponding Chapters
Clients, Investors/Shareholders	<p>Preventive measures:</p> <ol style="list-style-type: none"> 1. Plan and implement long-term ESG strategies. 2. Regularly monitor the progress of each department. 3. Establish a learning and training system. 4. Establish a knowledge management system. <p>Remedial measures:</p> <p>Adopt product diversification contingency strategy to reduce the risk of abrupt change.</p> <ol style="list-style-type: none"> (1) Talent training (selected within the Company) (2) Suggestions for and implementation of risk identification planning and improvement plans. 	<p>Short-term goals:</p> <ol style="list-style-type: none"> 1. Reduce the defect rate of delivery (Target: 54ppm). 2. Improve on-time delivery rate (Target: 100%). <p>Medium- and long-term goals:</p> <ol style="list-style-type: none"> 1. Reduce the defect rate of delivery (Target: 30 ppm). 2. Improve on-time delivery rate (Target: 100%). 	3.3.2 OEM Product Quality Control Policy
Clients, Consumers, Suppliers, Government, Community, Employees	<p>Preventive measures:</p> <ol style="list-style-type: none"> 1. Ensure the latest environmental protection and industrial safety regulations are used as the basis for production improvement, follow and comply with the government's environmental protection and industrial safety laws and regulations and environmental considerations, hazard identification, and other requirements. 2. Ensure the quality of raw materials and stable supply of suppliers. 3. Establish a product safety testing mechanism. 	<p>Cooperate with the Energy Conservation and Carbon Reduction Guidance Program of the Industrial Development Bureau of MOEA to identify the opportunities for energy conservation to achieve energy conservation and carbon reduction in the factory area. Help improve suppliers' energy-saving and carbon-reducing capabilities and performance so as to jointly achieve the goal of net zero emissions in the supply chain by 2050.</p> <p>Short-term goal: Conduct regulation identification on a monthly basis.</p> <p>Medium-term goal: Confirm the suitability of relevant regulations through continuous tracking and identification of regulations.</p> <p>Long-term goal: Zero industrial accidents and no fines from government agencies.</p>	3.3.2 OEM Product Quality Control Policy

Material Topics	Describe the Organization's policies or commitments related to Material Topics	Describe the influences and impacts
 Corporate Governance	<p>Corporate governance is an important part of sustainable management for an enterprise. An effective mechanism should be established to enhance the industrial competitiveness.</p>	<p>Economic Aspect- Actual/ Positive Impact: Through great corporate governance, increase of operating revenues, and reduction in operating costs, the employees' cohesion can be improved under stable and profitable operations, and the profits will be given back to shareholders.</p>
 Emissions	<p>In response to the legal requirements, the Company has to collect wastewater and exhaust properly and make proper treatment before discharging, and the discharge standards are getting stricter, and optimized treatment methods and improved prevention and control measures are needed.</p>	<p>Environmental Aspect- Potential/ Negative Impact: Failure to comply with emission/discharge standards will lead to environmental impacts.</p> <p>Environmental Aspect- Actual/ Positive Impact: Reduce the wastewater and exhaust generated during the production process and reduce the impact on human health and the environment.</p>
 Waste	<p>In response to the legal requirements, the Company has to make proper treatment of various waste and the final flow management. In addition, the current waste landfill or incineration capacity is becoming more and more saturated, coupled with the difficulty in finding qualified manufacturers, impacting on the disposal of various kinds of waste.</p>	<p>Economic Aspect- Potential/ Negative Impact: If the waste classification is not implemented, the cost of waste disposal will increase.</p> <p>Economic Aspect- Potential/ Negative Impact: Increase the burden on incinerators and carbon emissions from waste incineration.</p>



Mainly affected by	Negative Impacts of Preventive or Remedial Measures	Goals & Objectives	Management Policy Corresponding Chapters
Investors/Shareholders, Employees	Preventive measures: 1. Business decision-making meetings of the Group. 2. Abnormal incident response committee.	Short-term goals: To rank in the top 51%~65% of TWSE/TPEX listed companies in the Corporate Governance Evaluation Medium- and long-term goals: 1. To improve corporate governance and stabilize profitability. 2. To become a benchmark enterprise for corporate governance and business performance in the same trade. 3. To rank in the top 36%~50% of TWSE/TPEX listed companies in the Corporate Governance Evaluation.	2.2 Integrity Management
Community	Preventive measures: Regular monitoring is made for immediate and appropriate response when abnormal conditions occur.	Continue to improve wastewater treatment technology: 1. Short-term goals: The comprehensive indicator of water pollution in 2024 to be 39% better than the requirements in the Effluent Standards. 2. Long-term goals: The comprehensive indicator of water pollution in 2030 to be 45% better than the requirements in the Effluent Standards. Air pollution management: With source pollution reduction and the introduction of terminal pollution prevention equipment, under the conditions of no additional process: 1. Short-term goals: 46% decrease of VOC emissions per unit of revenue by 2024 compared with 2016. 2. Long-term goals: 50% decrease of VOC emissions per unit of revenue by 2023 compared with 2016	6.5 Pollution Prevention
Shareholders 、 Community	Preventive measures: Regularly monitor and manage the amount of waste generated so that it meets the planned target amount.	Waste reduction: Carry out the classification of waste for management to reduce outsourcing of waste disposal. 1. Short-term goals: To reduce the output intensity by 22% in 2024 (with 2016 as the base year). 2. Long-term goals: To reduce the output intensity by 30% in 2030 (with 2016 as the base year).	6.5.2 Waste Management

Material Topics	Describe the Organization's policies or commitments related to Material Topics	Describe the influences and impacts
 <p>Occupational Health and Safety</p>	<p>Continue the improvement of the working environment of employees and enhance the safety concept to reduce occupational safety and health risks, building a safety culture in the company, achieving the goal of Zero Accident.</p>	<p>People and Environment Aspect- Potential/ Negative Impact: If the company does not establish a sound occupational safety and health management system, when occupational accidents happen to employees, in addition to facing legal sanctions from the government, it may also cause the factories to shut down, causing the loss of money and workforce.</p>
 <p>Customer Privacy</p>	<p>Get the product development information first-hand, and the protection of the customer data tops everything among the management items. If customer information such as design drawings, prices, and other highly sensitive information is leaked due to information security issues, it will cause great loss to both the customer and the company. Therefore, it is imperative to protect customer privacy.</p>	<p>Economic Aspect- Potential/ Negative Impact:</p> <ol style="list-style-type: none"> 1. The leakage of customer's information will allow the rivals to get the product information, leading to early launch of the competing products, resulting in missed market opportunities. 2. Information security and corporate sustainability are inseparable. When hackers launch a DDoS attack, the worst case is that it will cause business interruption. Leakage of customer privacy may cause customers to lose their competitiveness.
 <p>Energy</p>	<p>Global warming and climate change have caused great environmental impact. The limited energy will cause the operating costs of the Company to increase. Various energy conservation measures are actively implemented to reduce the impact on the environment.</p>	<p>Environmental Aspect- Actual/ Positive Impact: Provide various energy-saving measures, reduce the energy consumption of production process output, and reduce carbon emissions to effectively slow down the GHG effect and reduce the environmental impact. Economic Aspect- Potential/ Negative Impact: Carbon taxes/fees will increase product costs and may increase prices of products.</p>

Mainly affected by	Negative Impacts of Preventive or Remedial Measures	Goals & Objectives	Management Policy Corresponding Chapters
Shareholders Employees	<p>Preventive measures: The Company has established the “Management Methods for Environment, Safety and Health Activities Communication, Consultation, and Participation” for the establishment of communication between the internal and external parties related to the company’s environmental safety and health activities and internal consultation channels.</p>	<p>Short-term goals: 0 case of disabling injury in 2025 Medium- and long-term goals: 20 case of disabling injury in 2030</p>	4.6.2 Management of Occupational Safety
Clients, Consumers, Suppliers, Media, Government, Community, Employees	<p>Preventive measures:</p> <ol style="list-style-type: none"> 1. Establish technical data management methods and implement procedures for sending, receiving, logging, and keeping the specification (SPEC), drawings, CAD Files, domestic and foreign standards and so on provided by customers. 2. Strengthen the employees’ awareness of information security, conduct publicity and training of information security concept from time to time, and strengthen information security protection. 3. Use various systematic tools for monitoring and analysis and establish active protection and warning capabilities. 4. Regularly review customer information and conduct risk assessment. 	<p>Short-term goals: Strengthen employees’ awareness of information security. Medium- and long-term goals: Ensure that there is no leakage of customer privacy.</p>	5.4.3 Customer Privacy
Shareholders, Clients	<p>Preventive measures: Regular and continuous monitoring and management of the implementation performance.</p>	<ol style="list-style-type: none"> 1. To continue to produce 2.50 million kWh of green electricity in 2024, accounting for more than 8% of the total electricity consumption of the Company. 2. The 2024 energy consumption per unit turnover is set at 2% lower than that in 2023. 	6.2 Energy Management

Material Topics	Describe the Organization's policies or commitments related to Material Topics	Describe the influences and impacts
 <p>Training and Education</p>	<p>To cultivate excellent talents based on the corporate philosophy of “enthusiasm, honesty, and innovation”. To enable our employees to feel at ease when working and bring their talent into full play so as to continue enhancing the organizational competitiveness.</p>	<p>People and Human Rights Aspect- Actual/ Positive Impact: To cope with the Company’s strategy and annual direction and promote training courses and project activities in different fields, aiming at injecting momentum for development into the Company and creating a career environment for continuous learning and growing for our employees.</p>
 <p>Anti-competitive Behavior</p>	<p>Taiwan’s Fair Trade Act (or Anti-trust Law, Competition Law) is to maintain free competition, eliminate unfair competition, and promote fair trade.</p>	<p>Economic Aspect- Potential/ Positive and Negative Impacts: High risk awareness of anti-trust laws can avoid possible illegal activities, reduce the chances for the company to face investigation and prosecution, and maintain good corporate reputation.</p>

Mainly affected by	Negative Impacts of Preventive or Remedial Measures	Goals & Objectives	Management Policy Corresponding Chapters
Employees	<p>Preventive measures:</p> <ol style="list-style-type: none"> To enable the employees to work in a safe environment, preventive fire drill training is conducted every year. To promote the spirits and ensure the employees abide by the code of conduct for employees, the company specially planned the Ethics Training to prevent violations of laws and regulations among the employees. 	<p>Short-term goals:</p> <ol style="list-style-type: none"> Set the course implementation rate at 90% and above. Establish a training and learning App platform and provide online course resources for our associates to learn at any time flexibly. <p>Medium- and long-term goals:</p> <p>Continue to deepen the executive-level training and foster key talents and strengthen practical experience through rotation and field practices for the talent succession echelon to ensure stable operation of the Company.</p>	4.4.1 Education and Training
Shareholders, Clients	<p>Preventive measures:</p> <p>The opinion feedback platform is set up on the Group Website through which relevant problems can be handled with this grievance mechanism.</p>	<p>Relevant education and training is conducted for all employees to enhance the risk awareness of anti-trust laws to avoid possible illegal behaviors, reduce the chances for the company to face investigation or prosecution, maintain good corporate reputation, and achieve the goal of no occurrence of violations every year.</p>	2.5 Regulatory Compliance

Material Topics	Describe the Organization's policies or commitments related to Material Topics	Describe the influences and impacts
 Materials	<p>Tong Yong is dedicated to providing high-quality products to customers, and through strict quality control, unqualified products are eliminated.</p>	<p>Environmental Aspect- Actual/ Positive Impacts: Set up a plastic raw material reproduction department for the recycling of raw materials and the re-manufacturing operations. The characteristics of being recyclable and re-manufacturable of PP raw materials are used, and the unqualified products are recycled to be the raw materials for the remanufacturing to reduce the environmental impact.</p>
 Product Safety	<p>Product quality and product safety are inseparable. Tong Yang's AM products are developed according to the original parts, using the same manufacturing methods as the original factory. For the raw materials, size, appearance, and product functions, inspection and certification from a third-party verification agency are obtained to ensure the quality of the parts is the same as that of the original parts.</p>	<p>Economic Aspect- Actual/ Positive Impacts: Third-party certified products are trusted by customers and provide customers with guaranteed high-quality products.</p>

Mainly affected by	Negative Impacts of Preventive or Remedial Measures	Goals & Objectives	Management Policy Corresponding Chapters
Raw Material Suppliers, Shareholders, Community	<p>Preventive measures: Summarize the target implementation results on a monthly basis and convene the review meeting. Items failing to reach the target are immediately improved and tracked continuously.</p>	<p>Short-term goals:</p> <ol style="list-style-type: none"> To continue improve the defect rate of plastic products and reduce it by 5% compared with 2022. To continue improve the scrap rate and reduce it by 5% compared with 2022. <p>Medium- and long-term goals:</p> <ol style="list-style-type: none"> To continue improve the defect rate of plastic products and reduce it by 30% compared with 2021. To continue improve the scrap rate and reduce it by 30% compared with 2021. 	6.1 Material Management
Clients	<p>Preventive measures: To prevent the occurrence of defects in the products sold, Tong Yang has established a recall and management method for certified products, clearly stipulating the cross-functional organizational structure that can enable immediate handling when necessary.</p>	<p>The number of product certifications has been listed as the key target project every year.</p> <p>USA: Number of CAPA certified products: 404.</p> <p>Europe: Number of TUV-R certificated products: 133.</p>	3.4.2 Quality Management Policy of AM Products



Chapter 2 Management and Governance

- 2.1 Glory of Tong Yang
- 2.2 Integrity Management
- 2.3 Prosperous Economy
- 2.4 Risk Adaptation
- 2.5 Regulatory Compliance

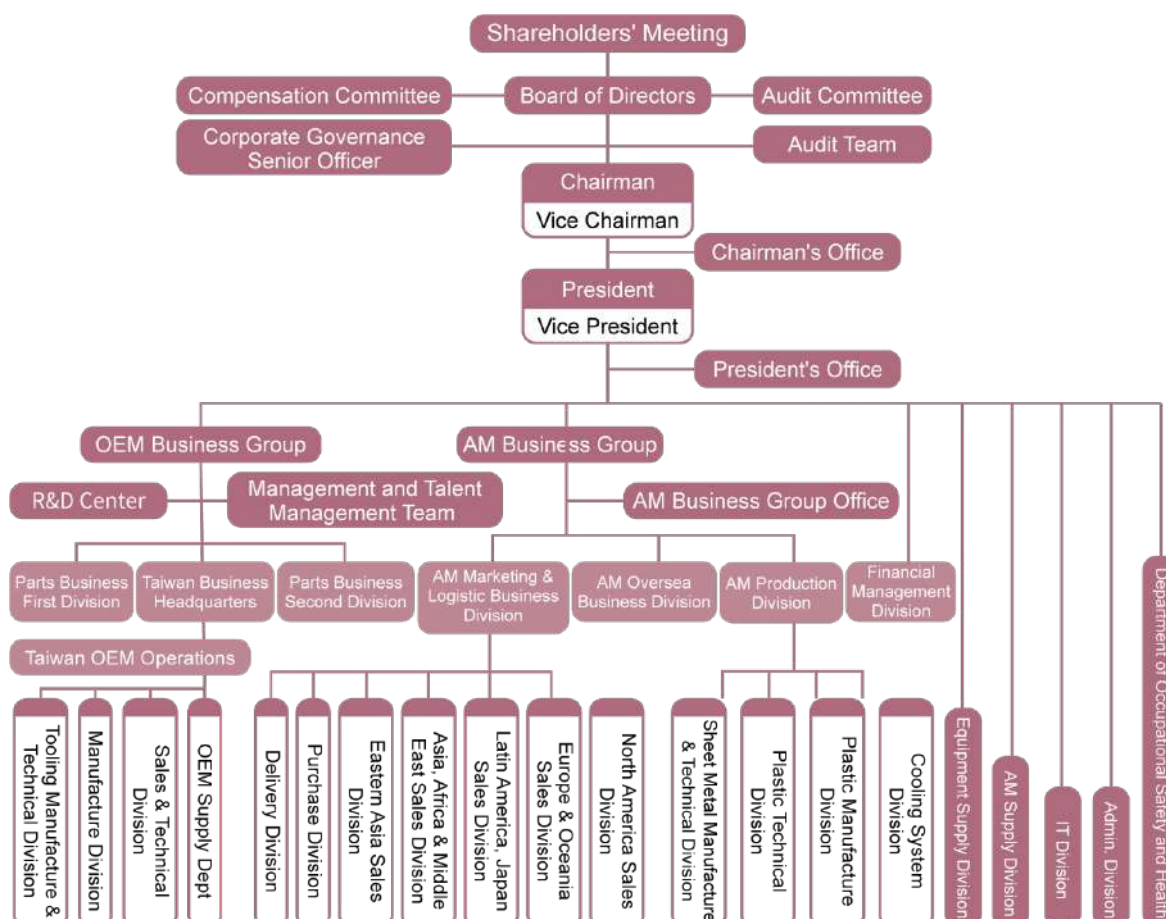
2. Management and Governance

2.1 Glory of Tong Yang

2.1.1 Company Overview

Tong Yang Group (hereinafter referred to as Tong Yang, the Company or we) was founded by Mr. Kao Wu in 1952, and established its headquarters in Tainan City. Our main product / services include automotive parts and components, sheet metal, cooling products (car fans), molds, paints and so on. In order to meet the market demand, rigorous corporate governance and more transparent financial disclosure, we are listed on Taiwan Stock Exchange since 1994 (TWSE: 1319).

The corporate governance structure and the composition of the highest governance unit are mainly operated by the board of directors. To continue strengthening corporate governance, seats for independent directors are set up in the board of directors, and other functional committees such as the Compensation Committee and the Audit Committee are established to improve the performance goals of the directors and managers of the company and remuneration and compensation structure, implement matters concerning internal control and risk control effectively and respond to all kinds of potential risks of corporate crises.



■ Corporate Culture

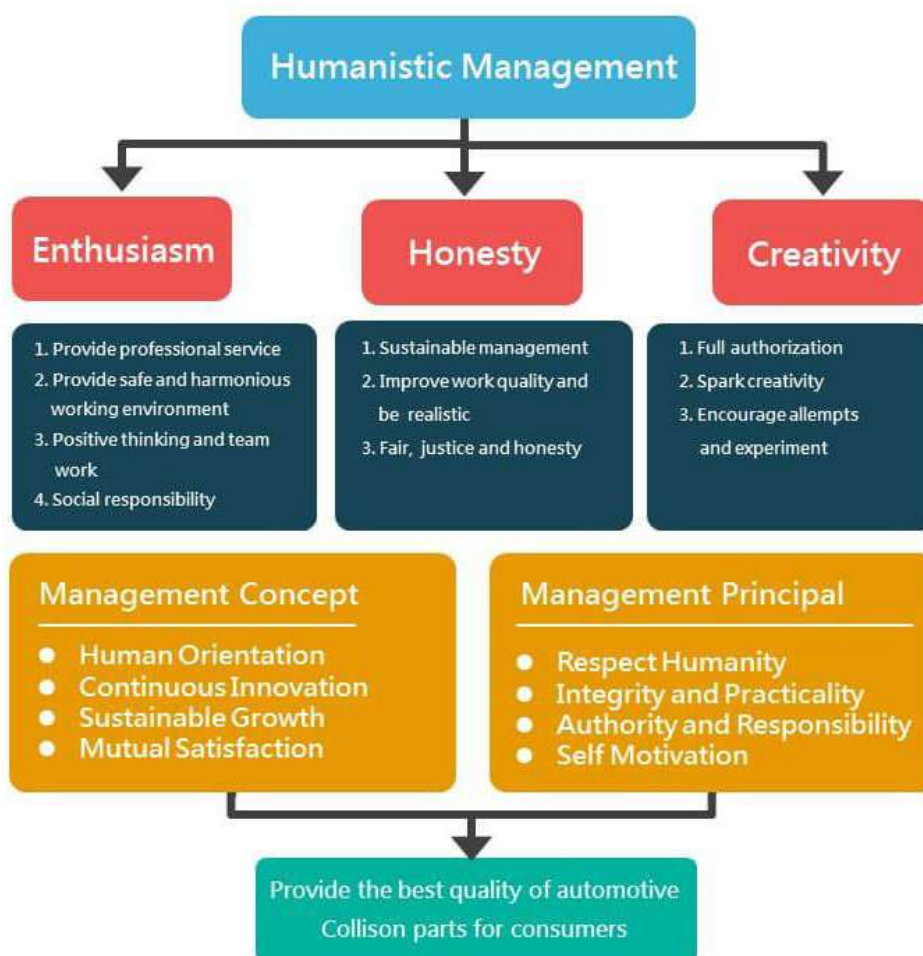
“People-Oriented Management” has been the rooted philosophy of Tong Yang Group. Its motto, “Enthusiasm, Honesty and Creativity” has nurtured generations of Tong Yang people and it has become a tenet of the corporate culture.

Enthusiasm	To build teamwork spirit, create a safe, harmonious work environment, provide professional services to customers and make contributions to the society.
Honesty	To cultivate an open, just and pragmatic working attitude, great growth through steady and robust operation.
Creativity	To encourage creativity, promote new technologies and innovations, and develop new products for the benefits of the society.

Central Notion

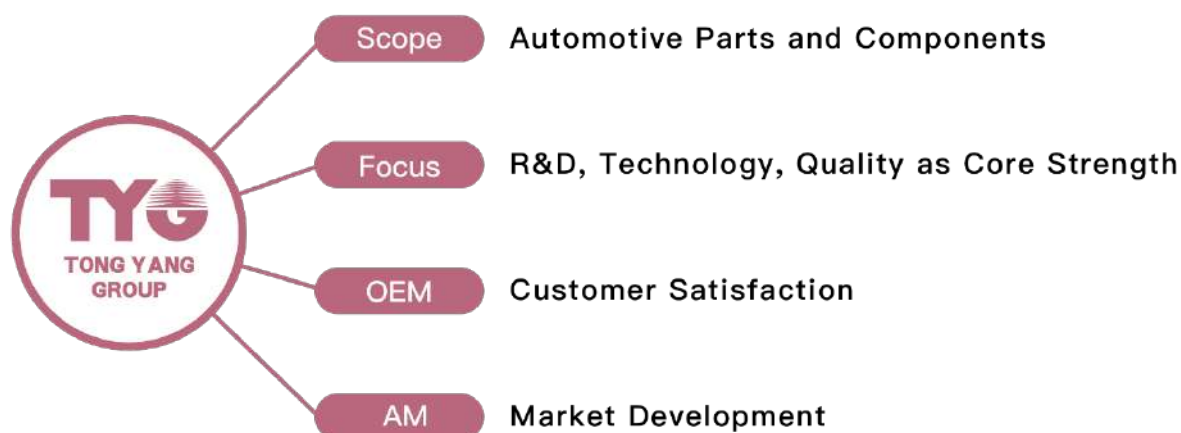
Corporate Spirits

Corporate Missions



■ TYG Considerations of Sustainable Management Strategies

Leading global supplier of automotive interior & exterior parts






■ Business Strategies

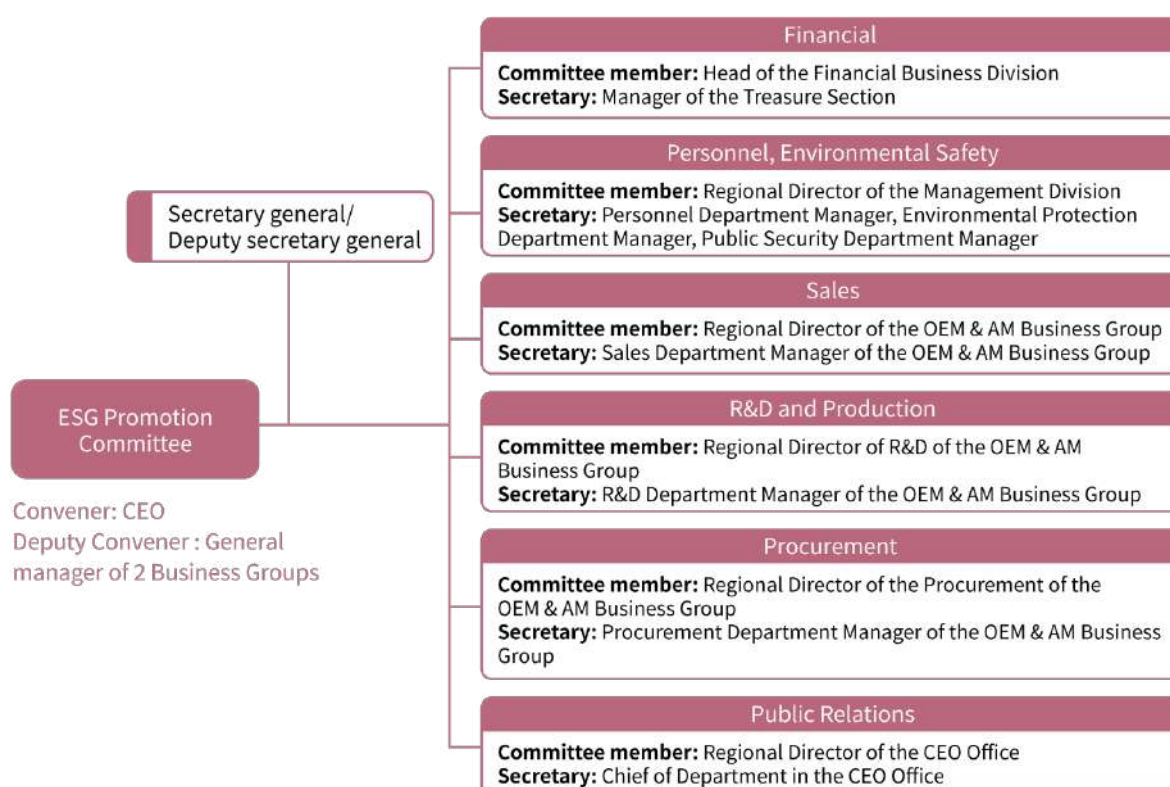
Professional Development	Focus on main business, develop core profession, drive sustainable operation and profitability.
Resource Integration	Focus on basic and corporate core value (production, sales, human resource, research and development, finance)
Sustainable Operation	Pursue balance between stockholders' rights and interests and corporate sustainability. --Sustainable operation --Sustainable development --Sustainable competitiveness

■ Tong Yang's Sustainable Management Approach

 Market	The global leading supplier of automobile interior and exterior parts. OEM: (1) Stabilize the cooperation and development with Taiwanese car manufacturers and the top 10 car manufacturers in mainland China. (2) Develop OEM and OES markets to export to new customers and cooperate with new plants.
	AM: (1) Expand global sales channels and develop new markets in China, Southeast Asia and Eastern Europe. (2) Continue to accelerate product certification so as to facilitate the development of products for insurance companies and markets for certified products.

 <p>Product</p>	<p>OEM: Front-end modular assemblies and high value-added products including instrument panels and plated parts.</p> <p>AM: Plastic, sheet metal, cooling system, plating and other parts</p>
 <p>Technology</p>	<p>Established the “Global Technology R&D Center” to acquire the international Tier 1 supplier, integrate Tong Yang global business product design, mold, plastic injection, painting, electroplating, sheet metal stamping, cooling system (fan motor) and other core technical resources to enhance competitiveness and develop new product line.</p>
 <p>Talent</p>	<p>Management-oriented operation, deep- ploughing technology and innovation</p> <p>(1) Management talent: Comprehensive general manager, talents for new market development.</p> <p>(2) R&D talents:</p> <ul style="list-style-type: none"> A. New raw materials, coatings, electroplating fluid research and development. B. New technology research and development of equipment planning introduction. C. Collaborate with car factories, participate in product design and development. D. International experimental equipment management and test measurement capabilities.
 <p>Financial</p>	<p>Pursue the balance between shareholders' rights and interests and sustainable growth of the company.</p>

2.1.2 ESG Promotion Committee



In the beginning of 2016, the CEO established the CSR Project Committee, serving as the convener and assigning the president as the deputy convener, and invited relevant units to establish the Corporate Social Responsibility Project Committee. In addition, after referring to specific indicators listed in the GRI (Global Reporting Initiative) standards, teams in the fields of finance, personnel, environmental safety, sales, R&D, production, procurement and public relations were set up under this Committee to be in charge of coordinating the formulation of the CSR management approaches and reviewing the implementation results company-wide, and various functional units were instructed to assist with the CSR promotion related matters. The Committee was renamed ESG Promotion Committee in 2021.

● **Operation Status of the ESG Promotion Committee**

- (1) On 2022/2/22: The Lecture on ESG trends and management optimization was held.
- (2) On 2023/2/24: GHG carbon inventory guidance and promotion conference.
- (3) On 2023/3/10: Reported on the GHG inventory and verification schedule planning of the subsidiaries in the consolidated statements to the board of directors.
- (4) On 2023/4/7: ISO 14064-1:2018 Kick-off meeting for GHG carbon inventory and education and training, and commencement of inventory.
- (5) On 2023/5/8: Reported on the GHG inventory and verification implementation progress of Tong Yang and the subsidiaries in the consolidated statements to the board of directors.
- (6) On 2023/6/30 : The 2022 Sustainability Report was submitted to and passed by the board of directors.
- (7) On 2023/8/8: Reported on the GHG inventory and verification implementation progress of Tong Yang and the subsidiaries in the consolidated statements to the board of directors.
- (8) On 2023/10/17: Initiation meeting for 2023 Sustainability Report Compilation.
- (9) On 2023/11/9: Reported on the GHG inventory and verification implementation progress of Tong Yang and the subsidiaries in the consolidated statements to the board of directors.

2.1.3 Product and Market Distribution

■ Industry Status and Development

The automobile industry is a highly integrated industry that is closely related to machinery, automation, plastics, rubber, electronics, information, materials and chemical engineering, and the employment population it creates is also larger than general technology industry. Therefore, advanced countries all regard the automobile industry as a locomotive industry that is driven by major strategies, and it also has a considerable impact on the economic growth of a country. The auto parts industry is the upstream industry of the automobile industry, and the two are closely related. Therefore, the future trend of auto manufacturers will also directly impact the auto part manufacturers. Thus, for all auto parts manufacturers, how to be a supplier for major automobile manufacturers has become an important operational issue. In addition, due to the limited appetite of the domestic automobile market, the domestic automobile parts industry has been continuously devoted to expanding overseas market over the years to expand the scale and pursue sustainable growth of the industry.

The global sales of new energy vehicles in 2023 reached 13.03 million units, with an annual increase of 29.8% (estimated by TrendForce), accounting for more than 15% of new car sales. The trend of new energy vehicles has become unstoppable. The four major core trends of e-vehicle industry, “CASE”, namely Connected, Autonomous, Service and Shared, and Electric, are changing the ecology of the traditional automotive supply chain. Technologies for Safety, Comfort, and Being Lightweight are playing increasingly significant role. For automotive component manufacturers, the development and layout of high-value products are crucial pathways for development.

At the same time, Taiwan’s production niche of low-volume manufacturing with diversity in auto parts has created a significant advantage in cultivating the aftermarket (AM) service. Taiwan’s major export market areas for aftermarket (AM) parts are North America and Europe, among which the United States is the largest export market for Taiwan’s AM parts. In recent years, due to the parts supply and materials shortages, for the purpose of shortening the wait time for car owners, State Farm, the largest property insurance company in the U.S. announced that it would expand the application of AM parts compensation measures to 39 states in the U.S. starting from December, 2022. The insurance company’s adoption of equivalent quality AM parts for claims accelerated the claim process also indicates that the AM parts have gradually been recognized by American consumers. To enhance trust in AM parts for repairers and insurers, the product certification system has been actively promoted to ensure that product quality serves as another crucial competitive factor alongside pricing. Domestic parts manufacturers have to constantly establish their advantages in technology and cost to seek space for development in the fierce international competition.

■ Future Development Trend

Currently, “being lightweight”, “environmental recycling”, and “energy conservation” are the development trend commonly pursued by global auto industry. The auto parts industry in Taiwan have been recognized by the global market for its advantages of customized production, stable product quality, and strong development and innovation capabilities. In recent years, the electronization, electrification and intelligentization of vehicles has become the three major axes. Tong Ho constructs the integration of intelligent touch PV decoration technology to meet diversified, unique, and customized design needs of customers. In terms of smart touch decoration, technologies for the touch functions of texture, light, color, sound, vibration, feedback, and wake-up are integrated for the realization of human-computer interaction function.

With the rise of environmental protection and energy conservation awareness, the global automobile industry is switching to the trend of electrification. To extend the driving distance of e-vehicles, the lightweight of the vehicle body has become an important issue in the design of new vehicles. Benefited from the advancement of material technology, the impact resistance of plastic parts is no interior to traditional steel plates, and it has the advantage of lighter weight. The proportion of plastic parts used in the design of new cars is increasing, and Tong Yang has the advantage of the capacity and technology in this field.

Tong Yang takes the five axes, namely lightweightness, integration, decoration, value, and environmental protection, as the goals for product development and continues the R&D of key technologies to meet the needs of the market and customers.

■ Product and Market Distribution

Tong Yang Group’s main products are auto parts and components. Due to our long-term devotion to the development of related products and the integration of distributions, the Company has rapidly expanded the international market, making it the most professional enterprise group in transportation equipment in Taiwan.

In recent years, under the promotion of the strategies of globalization and professionalization, Tong Yang Group has set up production plants and sales bases in Taiwan, China and other regions to expand its market competition niche. It is also the world’s largest AM supplier of automotive plastic and a global leader in AM sheet metal supply.

The Group has advantages in different product lines. By the complementation and mutual support of related resources in business, the operation efficiency can be increased and the operation scale is expanded, enlarging the breadth and depth of the product line, which can meet the convenience of one-stop shopping for our customers to improve the customer service value, that will further increase our market share, making it more difficult for our competitors to catch up with us while improving the business synergy. Tong Yang Group has established 23 production bases globally, including Taiwan, China, etc.



2.1.4 Awards and Glory

Year	Awards
1992	<ul style="list-style-type: none"> Received the "Comply with Quality Standards" award from the American CAPA Association. Received the Ford Q1 Preferred Quality Award.
1996	<ul style="list-style-type: none"> Tong Yang Wu Kao Culture and Education Foundation won the " Sports and Education Community of Seven Counties in the Southern Province of Taiwan " Award and the "National Social Education Active Group" Award.
1997	<ul style="list-style-type: none"> Received the Five-Star Award for Excellence in Safety and Health in Taiwan Province.
2005	<ul style="list-style-type: none"> Awarded by the Department of Health for three consecutive years as National smoke prevention excellent workplace.
2006	<ul style="list-style-type: none"> Selected as the "Excellent Unit for the Employment of Persons with Disabilities."
2007	<ul style="list-style-type: none"> Partnership with Executive Yuan Southern District Labor Inspection Office, Co-signing Safety Partner Declaration.
2010	<ul style="list-style-type: none"> The 3rd "Safety Partner - Group Contribution Award" awarded by the Executive Yuan's Labor Committee in 2010.

Year	Awards
2014	<ul style="list-style-type: none"> ● 2014 HONDA Best Partner Award. ● 2014 Nissan Cooperation System Design and Development Excellence Award. ● 2014 China Motor Corporation Excellent manufacturer. ● 2014 Ford Lio Ho Supplier Excellence Award-Silver Award.
2015	<ul style="list-style-type: none"> ● 2015 Tainan City Safety and health performance evaluation "Excellence Award". ● First OEM company in Taiwan passed the IAOB (International Automobile Supervision Bureau) audit and successfully obtained ISO/TS 16949 certificate which will be valid until 2018/9/13. ● 2015 Nissan Cooperation System Design and Development Excellence Award. ● 2015 HONDA Accessory Development Award. ● 2015 HONDA Best Partner Award. ● 2015 Ford Lio Ho Supplier Excellence Award-Silver Award.
2016	<ul style="list-style-type: none"> ● Received praise from the Ministry of Labor and the Tainan Municipal Government for signing collective agreement, harmonious institution with good labor relations. ● 2016 Tainan City Safety and health performance evaluation "Excellence Award". ● A level Manufacturers for Kuozui Motor's safety and health management system assessment from 2014 ~2016. ● Awarded by Tainan City for "Excellent Labor Relations and Harmonious institutions "for three consecutive years. ● HONDA Best Partner Award (for ten consecutive years). ● 2016 Nissan Cooperation System Design and Development Excellence Award. ● 2016 China Motor Corporation Quality Refine Award. ● 2016 Ford Lio Ho Supplier Excellence Award-Gold Award.
2017	<ul style="list-style-type: none"> ● 2017 Ford Lio Ho Supplier Excellence Award-Gold Award. ● 2017 Nissan Cooperation System Design and Development Excellence Award. ● Awarded by Tainan City of Excellent labor relations and harmonious institutions for four years in a row).
2018	<ul style="list-style-type: none"> ● 2018 Ford Lio Ho Supplier Excellence Award-Gold Award. ● Taiwan Honda Best Partner Award. ● Nissan Cooperation System Design and Development Excellence Award. ● 2018 Tainan Municipal Government Labor Bureau SH Family Performance Evaluation Excellence Award.
2019	<ul style="list-style-type: none"> ● Received praise from the Ministry of Labor and the Tainan Municipal Government for signing collective agreement, harmonious institution with good labor relations. ● 2019 Tainan Municipal Government Labor Bureau SH Family Performance Evaluation Excellence Award. ● Awarded by Tainan City for "Excellent Labor Relations and Harmonious Institution" for six consecutive years. ● 2018 Nissan Cooperation Award for Excellence in Quality. ● Taiwan Honda Best Partner Award. ● Ford Lio Ho Supplier Excellence Award-Gold Award. ● Nissan Cooperation Supplier Excellence Awards. ● Tong Yang Wu Kao Culture and Education Foundation was honored with the MOTC's Golden Safety Award-Enterprise Contribution Award.

Year	Awards
2020	<ul style="list-style-type: none"> ● Awarded the 2020 National Occupational Safety and Health Award-Special Award for Traditional Industry Safety and Health Investment ● Awarded by Tainan City for "Excellent Labor Relations and Harmonious institutions" for 7 consecutive years ● 2019 Nissan Award for Excellence in Delivery ● Taiwan Honda Best Partner Award ● 2019 Customer Service Excellence Award from China Motor Corporation ● 2019 Excellence in Delivery Award from China Motor Corporation
2021	<ul style="list-style-type: none"> ● Awarded by Tainan City for "Excellent Labor Relations and Harmonious Institutions and Collective Agreements" ● Tong Yang was selected one of the most outstanding Car Parts Manufacturers among the Asia's Outstanding Companies by ASIAMONEY announced on Sep. 20 ● On Oct. 28, Tong Yang passed the AEO certification by the Kaohsiung Customs, Customs Administration, Ministry of Finance ● 2021 Nissan Award for Excellence in Delivery ● 2021 Nissan Design and Development Excellence Award ● 2021 Nissan Award of the Year ● Ford Lio Ho Supplier Excellence Award-Gold Award ● Taiwan Honda Best Partner Award ● Design and Development Excellence Award from China Motor Corporation
2022	<ul style="list-style-type: none"> ● 2021 CMC Award of Outstanding Quality SMEs ● Taiwan Honda Best Partner Award ● Tainan Municipal Government Labor Bureau SH Family Performance Evaluation Excellence Award. ● Occupational Safety and Health Administration Competition of Performance Evaluation of OHS Group Partners- Championship in the SH Family Team ● Occupational Safety and Health Administration Competition of Performance Evaluation of OHS Group Partners-Runner-up in the Safety Partners Team ● Excellent Labor Relations and Harmonious Institution ● Business Unit Signing the Collective Agreement
2023	<ul style="list-style-type: none"> ● 2023 Nissan Design and Development Excellence Award. ● Taiwan Honda Best Partner Award. ● Excellence in Design and Delivery Award from China Motor Corporation ● Ford Lio Ho Supplier Excellence Award-Gold Award ● Tong Yang Industry Enterprise Union participated in 2023 Tainan City Sports Carnival and Labor-Management Sports Competition and received 8 awards for outstanding performance ● Tong Yang Industry Enterprise Union participated received top ratings in Tainan City's 2023 Trade Union Evaluation and publicly accepted commendation from the mayor.

2.1.5 Participation in Associations

The Company continues to participate in public associations to exchange operational experience with manufacturers in the same trade. As of 2023, Tong Yang Industry Co., Ltd. participated in a total of 15 associations.

Associations	Position
Taiwan Plastics Industry Association	Member
Taiwan Transportation Vehicles Equipment Manufacturers Association	Director
Chinese National Association of Industry and Commerce, Taiwan	Member
Chinese National Federation of Industries ROC Employers Committee	Committee
Tainan Automotive Parts Manufacturers Association	Member
Chinese Professional Management Association of Tainan	Executive Director
Guanyin Industrial Park Association	Member
Youth Career Development Association Headquarters	Member
Taiwan Steel & Iron Industries Association	Alternate Supervisor
Taiwan Mold & Die Industry Association	Member
Cross-Strait CEO Summit	Member
Tainan City Culture Foundation	Director
Ho-Shun Industrial Park Association	Director
Taiwan Federation of Manufacturers' Association	Member
Tainan Human Resource Development Association	Director

2.2 Integrity Management

Material topics: Economic performance, Corporate Governance

Reason of significance: Corporate governance is very important for the corporate sustainable management, increase in revenues, and stable profitability.

Policy/Strategy: To increase operating income, reduce operating costs, increase the cohesion among employees and give back to shareholders under a stable and profitable operation.

Goals and objectives:

1. Short-term: Continue to develop new customers, new product certification, and optimized quality.
2. Medium-term: Improve corporate governance and stable profitability.
3. Long-term: Become a benchmark enterprise for corporate governance and business performance in the same trade.

Management evaluation mechanism: Dividend policy, compensation system

Performance and adjustment:

1. Flexible adjustment of capital expenditures and salaries.
2. The 2023 annual revenue amounted to NT\$18.21 billion, a cumulative increase of 15.90% over the same period of time. The net profit before tax was NT\$ 3.748 billion, an increase of 40.78%.
3. Ranked Top 51% ~ 65% among TWSE Listed Companies in the Corporate Governance Evaluation

Preventive or Remedial Measures: The Company has established a grievance mechanism. Shareholders and employees can file a complaint or propose a suggestion to the Company through interview, telephone, and company website.

To develop a corporate culture of integrity management and robust business for the maintenance of a good business operation model, Tong Yang initiated “Tong Yang Rules and Procedures of Board of Director Meetings” and “Ethical Corporate Management Best Practice Principles” that include procedures of conflict of interest prevention for the board of directors, managers and stakeholders, ethical business activities, and thorough compliance through internal control and external business management. With transparency and accountability as our business vision, Tong Yang established ethical business policy, developed good corporate governance and risk control mechanism so as to create an operating environment for sustainable development.

2.2.1 Board Operation

The board of directors has passed a resolution to set up a Corporate Governance Senior Officer, the top executive who is in charge of corporate governance. The continuing education for the Corporate Governance Senior Officer in 2023 is as follows.

No.	Institution	Title of course	Duration of training		Hours of training
			From	To	
1	Taiwan Stock Exchange (TWSE)	Sustainable Development Action Plan Publicity Meeting for Listed Companies	2023/04/27	2023/04/27	3.0
2	Taiwan Stock Exchange (TWSE)	2023 Cathay Sustainable Finance and Climate Change Summit	2023/07/04	2023/07/04	6.0
3	Taiwan Corporate Governance Association	Global Trend Analysis- Risks and Opportunities	2023/08/08	2023/08/08	3.0
4	Taiwan Corporate Governance Association	Sustainable governance training course (South)- Carbon Governance and Sustainable Ecosystem	2023/10/26	2023/10/26	9.0

Tong Yang's Board of Directors is comprised of 7 directors with professional backgrounds and technical experience. The term of the current board members is from June 19, 2023 to June 18, 2026. All directors comply with the Company Act and Articles of Incorporation of the Company when exercising their power as directors. A self-disciplined and robust board of directors is the cornerstone for corporate governance. We continue to strengthen the execution of corporate governance and value shareholders' rights and interests. The Shareholders' Meeting is convened once every year, and the Board of Directors is convened at least once every quarter. With the spirit of absolute independence, the Board provides consultation on business operation, law and finance, and accounts for corporate strategy-planning, operation and supervision.

The Board convened 9 times in 2023, the remuneration of each Director is compliant with the Company's Articles of Incorporation and the Compensation Committee Charter, and is reported to the Shareholders' Meeting. The independence of CPA is regularly evaluated, and the interest relationship with the Company, whether the CPA has dual identity, whether the CPA is the Company's position supporter, the familiarity with the Company's personnel, whether the CPA is coerced by the Company, and the duration of practice are all put into consideration in terms of the independence evaluation.

Tong Yang's Board of Directors Meeting Attendance in 2023 is as follows.

Title	Name	2023 (6 meetings in total)	
		Attendance	Attendance Rate %
Chairman	Yung Mao Wu (reelected on 2023.12.21)	9	100%
Director	Yung Feng Wu (2023.12.21 Resigned as the Chairman of the board, but still serves as the board member)	8	88.89%
Director	Yung Hsiang Wu (reelected on 2023.6.19)	8	88.89%

Title	Name	2023 (6 meetings in total)	
		Attendance	Attendance Rate %
Director	Chi Pin Wang (reelected on 2023.6.19)	9	100%
Independent Director	Kan Hsiung Lin (reelected on 2023.6.19)	9	100%
Independent Director	Ming Tien Tsai (reelected on 2023.6.19)	9	100%
Independent Director	Yan Ling Cheng (reelected on 2023.6.19)	9	100%

2.2.2 Audit Committee

Since June, 2017, the Company has set up an Audit Committee to replace supervisors. To implement the spirit of corporate governance, the Audit Committee operates in accordance with the Company's Audit Committee Charter, with the main purpose of supervision of the following matters:

- (1) The fair presentation of the company's financial statements.
- (2) The selection (dismissal), independence and performance of certified public accountants (CPAs).
- (3) Effective implementation of the internal control system of the Company.
- (4) The Company's compliance with relevant laws and regulations.
- (5) Control of the existing and potential risks of the Company.

Date of Establishment	Members of the 1 st Session of Audit Committee	
	Convener	Committee Member
2017.06.20	Kan Hsiung Lin	Kan Hsiung Lin, Ming Tien Tsai, Yan Ling Cheng

Note: The members of the Audit Committee are all composed of the independent directors, and the term of office is the same as that of the board of directors.

The attendance of the Audit Committee in 2023 is shown in the table below.

Title	Name	Attendance	Attendance Rate %
Chairman	Kan Hsiung Lin (elected on 2023.6.19)	8	100%
Member	Ming Tien Tsai (elected on 2023.6.19)	8	100%
Member	Yan Ling Cheng (elected 2023.6.19)	8	100%

2.2.3 Compensation Committee

To ensure the scope, content and amount of the compensations of directors and managers are reasonable, the Compensation Committee has to make regular evaluation and determine the compensations of directors and managers and also report to the board of directors. The compensations will be adjustment based on the degree of participation in the company operation and level of contribution of the directors and managers, as well as the company's compensation adjustment regulations. In addition, bonuses are allocated based on the company's operating conditions and the compensation-related regulations. As approved by the Compensation Committee and the board meeting on March 10 and December 21, 2023 respectively, the compensation system remained reasonable.

The Compensation Committee is comprised of all the three independent directors, with the main responsibilities of performing the following functions and powers based on the due care of a good administrator, and is responsible to the Board of Directors, and shall submit the suggestions to the Board for further discussion:

- (1) Sets and regularly evaluates the performance of Tong Yang's directors of the Board and executives, and the compensation policy, system, standards and structure.
- (2) Regularly evaluates and sets compensation and benefits of the directors of the Board and executives.

The attendance of the Compensation Committee in 2023 is shown in the table below.

Title	Name	Attendance	Attendance Rate %
Chairman	Kan Hsiung Lin (reappointed on 2023.6.29)	3	100%
Member	Ming Tien Tsai (reappointed on 2023.6.29)	3	100%
Member	Yan Ling Cheng (reappointed on 2023.6.29)	3	100%

The Company has set up the Rules for Performance Evaluation of Board of Directors that was approved by the board of directors. It is clearly stipulated that the Company should conduct annual self-assessment of the board, the individual directors, and the functional committees. The results of the internal performance shall be completed before the end of the first quarter of the following year. The 2023 self-evaluation results were reported to the Board of Directors on March 8 2023.

1. Performance Evaluation of Board of Directors

The performance evaluation covers the following five aspects: Participation in the operation of the company; Improvement of the quality of the board of directors' decision making; Composition and structure of the board of directors; Election and continuing education of the directors; and Internal control, with a total of 11 measurement indicators.

Self-evaluation results: Except for the continuing education of the directors, the overall score was 90 points (inclusive) or above, and the evaluation result was “Excellent”.

2. Performance Evaluation of Individual Board Members

The performance evaluation covers the following six aspects: Alignment of the goals and missions of the company; Awareness of the duties of a director; Participation in the operation of the company; Management of internal relationship and communication; The director's professionalism and continuing education; and Internal control, with a total of 17 measurement indicators.

Self-evaluation results: Except for the continuing education of the directors, the average achievement rate of all metrics was 90% (inclusive) or above, and the evaluation result was “Excellent”.

3. Performance Evaluation of Functional Committees (Compensation Committee):

The performance evaluation covers the following five aspects: Participation in the operation of the company; Awareness of the duties of the functional committee; Improvement of quality of decisions made by the functional committee; Makeup of the functional committee and election of its members and Internal control, with a total of 12 measurement indicators.

Self-evaluation results: The average achievement rate of all metrics was 90% (inclusive) or above, and the evaluation result was “Excellent”.

4. Performance Evaluation of Functional Committees (Audit Committee):

The performance evaluation covers the following five aspects: Participation in the operation of the company; Awareness of the duties of the functional committee; Improvement of quality of decisions made by the functional committee; Makeup of the functional committee and election of its members and Internal control, with a total of 12 measurement indicators.

Self-evaluation results: The average achievement rate of all metrics was 90% (inclusive) or above, and the evaluation result was “Excellent”.

2.2.4 Recusals of Directors Due to Conflicts of Interests

To comply with the regulation and implement the recusals of Directors due to conflicts of interests, it is clearly stipulated in Tong Yang’s Rules for Performance Evaluation of Board of Directors that if any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.

2.2.5 Internal Control Regulations on Preventing Insider Trading

To avoid improper disclosure of internal major information and disclosure mechanism to ensure consistent and appropriate public disclosure, Tong Yang has established the "Internal Control Regulations on Preventing Insider Trading" on August, 8, 2017, to ensure the consistency and accuracy of the information disclosed. Relevant implementation effects have been disclosed in Chapter 2.4.5.

2.2.6 Employee Code of Conduct

Since its establishment in 1952, Tong Yang has been focusing on "people-oriented management" and has taken "enthusiasm, honesty and innovation" as the corporate philosophy. Our philosophy motivates us to take on the challenges of the automotive parts industry, constantly adjust business operation, provide high-quality services and products, and at the same time contribute to the sustainable development of the society. The "people-oriented management" corporate culture spurs the development of the Tong Yang Group. To set a sound corporate model and advocate honesty, Tong Yang established "avoidance of conflict of interest, honesty and integrity, self-discipline, professional ethics and energy conservation and carbon reduction" as the regulations in our Employee Code of Conduct for the implementation of the corporate spirit of "enthusiasm, honesty and innovation".



2.3 Prosperous Economy

2.3.1 Financial Performance

Our 2023 total annual revenue was NT\$ 18.21 billion, a cumulative increase of 15.90% over the same period last year. The net profit before tax was NT\$3.748 billion, an increase of 40.78%.

Unit: NT\$ 1,000

Item/year	2019	2020	2021	2022	2023
Operating income	16,919,352	13,264,281	13,732,527	15,707,401	18,205,469
Non-operating income	6,463	-9,610	-161,553	387,924	2,567
Operating expenses	2,535,149	2,216,040	2,235,862	2,345,157	2,652,984
Operating cost	11,909,463	10,092,745	10,521,734	11,087,325	11,808,048
Employee Salaries and Benefits Expenses	2,614,007	2,311,050	2,347,871	2,561,126	2,948,610
Dividend & Dividend Payout	1,064,659	473,182	502,756	1,478,693	2,365,908
Amount of Tax /Income Tax Expenses	495,679	127,859	123,429	510,987	728,473
Income before tax	2,480,103	947,468	810,967	2,662,308	3,747,883
Profits after tax	1,984,424	819,609	687,538	2,151,321	3,019,410

Note: Link to the financial statement: tyg.com.tw/traditiona-investment.html

2.3.2 Investment Businesses

The evaluation, investment and management of the investment businesses are compliant with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” and “Regulations Governing Establishment of Internal Control Systems by Public Companies”. Tong Yang has also established “Acquisition and Disposal of Assets Procedures” to ensure the management, plan objectives, and benefits of investment.

For detailed Information on investment amount, profits and others as of the end of 2023, please refer to Appendix F- 2023 Consolidated Financial Statements.

2.4 Risk Adaptation

2.4.1 Risk Management

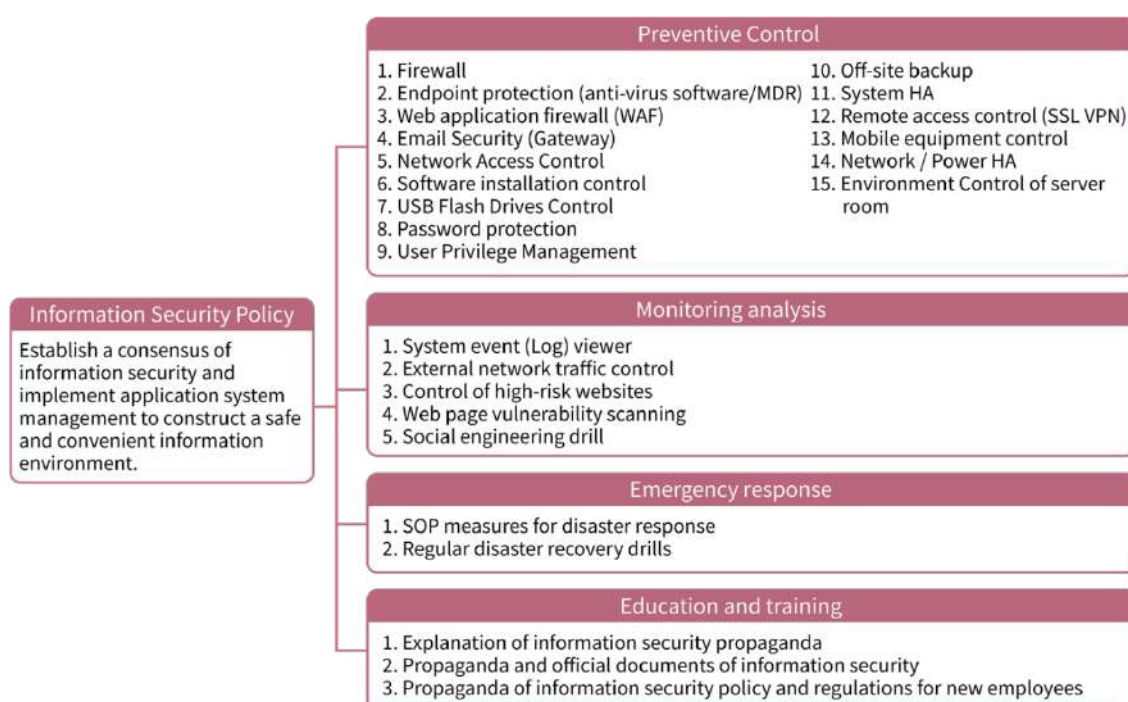
The major operational decisions of the Company are carefully evaluated and analyzed by each authority and are submitted to senior directors before being resolved and approved by the board of directors for implementation. Each year, the audit department will also prepare an annual audit plan based on the results of the risk assessment and perform the auditing in accordance with the plan. The Audit Committee tracks and confirms the improvement results to ensure that the operational risks is well prevented.

Type of risk	Authority Unit	Strategy
Raw Material and Supply Chain Risk	OEM Supply Division AM Supply Division	Each raw material is provided by two or more suppliers or have substitute suppliers, maintain the local procurement ratio of raw materials. Before the signing with qualified suppliers, extensive investigation is conducted on their production equipment and main sources of their raw materials. In addition, the production coordination plans are regularly initiated with production and sales units to cooperate with the lead time for delivery, establish safety stock and assess suppliers' capacity for the adjustment and transfer of products and orders.
Safety and Health Risk	Administration Department and each department	Establish ISO 45001 Occupational Health and Safety Management System to ensure regulations compliance, make continuous improvement, reduce company risks, and set up an "Emergency Response Management Measures" to avoid the risk of accidents.
Currency Risk	Financial Department	Strengthen the management of exchange rate fluctuations, convert foreign currency at an appropriate time so as to minimize exchange risks to the minimum; analyze exchange rate trends on a regular basis; analyze exchange rate risks in an instant, and appropriately reflect them in export quotations.
Legal Risk	Management department	Pay close attention to any policies and laws that may affect the company's finances, and strictly ensure compliance with laws.
Market Risk	President and each operation division	Set business strategies, analyze the market to take countermeasures, and control and deal with possible market risk crisis.
Investment Risk	Financial Department, Strategy Taskforce	The company does not engage in high-risk, high-leverage investment, derivative commodity transactions; endorsement guarantee for the operating capital of subsidiaries and investment projects are all in accordance with the Endorsement Guarantee Operating Procedures.

Type of risk	Authority Unit	Strategy
Tax Risk	Financial Department	<p>The Company abides by the local tax laws and regulations as well as the spirit of legislation, correctly calculates the tax amount and completes the declaration and payment. When making major operational decisions, relevant tax risks and impacts are put into consideration. When the local tax laws and regulations change, the impact on the Company shall be carefully assessed and countermeasures shall be set up, and the tax disclosure of the financial reports shall be conducted in accordance with relevant regulations and standards. Maintain good and friendly interaction with tax authorities and establish a sound communication channel.</p>

2.4.2 Information Risk and Management

Tong Yang established the Information Security Management Measures, Computer Data Security Control Measures, Cyber Security and Emergency Response Measures, Post-Disaster System Recovery Plan and Data Backup Management Measures in accordance with the Information Security Policy (Fig. 1), stipulating the procedures and regulations of the information security of the Company. We implement propaganda and training of the information security concept from time to time. In 2023, the total trainees of the information security education and training amounted to 2,028. This is to strengthen the employees' awareness of information security for the enhancement of information protection capabilities. Various systematic tools are used for monitoring and analysis to establish proactive protection and warning capabilities. Off-site backup is conducted and rehearsed every year and the validating backups is also conducted to ensure the system's ability to recover from major accidents. Any employee violating information security related regulations will be punished in accordance with the reward and punishment management measures.



Each system has a password and permissions control, and application for permissions and permissions change is needed based on personal position and job responsibility. When the personnel leave or change the position, the permissions will be removed immediately and adjusted to ensure information security.

USB Flash Drive is fully controlled. If it is needed for business needs, application has to be made and the USB Flash Drive can only be used after the approval of the supervisor is obtained to ensure that there is no leakage of company data to protect the interest of the company.

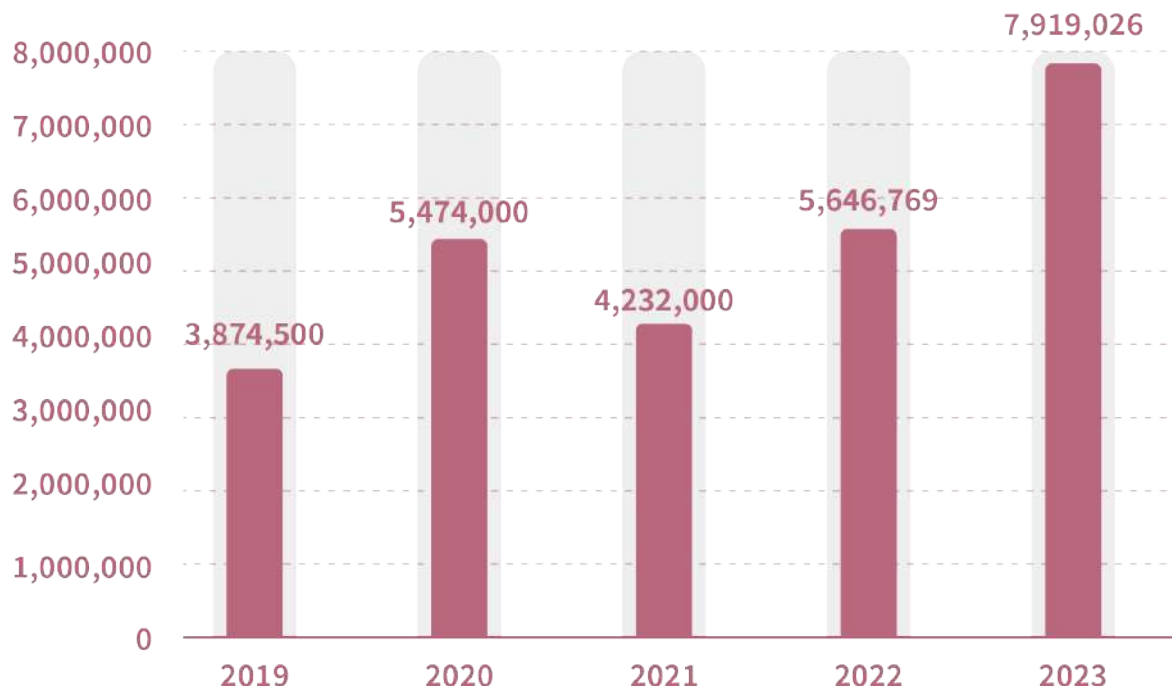
Personal internet access is controlled and high-risk websites for information security are locked to prevent virus intrusion and data leakage. If it is needed for business, application for internet access has to be made and can only be obtained with the approval of the supervisor. The information Department conducts monitoring control and analysis of the internet traffic and makes weekly reviews of abnormal conditions.

Intranet access arbitrarily cannot be obtained for Mobile devices (cell phones and Laptops) in the company.

The server room is equipped with power generator and an uninterrupted power system (UPS) to ensure that it will not be affected due to emergencies of external power supply. A backup system is also established for the main information equipment and the Internet for an information system with high availability.

We establish a protection mechanism for information security to ensure that it is anti-hacking, anti-theft, anti-virus and anti-disaster. The main protection mechanisms include firewalls, email security, web application firewall (WAF), host abnormal monitoring, network traffic control, and off-site backup. In addition, we also cooperate with external information security service for the vulnerability scanning, email social engineering drills, and MDR (Managed Detection and Response) to strengthen webpage security and enhance employees' vigilance against email attacks. There have been no major information security incidents in the past five years. The costs invested in information security over the past five years are shown in Fig. 2.

Investment in information security (NTD)



Year	Amount
2019	3,874,500
2020	5,474,000
2021	4,232,000
2022	5,646,769
2023	7,919,026

Publicity of Information Security- Official document announcement to all employees

訊息平台										登出
回公佈欄 訊息管理										16338 葉俊宏
狀態 <input checked="" type="checkbox"/> 已發佈 <input type="checkbox"/> 包含下欄 <input type="text" value="資安"/> <input type="button" value="查詢"/> 發佈年份 <input type="button" value="2023"/> <input type="button" value="新增"/>										
功能	主題	訊息類別	發佈日期	下欄日期	審核站別	文號	狀態	最後異動時間		
<input type="button" value="查看"/>	資安宣導 - 釣魚信件演練說明, 請轉所屬知悉!	一般事項	2023-09-20	2023-10-28		2023-0655	已發佈	2023/09/20 09:31:12	<input type="button" value="複製"/>	
<input type="button" value="查看"/>	資安宣導 - 新型駭客攻擊手法, 請轉所屬知悉!	一般事項	2023-08-31	2023-10-31		2023-0597	已發佈	2023/08/31 13:35:12	<input type="button" value="複製"/>	
<input type="button" value="查看"/>	公佈修訂之「資訊安全管理辦法」, 修訂資安規定: 不隨意開啟郵件、不隨意點選或下載郵件、不明來源或疑似釣魚信件應直接刪除!	規章/法令宣導	2023-08-02	2023-10-31		2023-0523	已發佈	2023/08/02 09:03:35	<input type="button" value="複製"/>	
<input type="button" value="查看"/>	資安新聞與資訊安全宣導, 請轉所屬知悉!	一般事項	2023-07-26	2023-09-25		2023-0500	已發佈	2023/07/26 09:22:56	<input type="button" value="複製"/>	
<input type="button" value="查看"/>	[資安宣導] 新型駭客釣魚信件攻擊, 使用電子郵件Email請謹慎小心!	一般事項	2023-07-10	2023-09-07		2023-0458	已發佈	2023/07/10 12:17:35	<input type="button" value="複製"/>	
<input type="button" value="查看"/>	非ERP系統資料庫資安升級暫停服務通知	一般事項	2023-07-10	2023-07-16		2023-0457	已發佈	2023/06/30 10:01:18	<input type="button" value="複製"/>	
<input type="button" value="查看"/>	集團資安政策與資安規定宣導, 如說明, 請轉所屬知悉! *	一般事項	2023-06-01	2023-07-30		2023-0350	已發佈	2023/06/01 09:38:31	<input type="button" value="複製"/>	
<input type="button" value="查看"/>	資安宣導 - 釣魚信件演練說明, 請轉所屬知悉!	一般事項	2023-01-16	2023-03-16		2023-0038	已發佈	2023/01/16 11:02:36	<input type="button" value="複製"/>	

■ Publicity of Information Security- Publicity of Information Security Company-wide

Publicity of Information Security for senior executives



Internal publicity for each department



- Assigned personnel to participate in ISO 27001 Information Security Management System- Courses on the analysis of core concepts and key provisions in May, 2023



- Joined TWCERT Information Security Alliance in June, 2023 to obtain the latest information security information



■ Taiwan Computer Emergency Response Team / Coordination Center E-Newsletter



2.4.3 Financial Risks of Climate Change

To continue operation without interruption in the face of global climate change, Tong Yang not only strengthens risk adaptation to reduce operational impact that may be brought by disasters but also continues efforts to mitigate GHG emission. The climate change-related risks and opportunities proposed by Tong Yang are as follows.

Item	Description
Governance	<ul style="list-style-type: none"> To achieve the purpose of robust and sustainable operations, the Company established the Corporate Social Responsibility (CSR) Promotion Committee at the beginning of 2016, which was renamed ESG Promotion Committee in 2021. The Committee makes regular reports to the board of directors on a yearly basis. The board of directors reviews the Company's implementation strategies and results of sustainability issues, tracks the implementation effectiveness, and conducts supervision at any time to ensure that the sustainable development strategies are implemented in the Company's daily operations. The CEO serves as the convener of the ESG Promotion Committee, the general manager of the Second Business Group as the deputy convener, inviting relevant units to establish the Corporate Social Responsibility Project Committee to set up teams in the fields of financial, personnel, environmental safety, sales, R&D and production, procurement and public relations to be in charge of coordinating the formulation of the CSR management policies and reviewing the implementation results company-wide, and various functional units were instructed to assist with the CSR promotion related matters. Through meeting discussions, we identify sustainability issues of concern to stakeholders, further develop corresponding strategies, assist in promoting sustainability development initiatives, and review implementation outcomes.

Item	Description					
Strategies	<p>■ In accordance with the guidance of the environmental safety and health policy and with ISO 14001 Environmental Management System as the basis for promotion, various potential risks of the Company are identified. Through risk identification, relevant corresponding measures in relation to VOC gas emission improvement, carbon reduction, water recovery and discharge, and waste disposal are made as follows to reduce the environmental and climate change impact.</p>					
			Short-term	Medium-term	Long-term	
	Risk	<ul style="list-style-type: none"> (Transition Risk) Reduce the costs of VOC-emitting paint, Emission costs of GHG, Investment in pollution (wastewater, VOC) reduction equipment and transition, Stigma of industry, Changes in customer behavior and preferences, Economy transition to a low-polluting market 		<ul style="list-style-type: none"> (Transition Risk) Stigma of industry 	<ul style="list-style-type: none"> (Transition Risk) Stigma of industry, Changes in customer behavior and preferences, Economy transition to a low-polluting market 	
	Opportunity	<ul style="list-style-type: none"> (Resource efficiency) Higher efficiency of energy use, Reuse of wastewater (Source of raw materials) Reuse the recycled materials processed from the waste, Purchase the recycled materials in the market 		<ul style="list-style-type: none"> (Product/services) Develop or expand the market of water-based paint R&D and innovation of raw materials/paint. 	<ul style="list-style-type: none"> (Market opportunity) Partnership in the new market, Obtain incentives from the public sector 	
	Type	Climate-related risks	Potential financial impact	Type	Climate-related opportunities	Potential financial impact
	Transformation	Reduce the costs of VOC-emitting paint	Operational cost ↑	Resource efficiency	Higher efficiency of energy use	Operational cost ↓ Asset value ↑
		Emission costs of GHG	Operational cost ↑ Asset value ↓		Reuse of wastewater	Operational cost ↓

Item	Description				
		Investment in pollution (wastewater , VOC) reduction equipment and transition	Operational cost ↑ Revenues ↓	Source of raw materials	Reuse the recycled materials processed from the waste Purchase the recycled materials in the market Operational cost ↓ Revenues ↓
		Stigma of industry	Revenues ↓ Operational cost ↑ Asset value ↓	Products/services	Develop or expand the market of water-based paint R&D and innovation of raw materials/paint Revenues ↑ Asset value ↑
		Changes in customer behavior and preferences	Revenues↓ Operational cost ↑	Market	Partnership in the new market Obtain incentives from the public sector Operational cost ↓ Capital expenditures ↓
		Transformation to a low-polluting market economy	Operational cost ↑ Capital expenditures ↑		
		Corresponding measures			
		<div><div>1. Started to introduce water-based coatings in 2016 to reduce pollution emissions.</div><div>2. Installed solar power generation equipment on the roofs of the plants to reduce carbon emissions. In 2023, the green electricity generated of 2.50 million kWh has been generated.</div><div>3. After the treatment of process wastewater, it is recycled for the use in the process, sprinkling and street washing, and gardening to reduce the consumption of tap water. Continue to invest in process conversion and wastewater treatment equipment to reduce pollution.</div><div>4. In view of the increasingly extreme climate, various contingency management measures for floods, earthquakes, fires and other disasters have been established.</div><div>5. Implement the classification and reuse of waste to reduce the output of waste.</div><div>6. Continue to observe and identify the trend for regulatory changes.</div></div>			
Risk Management	<div><div>■</div><div>In accordance with the guidance of the environmental safety and health policy of “prevention of pollution, strengthening of communication, strengthening of hygiene, education and training, compliance with laws and regulations, cherishing resources, and continuous improvement”, and with ISO 14001 Environmental Management System as the basis for promotion, various environmental impacts, regular government environmental regulations evaluation, internal and</div></div>				

Item	Description				
	<p>external environmental issues are put into consideration using the PDCA method for the identification of various potential risks of the Company.</p> <ul style="list-style-type: none">■ With the global climate and environment is increasingly exacerbated by HGH emissions, the Company established the GHG Risk Management Committee on November 8, 2022, to be in charge of GHG inventory and verification plans to comply with relevant government regulations and laws. At the same time, we continue to implement measures to improve VOC emissions, and formulate corresponding measures for carbon reduction, water recycling, emissions management, and waste disposal to fulfill our social responsibilities and minimize environmental impact.				
Indicators and Targets	<ul style="list-style-type: none">■ In terms of reducing environmental impact and mitigating climate change, the Company uses GHG emissions per unit revenue as the key indicator for the main quantitative assessment, and the goals for VOC gas emission management as well as the solar power generation ratio, electricity usage per unit revenue, circular economy, water consumption per unit of revenue, improved wastewater technology, and waste generation per unit of revenue were also set.■ The Company started the GHG inventory from 2023 and expects to obtain verification from a third-party from 2025. The 2023 GHG emissions (metric tonsCO₂e) were as follows. <table><tr><th>Scope 1</th><th>Scope 2</th></tr><tr><td>11,642.81</td><td>53,156.86</td></tr></table>	Scope 1	Scope 2	11,642.81	53,156.86
	Scope 1	Scope 2			
	11,642.81	53,156.86			
		<ul style="list-style-type: none">■ Regarding carbon pricing, the Company has not yet planned or implemented internal carbon pricing measures. We will incorporate government-approved carbon fees and taxes into our business decisions and follow relevant policies and regulations. Furthermore, we will continue to closely monitor international, governmental, and market trends in carbon emissions regulations to adjust the business strategies to adapt to potential future changes.■ Management objectives and relevant permance			
		<ol style="list-style-type: none">1. With source pollution reduction and the introduction of terminal pollution prevention equipment, under the conditions of no additional process, we set a long-term goal of 50% decrease of VOC emissions per unit of revenue by the end of 2030 compared with 2016. The target of VOC emissions per unit of revenue of 2024 is to reduce by 43% compared with 2016.2. By installing solar power generation equipment on the roofs of the plants, the carbon emissions are reduced. It is estimated to generate 2.50million kWh of green electricity in 2024, and the solar power generation of new installed equipment is estimated to be approximately 250kw, making the green electricity generated to account for more than 8% of the overall electricity consumption in the Company.3. Energy conservation and carbon reduction: Promote various energy saving measures. The electricity consumption per unit of output in 2024 decreased by more than 2% compared with 2023.4. Circular economy: Recycle copper in the electroplating waste liquid and transfer it to the manufacturer for refining before reusing it in the process. The target is to recover 320kg copper liquid waste in 2023 and 100% by 2027, and the heavy metal discharge is simultaneously improved.5. Save water resources and make full use of recovered water. The long-term goal for 2030 is to have the recovered water account for 10% of water use, and the goal set for 2024 is 9.1%.6. Continue to improve wastewater treatment technology. It is expected that by 2030, the comprehensive water pollution indicator will be 45% better than the legal standard for effluents. The goal set for 2024 is 39% better than the legal standard for effluents.7. Implement various waste classification management to reduce outsourcing processing. The goal for waste output intensity per unit revenue for 2030 is to be 30% less than 2016. The goal set for 2024 is 22% less than the output intensity of 2017 (with 2016 serving as the base year).			

■ Environmental Protection Related Expenditures

To fulfill our corporate responsibility for the environment, we have invested funds for environmental protection related affairs. Since our establishment, we have attached great importance to industrial safety, health and environmental protection. To reduce environmental pollution, water-based coating process has been introduced, and the water-based paint is a low-polluting and eco-friendly raw material whose content of VOC is only 8% to 12% of that in traditional oil-based paint, greatly reducing its environmental impact. As of 2023, Tong Yang has introduced 33 sets of water-based paint equipment and 11 sets of VOC prevention and control equipment.

2.4.4 Internal Control System

Tong Yang has established, implemented and maintained effective internal control system in accordance with laws and regulations and the actual operational needs. In March, 2024, the Company disclosed its 2023 internal control system statement according to the regulation requirement and regulatory formats, indicating the effectiveness of the design and implementation of the Company's internal control. The evaluation follows the "Reference items for internal control systems efficacy assessment" released on July 15, 2015. The evaluation includes 5 main elements, namely the control environment, risk evaluation, control operation, information and communication, and monitoring, and documentation of all risk evaluation assessments is performed by each operation division. The Company's internal control system includes self-monitoring and control mechanism. When flaw is detected, the mechanism is activated, and corrective measures are executed.

Based on the aforementioned inspection result, the goal of Tong Yang's internal control system (including affiliates supervision and control) is to ensure operation efficacy and efficiency (including profit, performance and asset safety) to ensure reasonable guarantees for the achievement of goals such as reliability, immediacy and transparency, and compliance with relevant norms and laws & regulations.

2.4.5 Internal Audit Mechanism

Tong Yang's Audit Department is an independent and objective unit that reports directly to the Board of Directors. There are one audit director and several full-time auditors dedicated to Internal Audit, and deputies. The appointment and dismissal of the internal audit director shall be approved by more than 50% of the board of directors. Employees and deputies in charge of Internal Audit must receive training held by professional institution every year to enhance professional ability continuously.

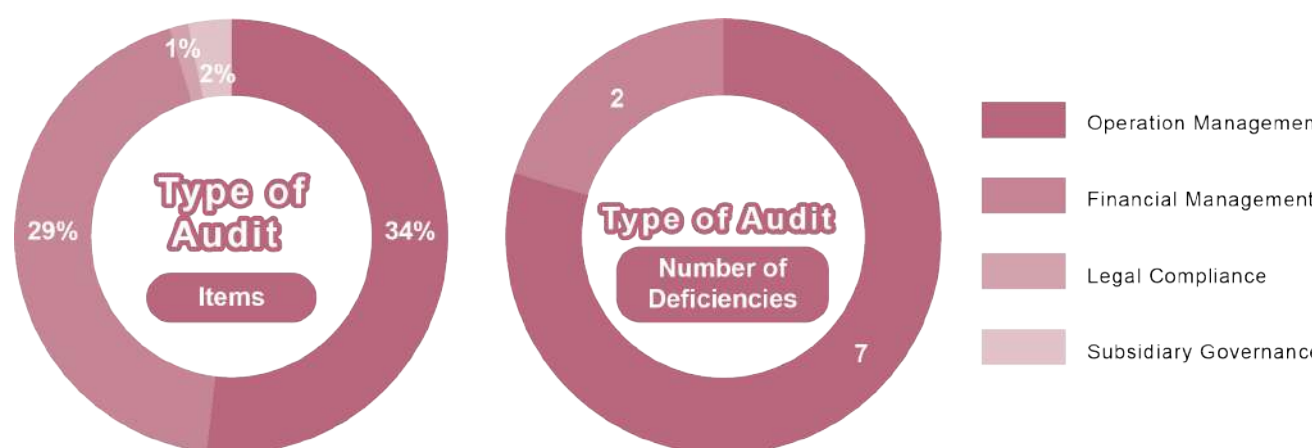
Internal Audit Department plays an important role to ensure business ethics and compliance. To ensure operation efficacy and efficiency, and to ensure the reliability, immediacy and transparency in financial and non-financial reporting, as well as to reach the goal of the compliance with relevant regulations and policy, guidelines, standards, procedures, and regulations, Internal Audit Department performs annual audits in accordance with the annual plans approved by the Board, and reports the audit results and improvement plan to the Audit Committee, the Board of Directors and the Management for the effectiveness of the audit.

According to the regulation, the Company set “Internal Control Standard”, “Internal Control Management Approach”, “Internal Control Self-Assessment Management Approach” and “Audit Implementation Procedures” for each operating cycle as the guideline for the implementation of internal audit.

The audit team makes regular assessment of the Company’s risks and set up audit plans to carry out relevant audits. In addition, the audit reports and results of follow-ups of deficiencies have to be submitted to the board of directors and the Audit Committee on a regular or irregular basis, so as to enable the management to understand the purpose of management and to reasonably ensure the continuous effective implementation of the internal control system.

In 2023, the internal audit was carried out on 66 audit items covering the eight major operating cycles and computerized information systems, which are mainly divided into four types, namely operation management, financial management, legal compliance, and subsidiary governance. Among all, a total of nine deficiencies were found in the following areas, cash income and expenditure management, production control, real estate/plant/equipment management, electronic data management, financial statement preparation process and so on.

Type of Audit	Items	Number of Deficiencies
Operation Management	34	7
Financial Management	29	2
Legal Compliance	1	0
Subsidiary Governance	2	0



■ Communication Status of Independent Directors and Internal Audit Director

A total of eight communication meetings were held in 2023. Please refer to the Annual Report or our official website for the key points of communication and implementation results. The results of all meetings have been completed and implemented.

1. The monthly summary report on the deficiencies in audits and improvement and correction follow-up status in the previous month is submitted to the independent directors in writing for review, and the independent directors will give instructions and respond to the report.
2. The internal audit director convenes the Audit Committee on a quarterly basis to explain to the independent directors the audit business and results as well as the follow-up status.
3. The Company holds the board meeting every quarter, with the independent directors and the audit director attending. The audit director makes quarterly report on the implementation status and results of the internal audits in the board meeting.
4. The audit director and the CPAs as well as the independent directors have to make direct communication or contact through the agenda working unit as needed, and communication can also be made by phone or email. The communication channels are smooth and diverse.

2.5 Regulatory Compliance

Material topics: Anti-competitive Behavior

Reason of significance: Taiwan's Fair Trade Act (or Anti-trust Law, Competition Law) is to maintain free competition, eliminate unfair competition, and promote fair trade.

Policy/Strategy: 1. Publicity of Fair Trade Act 2. Establish the Anti-trust Compliance Code of Conduct.

Goals and Objectives: All employee of the Company can improve the risk awareness of the Anti-trust law through relevant education and training, so as to avoid possible illegal behavior, reduce the chances for the company to face investigation or prosecution, maintain good corporate reputation, and achieve the goal of no occurrence of violations every year.

Management evaluation mechanism: the Company set "Internal Control Standard", "Internal Control Management Approach", "Internal Control Self-Assessment Management Approach" and "Audit Implementation Procedures" for each operating cycle as the guideline for the implementation of internal audit.

Performance and adjustment:

1. There was no occurrence of anti-competitive practices in 2023.
2. In 2023, all employees have completed online training, with the cumulative number of 3,619 trainees and a total of 3,619 training hours.

Preventive or Remedial Measures: The opinion feedback platform is set up on the Group Website through which relevant problems can be handled with this grievance mechanism.

The Company takes integrity management as the standard of company operation and keeps strengthening corporate government. Important regulations such as the Ethical Corporate Management Best Practice Principles, Internal Control Regulations on Preventing Insider Trading, Employee Code of Conduct, and Complaint Management Regulations have been formulated, clearly stipulating the prohibition of corruption, bribery, unfair competition and other behaviors, and also the channels and handling mechanisms of complaints.

In order to eliminate the Company of the risk of being fined or asked to shut down by government agencies due to violations of industrial safety and fire protection related regulations, Tong Yang complies with the standards of relevant laws and regulations of listed companies and follows the requirements of the laws and regulations. In addition, the Company also establishes various internal operating measures and grasps the amendments and regulations of the competent authorities for timely adjustment. This spirit is also required to be implemented in the subsidiaries within the Group so as to reduce impacts on the environment and human health. Through the monthly identification of regulations, the long-term goal of zero accidents and no fines from government agencies can be achieved.

■ Propaganda of Prevention Measures

The Company publicizes integrity behavior and prevention and control measures to the employees regularly. All employees should comply with the Ethical Corporate Management Best Practice Principles and Code of Conduct for Employees and be self-disciplined. The methods for propaganda include the followings.

- 1 、 Current employees: Propaganda through bulletin boards, public computers, pay slips, and employees' external mailboxes.
- 2 、 New employees: The Personnel Department arranges orientation for new employees when they enter the plant, and the propaganda content is included in the staff manual and staff APP.
- 3 、 Newly appointed supervisors: During the guidance period of the newly appointed supervisor, senior supervisors will conduct education and training by using the supervisor manual.
- 4 、 External vendors: Initiated by the Personnel Department, the propaganda is conducted by the procurement units to all suppliers.

■ Grievance Channels

To provide channels for internal and external personnel to report violations of integrity and for employees to make complaints concerning workplace unlawful infringement, the Company specially established the Workplace Infringement Prevention and Grievance Management Measures, Gender Equality in Employment Response Measures and so on for management. Internal and external channels for grievance have also been set up.

1、Internal channels:

(1) The Opinion and Feedback Platform”

(2) Email boxes and contact numbers of the supervisor of the Personnel Department and the labor union.

2、External channels: For external relevant personnel to express opinions and feedback

(1) The company’s website/ Grievance mailbox (The Company’s official website: www.tyg.com.tw → Click on Contact Us).

(2) Make a complaint in the guard room at the entrance of the plant when the vendor ID badges are provided/ the grievance mailbox and phone number are provided for people outside the company to make a complaint (06-3560511#6026).

■ Education and Training




To enable the employees to abide by the Company’s Integrity and Ethics regulations, the Ethics and Moral Concept Training was specially planned for our employees to read the materials and complete the test online. In 2023, all the employees have completed the online training, with a cumulative of 3,619 trainees and a total of 3,619 training hours.

To ensure the safety of the Company’s property and employees, and to respond to Customs-Trade Partnership Against Terrorism (C-TPAT) program to ensure the security of Company goods during transportation, the AEO security education and training is conducted. In 2023, all the employees have completed the training, with a cumulative number of 3,619 trainees (including 630 new recruits), and the total training hours reached 3,619 to enhance overall employee safety awareness through implementation.

■ Handling Mechanism

The whistleblower has to report a violation of integrity through the grievance channel. Upon receiving the report, the Company will initiate an investigation team for relevant operations within 3 days, and the record is kept in the “grievance investigation form”. The identity of the personnel involved in the investigation will be kept confidential and protected by the Company. The documents of the investigation process are also classified as confidential files for management.

■ Other Related Regulatory Compliance

		
Corporate governance related regulations	Labor rights related regulations	Product related regulations
<ul style="list-style-type: none"> ● No violation of Company Act ● No violation of Commercial Law ● No violation of securities and financial regulations ● No political contributions 	<ul style="list-style-type: none"> ● No violation of Act of Gender Equality in Employment ● No forced labor ● No use of child labor 	<ul style="list-style-type: none"> ● No prohibited or controversial products ● No violations of marketing related regulations and voluntary code of conduct ● No huge fines have been imposed for violations of laws and regulations due to the provision and use of products and services. ● No derivative legal litigations involving anti-competitive behavior, anti-trust and monopoly behavior

To ensure the implementation of integrity management and regulatory compliance, Tong Yang has set up various corporate governance regulations and methods and continues to pay attention to domestic and foreign policies and regulations affecting the company's business and finances. Taiwan's Fair Trade Act (or Anti-trust Law, Competition Law) is to maintain free competition, eliminate unfair competition, and promote fair trade. To enhance the risk awareness of anti-trust laws to avoid possible illegal behaviors, reduce the chances for the company to face investigation or prosecution, maintain good corporate reputation, higher risks of illegal behaviors are clearly listed (anti-trust compliance code of conduct) to abide by. Therefore, the Company was not involved in legal proceedings related to antitrust and monopoly behaviors in 2023. In terms of industrial safety and fire protection, no fines were imposed by the government agencies, nor were there any major environmental protection leaks. As for the compliance with social and economic regulations, no major monetary fines or fines were imposed. Therefore, the Company will continue to track and identify relevant regulations and confirm the suitability for the Company.

(Note: Significant fines related to the operation of the company refer to the administrative fines for one single event having accumulated to NT\$1 million or more as defined in Item 3, Paragraph 26, Article 4 in Chapter 4 of the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities.)



Chapter 3 Professional Service

3.1 Industry Overview

3.2 Technological innovation

3.3 OEM Service

3.4 AM Service

3. Professional Service

3.1 Industry Overview

3.1.1 Market Segmentation

Tong Yang adheres to the entrepreneurial spirit, uses the OEM business group and the AM business group to organize operations, conduct global operations management, integrate the industrial resources of automobile and motorcycle components, vertically extend the development of molds and paintings, and horizontally connect automotive plastics, sheet metal of internal and external parts, and cooling systems, and other product lines, give full optimization in resource use, and promote the two major markets of OEM (car assembly market) and AM (after-sales maintenance market) to become the most professional supplier of spare parts under the globalization.

The Company's main products are automotive components, which include five product lines: mold design and manufacturing, sheet metal parts, plastic paintings, cooling system parts, and plastic parts for the production of bumper, tank shield, hood, fenders, fans etc. as main products. The sales area covers the whole world, including the main sales areas like the United States, China, Europe and Taiwan, accounting for more than 70% of the Group's total revenue.

In the automotive after-sales service market (AM), about 85% to 90% of the world's supply is from Taiwan. Tong Yang is the largest supplier among sub-factories of components and parts. Original Equipment Manufacturer (OEM), Tong Yang is the largest OEM supplier of automotive plastic parts in Taiwan. Most of the appearance plastic products of domestically produced vehicles are produced by Tong Yang.

Passing the AEO safety chain security certification will improve the comprehensive safety management for Tong Yang as a strong backup for the external operation of the Company. It will become the best security guarantee for international trade, enhance our international competitiveness and strengthen the safety and efficiency of Tong Yang's supply chain, which helps to establish a more secure and tighter supply chain partnership with our customers.



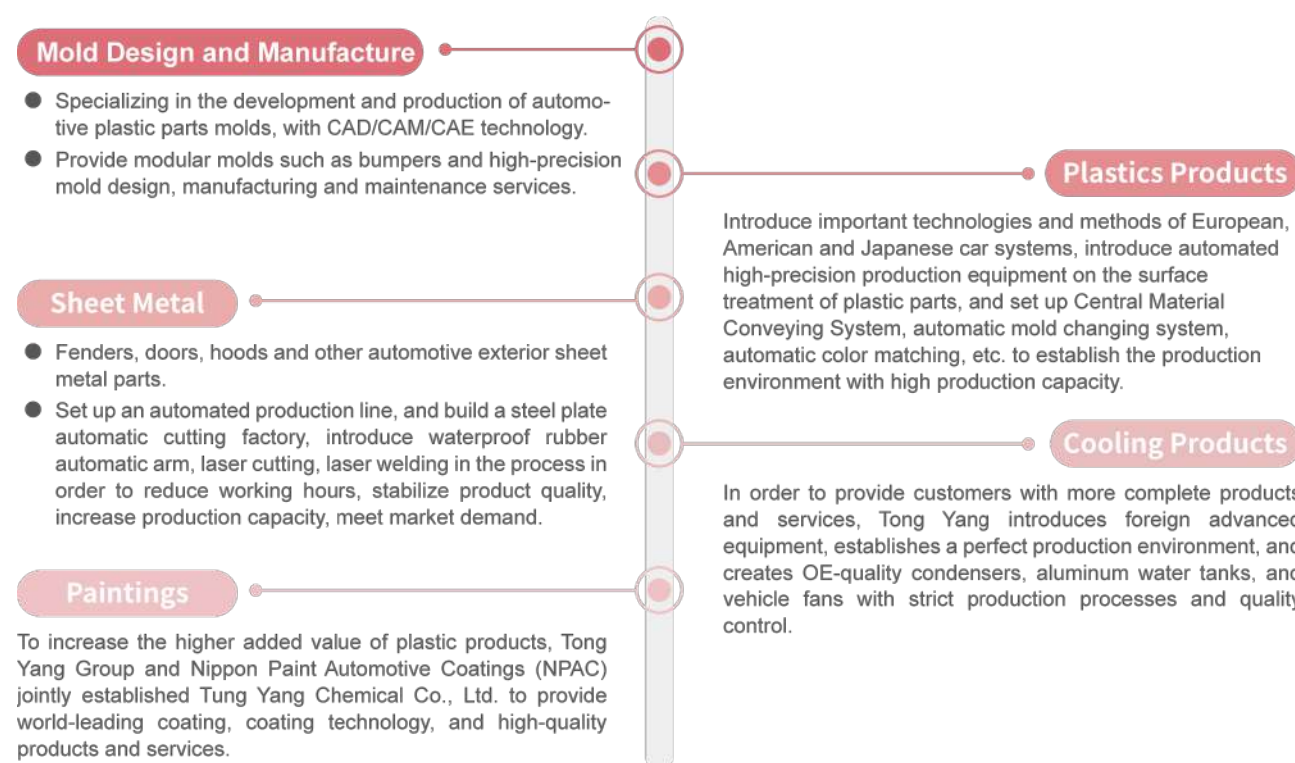
3.2 Technological innovation

3.2.1 Technology Research and Development Capabilities


With professional technology and experience, Tong Yang's R&D Department is in charge of the developing and designing of new products for the development of safe and comfortable transportation spare parts, and the "Technology R&D Center" has been set up to coordinate material planning, product design, mold design, process planning, quality planning and manufacturing technology. Besides, we foster talents, build a knowledge base to carry on the experience, and develop the core technical advantages of the Tier-1 plant. In addition, the Technology R&D Center is also committed to the innovation of materials, paintings and innovation of technology, and the development investment and research and development of automation equipment are also conducted.



New product Development operating system is used for the management of the development of new products. Once receipting customer's design project, a series of product design work will be carried out. A comprehensive consideration will be made in terms of production, cost and benefit from the design stage to meet customer needs. Through APQP (Advanced Product and Quality Planning), the progress of product development management activities can be controlled in order to ensure that the development timeline meets customer needs.



Tong Yang's core R&D philosophy includes high quality, environmental protection, lightweight and automation. The research direction focuses on forward-looking and market-oriented demand, such as environmental protection and energy saving and vehicle light-weighting. It is a key research and development project for Tong Yang. At the same time, in response to the requirements of customers and to keep in line with the product requirements, Tong Yang is also committed to improving engineering methods to meet customer needs.

Topic	Description	Details
 High Quality	Our R&D team increases product value with professional design guidelines. We provide customers and users with more exquisite, safe, comfortable, reliable and favorable components.	<ol style="list-style-type: none"> 1. High-performance bumper/compound technology of instrument panel composite materials 2. Innovative design and development of soft dashboard/door panel IMG vacuum forming technique 3. High-frequency 3D composite induction heating technique 4. Innovative R&D of 3D front rails for e-vehicles
	Furthermore, Tong Yang continuously improves and builds the foundation for being the leader of the industry.	

Topic	Description	Details
 Environmental Protection	<p>Tong Yang deeply understands the importance of "sustainable development" and creates a company that can balance with the environment, grow economically, take social responsibility, and care about the industry and social trends. We have always stressed on environmental issues. The design policy of our R&D team is to focus on the development of new technologies to reduce pollution.</p>	<ol style="list-style-type: none"> 1. Water-based coating / equipment / painting technique 2. VOC biological treatment technique of pollution control 3. Air recirculation for painting line and RTO incineration technique 4. Localized high performance PP eco-friendly water-based paint 5. Key technique of featherweight plastic green automotive injection foaming and molding
 Lightweight	<p>Based on the emphasis on environment protection and energy consumption, Tong Yang regards lightweight product as an important issue. The R&D team also integrates materials, engineering techniques and technological innovations to create products with higher collision-resistant level and lighter weight.</p>	<ol style="list-style-type: none"> 1. Chemical/physical injection foaming and molding technique 2. Lightweight car synchronous painting plastic fender molding technique 3. Thin-wall parts injection molding technique 4. Modularization of the automotive front-end system and the innovative R&D of plastic front-end frame structural components to replace steel 5. R&D of the third generation of fully plasticized long-fiber composite for the manufacturing process of the automobile tailgate
 Automation	<p>Tong Yang Group focuses on stabilizing quality, shortening working hours, saving manpower, and providing customers with faster and more stable services. The R&D team works hard to improve the automation of the plant to reduce human errors and the injury during high-risk processes.</p>	<ol style="list-style-type: none"> 1. All Robot automatic tracking and painting technique 2. Injection molding auto-extraction and de-gate /de-burr technique 3. Innovation of car door automatic assembly technique 4. Laser cutting technique for Instrument panel airbag blasting line 5. Automated folding welding method for instrument panel decoration 6. Three-dimension ACC emblem using as a decoration for millimeter wave radar
 Intelligentization	<p>Tong Yang's R&D Team uses light-transmitting film decoration combined with intelligent photoelectric technology to replace the traditional key switches and changed to full-plane buttons to realize the simulated touch texture design technology and increase the visual effects and information display functions.</p>	<ol style="list-style-type: none"> 1. The illumination of the front-end trim panel of the car bumper 2. Optical grille for the front-end trim panel of the bumper 3. Illumination of the car door trim 4. Automotive dashboard panel/ Smart touch of air conditioner panel 5. Smart touch of steering wheel 6. Side door trim/ Smart touch of central armrest 7. Integration of smart car prototypes in the car cockpit

3.2.2 Patents


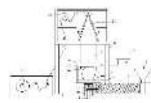
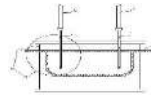
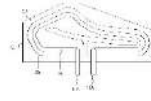

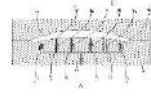
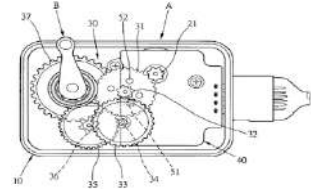
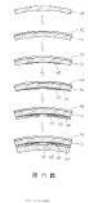
Tong Yang's R&D team is committed to developing new environmentally-friendly and energy-saving engineering methods. We expect to improve the engineering method in the most environmentally friendly way and apply high-quality engineering methods, such as the surface free-coating engineering method, high-frequency 3D composite inducting heating coil, painting production of high-quality surface appearance product without high air pollution.


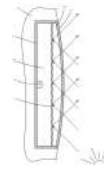


The research and development of lightweight vehicles can greatly improve fuel efficiency. Lightweight plastic products with chemical foam is the core of Tong Yang's development. The foaming products have the characteristics of weight reduction, noise reduction, heat insulation and high rigidity. As listed in the patent at the end of 2016, "Foam injection molding for the structure of bumper buffer construction", the technique is used on buffer block, and will be applied to car door, and car structure. However, the appearance of foam injection product has serious jetting defect, Tong Yang will focus on the application of foam injection technique on car exterior parts. Chemical foam multi-stage injection molding technology is used for lightweight products, and the advantages are as follows.

- (1) Small clamping force
- (2) Faster injection
- (3) Longer flow ratio
- (4) Good transfer
- (5) Good weight reduction

It is like the company's patent of "Chemical foam multi-stage injection molding machine construction" at the end of 2017.

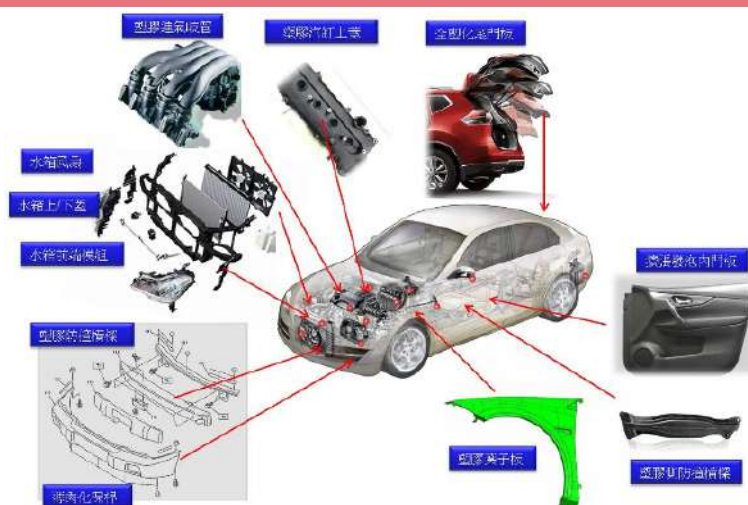
The AM R&D team also developed the Active Grille Shutter in 2016. The main function is to quickly get the engine to reach (or maintain) the optimal working temperature to reduce the warm-up time and reduce the wind resistance and thus reduce fuel consumption and carbon emissions. This innovative technology has been patented in multiple countries.

No.	Patent Title	Country	Type	Date of Authorization / Announcement	Figure of Patent
1	Automobile instrument panel automatic folding and welding device	Taiwan	new model	2014.12.01	
2	Water mist cooling device for blown film forming machine	Taiwan	new model	2015.02.11	
3	Side blown gas needle	Taiwan	new model	2015.03.01	
4	High-frequency 3D composite induction heating coil	Taiwan	new model	2016.05.21	
5	Foam injection molding for the structure of bumper buffer construction	Taiwan	new model	2017.02.21	
6	Chemical foam multi-stage injection molding machine construction	Taiwan	new model	2017.12.29	
7	Improved drive structure with stepper motor	Taiwan	new model	2016.05.11	
8	Drive structure with stepper motor	China	new model	2016.03.09	
9	Driving device with stepper motor	USA	invention	2017.04.27	
10	Antriebsgerät mit Schrittmotor	Germany	utility model	2016.04.28	
11.	Vehicle radar trim cover (plate) and its forming method	Taiwan	Invention	2022.05.01	
12.	Vehicle radar trim cover (plate)	Taiwan	New model	2020.03.01	

No.	Patent Title	Country	Type	Date of Authorization / Announcement	Figure of Patent
13	Structure of optical virtual trim panel for vehicle	Taiwan	new model	2020.05.21	
14	Structure of hidden reflective totem trim panel	Taiwan	new model	2020.05.21	
15	車両装飾パネルおよびその成形方法	Japan	invention	2022.02.25	
16	Vehicle trim panel and the forming method	China	invention	2023.05.09	

Remark: Patent Nos. 7, 8, 9, and 10 are jointly owned by Tong Yang and Taiyou Electric.

Lightweight Products of Tong Yang



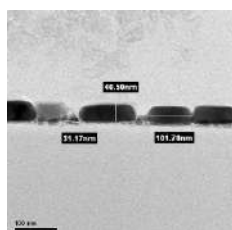
1. Plastic Tailgate
2. Water Tank Support
3. Plastic Cylinder cover
4. Plastic Inlet Manifold
5. Plastic Anti-collision Beam
6. Thin-wall parts Bumper
7. Plastic Fender

Tong Yang intelligent products (under development)

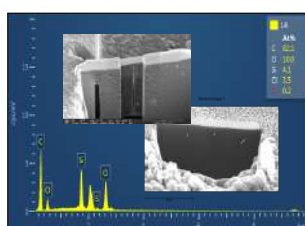


1. Intelligence Control Interior Panel
2. LED Optical Grille
3. Smart illuminated bumper
4. Smart B-pillar

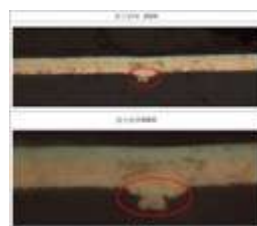
Tong Yang has long-term cooperation with domestic academic units such as Micro Nano Center of National Cheng Kung University, Pingtung University of Science and Technology and Plastics Industry Development Center to enhance research and development energy, such as using various types of high-end precision analytical instruments to research new products or eliminate problem. In addition, Tong Yang chooses excellent suppliers, such as CHIMEI (high-quality electroplating-grade ABS raw material development) and Atotech (environmentally friendly Cr^{3+} black electroplate), jointly develops new raw materials and products to meet company's needs, and links up with the upstream and downstream industry chain to grow together. Tong Yang also cooperates with large foreign auto plastic parts factories by joint venture or technology cooperation in order to promote the development and production of new lightweight/plastics products.



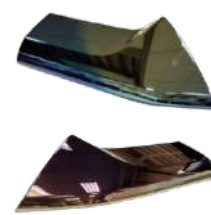
TEM (Transmission Electron Microscope)



SEM/EDS (Elemental Analysis)



Abnormal analysis of electroplated Cr^{3+} products



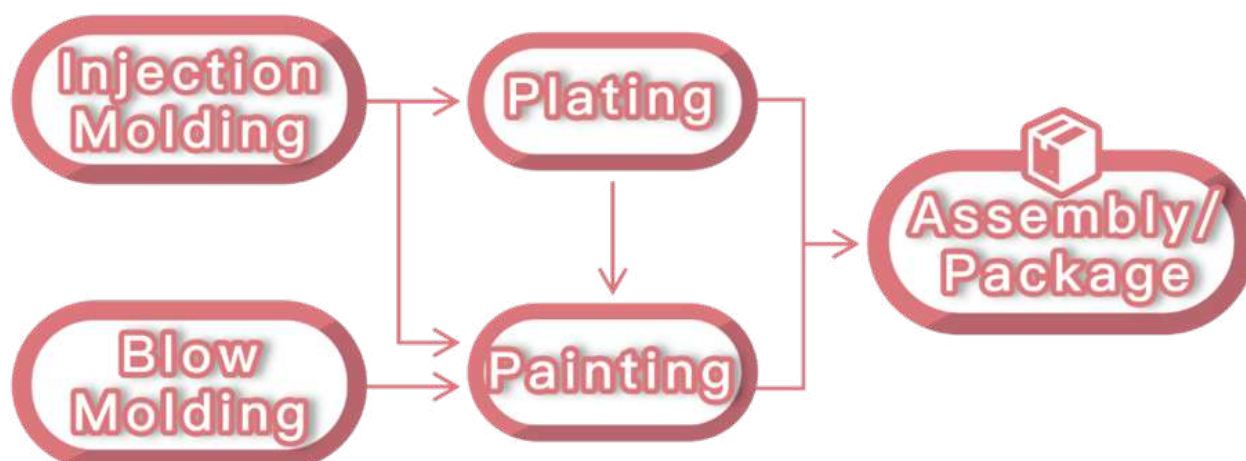
Evaporation and sputtering decoration

3.3 OEM Service

3.3.1 OEM Assembly Car Market

Tong Yang has been manufacturing automobile components since 1976, mainly providing to major OEMs in Taiwan and overseas automakers such as GM, Ford, Nissan and Honda and form a close relationship with the assembly car factory. In 1994, with excellent technology, advanced manufacturing equipment and professional management team, the company developed the business of assembly car in China and cooperated with the top 15 key car factories to set up production plants in China to supply First Automotive Works, Changan Ford, Dongfeng Nissan, Dongfeng Honda, Guangzhou Toyota, Guangzhou Honda and other car manufacturers.

The core focus of the OEM products and services manufacturing process is to integrate Tong Yang's R&D technology, resources, talents, molds investment, raw materials, engineering processes and techniques in developing new products to foster the competitiveness of the Group's sustainable operations.



3.3.2 OEM Product Quality Control Policy

Material topics: Quality Management, Delivery Management, Customer Satisfaction, Customer Health and Safety

Reason of significance: Deliver and quality performance directly represents the implementation status of the Company's quality management system. If delivery and quality problems keep occurring, it will not only affect customers' production and cause complaints from users. Eventually, it will lead to damage of customers' reputation.

Policy/Strategy: Tong Yang holds the quality control policy of "deep cultivation of quality, optimized customer satisfaction, production of automotive plastic parts, and continuous improvement of production technology capabilities for the becoming of a professional supplier to automobile makers".

Goals and objectives:

1. Continue to control process quality and delivery performance: (1) Reduce customer complaint amount ratio. Improve customer satisfaction (higher than the previous year).

Management evaluation mechanism: Taiwan OEM operates in accordance with various management methods, including OEM Quality Management Manual, OEM New Product Design Operation, Product Development of OEM Business Department, OEM Trial Production for New Products, Handling Customer Complaints of OEM Business Department, Delivery Control of OEM Business Department, and OEM Customer Satisfaction. In the product design and development state, we try to reduce any safety risks for customer use in terms of the products and packaging and also conduct verification and improvement during the product trial production process so that our customers can feel at ease when using the products we provide. Every year the customer satisfaction is conducted to continue the monitoring of the status.

Performance and adjustment:

1. 2023 quality of process and delivery performance: Customer complaint ratio: 0.1451%.
2. Customer satisfaction over the three years: 2021: 83.37%; 2022: 84.09%; 2023: 84.94%

Preventive or Remedial Measures:

1. Carry out the annual customer satisfaction survey and continue to check the status of customer satisfaction. When customers find quality or delivery problems or when the customer satisfaction decreases, analysis shall be conducted immediately. Through the management process requirements, customers' problems can be rapidly solved, and customer satisfaction improved.
2. The Company has set up relevant grievance channel. If customers make complaints about the Company's product, they can submit the complaints to the Company through the customer complaint procedures.

Management Policy	Description
Global automotive industry quality management system and management spirit	OEM business unit sets up a team responsible for "Quality Assurance System" according to the spirit of IATF:16949 (International Automotive Task Force), distinguishing between organizational quality assurance and quality responsibility management; managing quality assurance system and clearly defining "deep cultivation of quality, optimized customer satisfaction, production of automotive plastic parts, and continuous improvement of production technology capabilities for the becoming of a professional supplier to automobile makers" as the quality control policy.
OEM Quality Management Manual	Promote by members qualified with ISO/IATF16949 auditor certification for the planning the first-tier "OEM Quality Management Manual" and the launch of the functional quality assurance management of OEM.
Second-tier Management Method/ Third-tier Management Form	Establish a second-tier management method, specifying operation procedures, management procedures and third- tier management forms to integrate the International System Requirements (IATF) and specific requirements from customers. Developing management indicators that support operational objectives; provide the team which is responsible for Quality Assurance System to follow the management and review operation performances regularly, ensure continuous improvement and sustainable operation of the organization, and provide high quality products and after-sales services that meet customers' requirements.

3.3.3 OEM Quality Assurance System

The principle of handling customer complaints is to prioritize customers' rights. To enable proper and speedy handling of customer complaints, the following handling guidelines have been formulated, including "Customer Complaints Handling Measures for OEM Business Division", "Emergency Response Plan for OEM Manufacturing Division", "Methods for Identification and Traceability of Products of OEM Business Division", and "Handling Operation Standards for Abnormalities of OEM Manufacturing Division" to help customers solve problems in a timely manner. All the relevant standards and operating procedures concerning quality assurance are regularly reviewed and revised in accordance with IATF 16949 specifications, providing a rigorous and complete quality assurance system. In addition, it is also supplemented by irregular internal and external audit activities to confirm whether the operating procedures are effectively implemented. In 2023, there was no incident of product recall due to quality issues in the OEM Business Division.

3.4 AM Service

3.4.1 AM After-Sales Maintenance Market

In the automotive parts repair market, Tong Yang provides a diversified product line, accumulating more than 30 years of marketing experiences and more than 10,000 sets of molds. Our 2,300 customers are located in more than 200 countries from five continents. In order to provide timely after-sales maintenance service, we have established professional factories in China, Europe and the Americas to manufacture and sell plastic products such as bumpers and water tank covers, sheet metal fenders, hoods and cooling fans. In addition, combined with Taiwan's powerful automotive components industry to form a complete supply chain service system, Tong Yang can simultaneously provide customers with more than 10,000 products for major types of vehicles around the world, satisfying customers' needs for one purchase all at once.

Tong Yang takes Tainan Factory in Taiwan as a resource operation center, establishes a logistics center, central delivery warehouse and hundreds of professional container terminals, and connects production sites in China, America and Europe to form a dense logistics network and provide global automotive parts, providing diversified, professional and convenient services for the global AM market of auto components.

For the product recall handling mechanism of the after-sales maintenance market, we will take the recall action when the products sold to customers are confirmed to have safety concerns verified in the laboratory of a third-party testing agency. The foreign sales area serves as the centralized recall point, with the principle of centralized recall and handling. An internal investigation will also be initiated.

3.4.2 Quality Management Policy of AM Products

Material topics: Quality Management, Customer Satisfaction

Reason of significance: When a car is running on the road, the quality of the accessories on the car is crucial to safety. Tong Yang's insistence on quality is based on the policy of "deepened quality for customer satisfaction, paving the safe way home for customers with our quality products". Quality comes from manufacturing, not from checking and inspecting. Only by strengthening the basic skills, education and training, reorganization and rectification, and process control can we produce products with stable and high quality.

Policy/Strategy:

1. Through total participation in quality management and improvement to meet reasonable costs and the customer requirements for on-time delivery so as to achieve the goals of customer satisfaction and safe use.
2. To meet customer needs and expectations. The more the customer satisfaction, the higher the customer loyalty.

Material topics: Quality Management, Customer Satisfaction

Goals and objectives:

1. Items to continue monitoring and the ratio that needs to be reduced include the followings:
 - (1) Reduce the defect rate during the process.
 - (2) Reduce scrap rate in the process.
 - (3) Reduce customer complaint amount ratio.
 - (4) Reduce the defect rate at finished product inspection.
2. All aspects reached over 90% of customer satisfaction (except for the price index which was less satisfied among customers, and the price increase was caused by the rising prices of raw materials).

Management evaluation mechanism:

1. The unit in charge conducts statistics of goal achievement status and prepares the review report and improvement measures.
2. We keep making improvement for the deficiencies indicated in the customer satisfaction survey to achieve customer satisfaction and align with the market so that our competitors are all followers satisfied with our after-sales service.

Performance and adjustment:

1. 2023 quality of process and delivery performance: Customer complaint ratio: 0.0678%.
2. The 2023 customer satisfaction was 91.0%.

Preventive or Remedial Measures:

1. Carry out the annual customer satisfaction survey and continue to check the status of customer satisfaction. When customers find quality or delivery problems or when the customer satisfaction decreases, analysis shall be conducted immediately. Through the management process requirements, customers' problems can be rapidly solved, and customer satisfaction improved.
2. The Company has set up relevant grievance channel. If customers make complaints about the Company's product, they can submit the complaints to the Company through the customer complaint procedures.

Material topics: Product Safety

Reason of significance: Automobiles are the most important transportation tool in modern times. A car has nearly 10,000~20,000 components and parts, and each of them is crucial to safety of driving. In Tong Yang's Quality Policy, we aim to pave the safe way home for our customers with our quality for it is our firm belief that the quality and safety of products are inseparable. Tong Yang's AM products are developed in accordance with the original parts. The raw material setting, manufacturing methods, part size, appearance, and functionality are all set after the analysis of the original parts, and the third-party verification has been obtained (such as CAPA in North America, TUV Rheinland in Europe) so as to provide our customers with high-quality auto parts.

Policy/Strategy: The third-party verification agencies established objective quality standards and specifications to provide detailed testing and testing inspection procedures for different parts to ensure that the quality of parts is the same as the original ones. The third-party certification agencies have won the trust of customers, so the number of product certifications have been listed as the key target item every year.

Goals and Objectives: Tong Yang establishes work targets annually and sets the target number of product certifications for different products, so as to provide the best quality products to our customers and improve the customer satisfaction.

Material topics: Product Safety

Management evaluation mechanism: Operate the work target management mechanism and conduct performance evaluation for departments and employees on a monthly basis.

Performance and adjustment: At the end of every year, the annual work target setting meeting is held to review the implementation status of each work target and re-establish the target requirements. After the approval of the revision of annual work target by the management is obtained, the revision will be announced to all employees and will be tracked for management on a monthly basis.

Preventive or Remedial Measures: Through the supervision of a third-party verification agency, high-quality products can be provided to customers. To prevent the occurrence of safety defects in the products sold, Tong Yang has established a recall and management measure for certified products, clearly stipulating the cross-functional organizational structure that can enable immediate handling when necessary.

Reduce process defect rate

Reduce process scrap rate

Reduce the defect rate of finished products inspection

Our vision in the AM market is to focus on the industry, to develop the main components of traffic equipment and automobile exterior collision parts, and to develop a set of quality policies to ensure the highest quality products to meet customer needs.

For the products of the AM components market, reverse engineering technology is used for product development, and a "Car Center" is set up to confirm that the products meet the standards. Before leaving the factory, the products have passed many safety and durability tests, such as weather and impact resistance, temperature and humidity tests, rust, salt and fog- resistance, welding spots strength test, strength damage test, electro-coating thickness and viscosity test. Under the comprehensive quality assurance system management, we have passed many quality certification systems in Europe and America.

3.4.3 Quality Assurance System

■ AM Quality Assurance System

Year	Quality Assurance System	Description
1996	ISO 9001:2015	Quality Management System.
2002	ISO 14001:2015	Environmental Management System.

Year	Quality Assurance System	Description
2003	IATF 16949	<p>IATF 16949 is the world-leading automotive industry quality standard developed by the International Automotive Task Force (IATF). This standard incorporates quality standards required by automotive manufacturers and OEMs.</p> <p>IATF 16949 can help to continuously improve the quality of systems and processes, with a focus on meeting customer needs and implementing customer specific requirements.</p>
2005	ISO 45001:2018	<p>OHSAS 18001 Occupational Health and Safety Management Systems is a set of standard applicable to various industries, and it provides requirements related to occupational safety and health management systems. OHSAS 18001 enables companies to control and understand the potential risks of normal operations and ones under abnormal conditions, thereby improving business performance.</p>

■ AM Product Certification

Year	Product Certification	Description	Note
1992	CAPA (Certified Automotive Parts Association)	CAPA certification is primarily for the certification of high-quality automotive parts used by collision repairers.	--
2004	Thatcham Certification	British Automotive Insurance/Car Research Center: Thatcham is the only one non-profit vehicle maintenance research center in the UK. Founded in 1969, it is a limited liability company registered with the UK Ministry of Trade and Industry.	2004 ~ 2020/03
2005	TÜV -Rheinland Certification	TÜV -Rheinland Certification in Germany	--
2011	NSF (National Sanitation Foundation)	<p>The National Sanitation Foundation (NSF) was founded in 1944, and it operates as a non-governmental/non-profit organization.</p> <p>In 2010, NSF launched the automotive parts certification service to verify the quality, safety and performance of automotive aftermarket parts. NSF ensure AM products meet the stringent requirements of the industry and consumers through performance comparisons, and strategically cooperating with insurance companies, distributors, etc. to help products enter the North American automotive part sales system quickly.</p>	2011/08/18~2019/09/30

Year	Product Certification	Description	Note
2015	KAPA	Korean government implemented the Alternative Parts Certification System” in January 2015, and officially launched certified “Alternative Components” in July 2015. Auto parts in Korean aftermarket need to be certified with a KC (Korea Certification). The Korea Auto Parts Association (KAPA) has established a voluntary certification system for auto parts, which evaluates the function of parts and manufacturing plants. KAPA will issue a certificate after evaluation, then certified automotive parts will be able to be sold to Korean aftermarket.	--
2017	China NSF	NFS cooperated with Ping An Property & Casualty Insurance Company of China, Ltd. in July 2016 and started promoting Chinese NSF in China. Ping An Property and Casualty Insurance will use high quality Chinese NSF certified accessories for auto insurance claims.	2017/04/11 Ping An Property & Casualty Insurance Company and NSF launched the first batch of auto aftermarket certified parts in the China market.
2017	China CAPA	People's Insurance Company of China (PICC), CAPA, Intertek and China Automotive Maintenance and Repair Trade Association (CAMRTA) reached a four-party strategic cooperation in November 2016 to promote China CAPA. China CAPA can be applied in collision repair and insurance claims services, providing more high-quality accessories to car owners and reducing maintenance costs at the same time.	--



Chapter 4 Harmonious Workplace

4.1 Manpower Overview

4.2 Salary and Benefit

4.3 Equality of Labor and Management

4.4 Gathering Talents

4.5 Healthy Workplace

4.6 Safeguarding Occupational Safety

4. Harmonious Workplace

Material topics: Employment / Labor / Management Relations

Reason of significance: The most important assets of an enterprise are people. Stable and harmonious employment-labor relations or labor management relations are the foundation for continuous growth for an enterprise, which is also the important operating principle of the company.

Policy/Strategy:

1. Track the employees' opinion and feedback platform to meet the employees' needs and maintain a friendly working environment.
2. For the potential needs of the employees, the Company will continue to design corporate benefit policies meeting the expectations of employees.

Goals and objectives:

1. Short-term goals:
 - (1) No occurrence of violations of human rights, discrimination or ILO Conventions.
 - (2) Annual compilation and reporting of employee opinions on the platform.
 - (3) Review the collective agreement on a yearly basis and make adjustments based on the situation.
2. Medium- and Long-term goals:
 - (1) Emphasis on human rights.
 - (2) Gender equality.
 - (3) Complete corporate welfare.

Management evaluation mechanism: Set up personnel work goals every year and track the implementation status in the monthly supervisor meeting.

Performance and adjustment:

Attentive Status of 2023 Performance:

1. There were no violations of human rights, discrimination, or ILO Conventions.
2. Organized the employee opinions once every quarter, and the annual closing rate reached 100%.
3. Reviewed the collective agreement and completed the signing of the agreement in September.

Adjustment: Continue to promote or adjust the direction of personnel job objectives in accordance with the minutes of supervisors' meetings.


Preventive or Remedial Measures

1. The company has formulated internal reward and punishment regulations and complaint management regulations to abide by for the response measures for any negative impact.
2. The Company will regularly review the regulations to track whether internal regulations are regularly revised.
3. The Company provides an opinion and feedback platform for employees to directly report matters to the personnel unit.



4.1 Manpower Overview

4.1.1 Number of Employees

In 2023, the total number of new staff was 150, and the number of retired employees was 25. Tong Yang also provides employment opportunities for people with disabilities. As of the end of 2023, the actual weighted number of people with disabilities hired by Tong Yang has reached 37, exceeding the number of 34 prescribed by law. All the management above the section level at Tong Yang are 100% local residents.





2023 Statistics of Tong Yang's Employee Information							
Category	Group	Male		Female		Total	
		Number	%	Number	%	Number	%
Age	<30	901	24.56%	96	2.62%	997	27.17%
	31-50	1,730	47.15%	444	12.10%	2,174	59.25%
	>51	356	9.70%	142	3.87%	498	13.57%
	Subtotal	2,987	81.41%	682	18.59%	3,669	100%
Managerial level	Regional manager and above	58	1.58%	8	0.22%	66	1.80%
	Department manager	81	2.21%	14	0.38%	95	2.59%
	Section manager	177	4.82%	37	1.01%	214	5.83%
	Supervisor	196	5.34%	18	0.49%	214	5.83%
	Staff	2,475	67.46%	605	16.49%	3080	83.95%
	Subtotal	2,987	81.41%	682	18.59%	3,669	100%

Year			2023 Statistics of Employment Rate	
Age\Gender	No. of male employees	Employment rate of male employees (%)	No. of female employees	Employment rate of female employees (%)
<30	51	1.39%	19	0.52%
31-50	52	1.42%	25	0.68%
>51	3	0.08%	-	0.00%
Total number of new employees		150		
Total number of employees		3,669		
Employment Rate (%)		4.09%		

Note: Employment rate (%) = Number of new employees in the category for the current year/ Total number of employees in the category at the end of the year.

Note: New employees include retired/resigned ones.

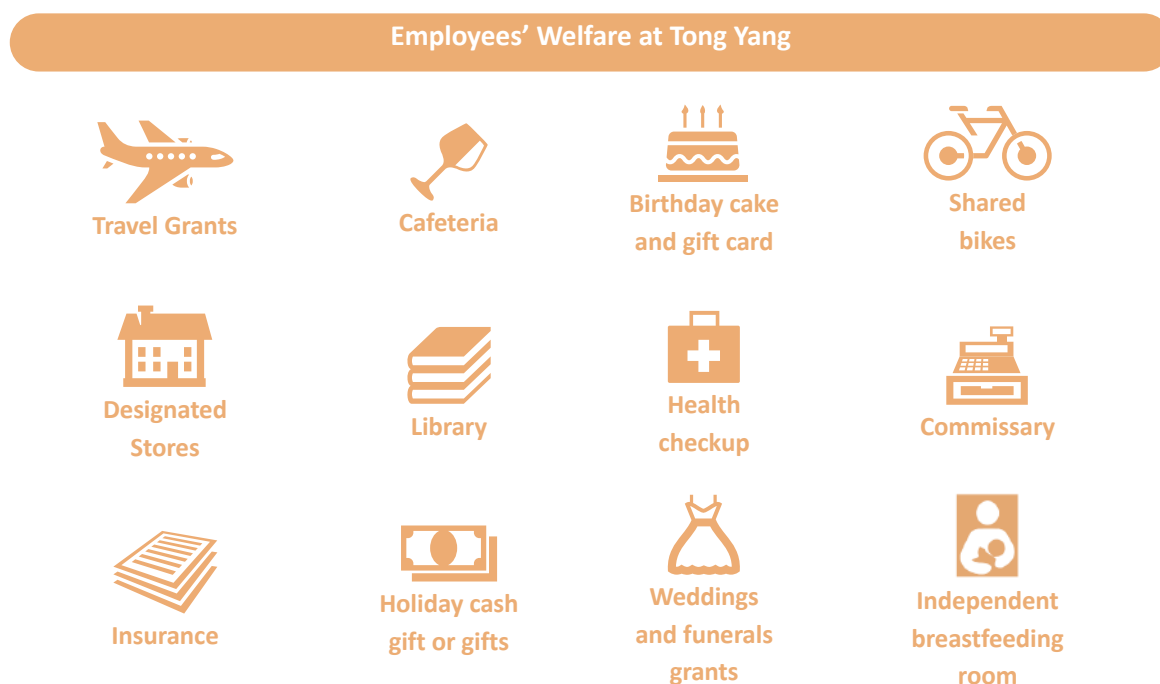
Year			2023 Statistics of Demission Rate	
Age\Gender	No. of male employees	Demission rate of male employees (%)	No. of female employees	Demission rate of female employees (%)
<30	48	1.31%	17	0.46%
31-50	65	1.77%	19	0.52%
>51	1	0.03%	3	0.08%
Total number of departed employees		153		
Total number of employees		3,669		
Demission rate (%)		4.17%		

Note: Demission rate (%) = Number of departed employees in that category for the current year/ Total number of employees in that category at the end of the year.

Note: The number of resigned employees did not include those laid off and retired or those on the job for less than 1 month.

4.2 Compensation and Benefit

Tong Yang places a high value on the needs of every employee, provides good working conditions, and strives to meet the welfare needs of employees, and enhances the software and hardware facilities and activities of employees in dieting, clothing, accommodation, transportation, education and recreation, such as the provision of staff quarters, low-cost catering, employee health check-ups, etc. These enable employees to enjoy a perfect welfare system and to contribute to their work with peace of mind.




Employee Welfare Committee was established in 1976, and representatives are selected by each department, and meetings are held at least once every three months. The welfare measures promoted include:

- All employees are entitled to regular health examination, life insurance, accident insurance and complete insurance plans for their dependants.
- Provide a wide range of food and healthy diet knowledge
- Contracted with various designated shops to provide all kinds of leisure channels and activities information
- Gather employees' grocery needs, combined with the company resources to build a group buying platform

4.2.1 Remuneration System

Tong Yang complies with the Labor Standards Act strictly. When hiring employees, professional capabilities and experience serve as the basis while the regular survey on the local salary market and review of the current salary and bonus system are also carried out to ensure the salary level is more competitive in the market.

In accordance with the requirements stipulated in the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, we disclose additional information concerning employees' compensation in the table below.

 Information of employee compensations		Unit: NTD 1,000
Details		2023
Number of the full-time employees who are not in a managerial position ^{Note 1} .		3,456
The total compensation of full-time employees who are not in a managerial position ^{Note 2} .		2,463,401
The average salary of the full-time employees who are not in a managerial position ^{Note 3} .		748
The medium of the salary of the full-time employees who are not in a managerial position ^{Note 4} .		630

Note 1: "Full-time employees" refer to employees whose working hours reach the company-specific minimum or statutory hours, or where minimum hours are not specified, employees whose average weekly working hours exceed 35 hours; otherwise, the employees belong to part-time employees (can be part-time, hourly-paid staff, students in industry-university cooperation programs, etc.).

Note 2: "Total Salary" means an employee's salary recognized on an accrual basis in the current year, including regular earnings (salary and fixed allowances and bonuses paid monthly), overtime pay, and irregular earnings (allowances, bonuses, and employee compensation not paid monthly). In addition, the employee remuneration (cash or stocks) distributed in accordance with the Company's Articles of Incorporation shall be included in the total salary, and the evaluation amount based on share-based payments (such as employee stock options and transfer of treasure share to employees) shall not be included.

Note 3: Non-managerial position refers to employees not serving as managers. The definition of a "manager" is described below: (1) president and other executives with equivalent job position; (2) vice presidents and other executives with equivalent position; (3) AVPs and other executives with equivalent position; (4) the head of finance department; (5) the head of accounting department; and (6) authorized signatories of the company and other employees who manage the company's business.

Note 4: The above table is based on the salary income of employees in Tong Yang's operating bases in 2023.

4.2.2 Parental Leave without Pay

To allow our employees to be free from worries when taking maternity leave, as prescribed clearly in the Labor Standards Act that the company shall never terminate the labor contract during maternity leave and shall provide female employees with 56-day maternity leave before and after childbirth. Our employees are given leave on the spouse's delivery day and a leave of 7 days within 15 days before and after delivery day, and the paternity leave is paid leave. In 2023, the retention rate and the reinstated employees of the company reached 95%.

Item	2023		
	Male	Female	Total
The number of employees eligible to apply for parental leave without pay (A)	186	86	272
The number of employees who actually applied for parental leave without pay in the current year (B)	12	15	27
The number of employees who were expected to be reinstated after parental leave without pay in the current year (C)	10	9	19
The number of employees who were actually reinstated in the current year (D)	8	7	15
The number of employees who were actually reinstated in the previous year (E)	12	8	20
The number of employees who were actually reinstated in the previous year and has been reinstated for 12 months (F)	12	7	19
Reinstatement rate in the current year % (D/C)	80%	78%	79%
Retention rate in the current year % (F/E)	100%	88%	95%

Note 1: The number of people eligible to apply for maternity leave (A) is the number of people who have applied for maternity leave and paternity leave between 2019 and 2023.

4.2.3 Retirement Protection

Tong Yang has set up the Regulations Governing the Pension and Severance Payment of Practitioners as prescribed, providing stable pension contribution and payment. Since the implementation of the Labor Pension Act taking effect on July 1, 2005, Tong Yang has contributed 6% of the salary every month to the individual pension accounts for the employees applicable to the Act.

4.3 Equality of Labor and Management

4.3.1 Labor-Management Communication

Tong Yang attaches great importance to the opinions of employees and establishes the labor union of Tainan Tong Yang Industrial Co., Ltd. according to the Labor Union Act. The main purpose of the labor union is to protect the rights and interests of union members, enhance the skills, improve the life of members, and promote labor-management cooperation. Labor union representatives hold regular meetings with employer representatives to promote communication and coordination between the employer and employees and maintain good labor relations. The ways of labor-management negotiation include signing the collective agreement, participating in the board of supervisors of the labor unions etc. Detailed description is as follows.

1. In order to protect the rights and interests of both parties and improve the working environment and working conditions of employees, the Company and the union have signed a collective agreement every year since 2015. The latest year's agreement is valid from October 1, 2023 to September 30, 2024. The collective agreement covers 97% of Taiwanese formal employees participating in the union.
2. In addition to relevant systems implemented in accordance with the provisions of labor laws, the content of the collective agreement also includes five-day festival bonuses for Mid-Autumn Festival every year, and a profit-sharing clause where 10% of the Company's annual net profit is allocated towards employee performance bonuses and a guaranteed 25-day year-end bonus. This initiative is aimed at boosting employee morale and sharing the Company's business achievement.
3. Participate in the quarterly union supervisor meeting and the annual representative assembly, discuss topics such as labor issues and corporate governance, and effectively communicate for the promotion of harmony between labor and the management.

4.3.2 Advance Notice of Operational Change

We comply with the Labor Standards Act and Act for Worker Protection of Mass Redundancy. When the company is about to undergo major operational changes that will affect the employees' employment rights and prior to changes in various labor conditions, advance notice will be given for the termination of contracts.

4.3.3 Freedom of Association

Tong Yang abides by relevant International Labor Convention and the domestic Labor Union Act. All employees are free to organize or participate in trade unions. In addition, collective consultations can be conducted in accordance with relevant laws and regulations. There were no violations of freedom of association nor collective consultation during the reporting period.

4.3.4 No Forced Labor

Tong Yong complies with the provisions of the International Labour Convention, do not use any form of forced or compulsory labor, and strictly complies with the Labor Standards Laws and the Employment Service Law, and will not force or coerce any person who does not have the will to engage in labor, so as to ensure that the employment does not violate the labor law.

4.3.5 Human Rights

Tong Yang strictly complies with the labor and human rights laws and regulations. Employee recruitment, compensation review, performance appraisal, education and training or promotion opportunities will not be influenced, discriminated and unequally treated due to race, class, language, thought, religion, political party, domicile of origin, place of birth, gender, sexual orientation, age, marital status, appearance, facial features, physical and mental disability, or membership of labor union. According to the requirements of customers, Tong Yang regularly evaluates working conditions, labor security, equality and discrimination, protection of the underprivileged, organizing labor union and labor relations, and labor inspection to ensure compliance with the basic requirements of international laws and regulations.

In 2023, the training for managers at all levels stressed that management concepts and leadership skills should be in line with labor laws, so as to avoid any illegal events or violation of human rights in management or system planning. In addition, we also actively promote the Employee Assistance Programs (EAPs) and organize sensitivity training for department level supervisors. The total number of participants in 2023 was 85, with a total number of 781 training hours.



- ▲ Cross-generation communication training to understand the characteristics and mindset of the new generation of employees.
- ▲ Solid MTP management talent training to enhance the section chiefs' concept of management.

● Management of Security Personnel

Tong Yang Industry Co., Ltd. entrusts China Steel Security Corporation, Tokyo Property Management and Yi-Kong Security with the security business, and the employment of contracted security personnel is compliant with Article 10-2 of the Private Security Service Act. Security personnel receive relevant professional training on a yearly basis in accordance with the Occupational Safety and Health Act, and the content of training includes disaster prevention and rescue, on-duty practical training and so on.

The Company also employs 20 security personnel who have received relevant education and training of disaster prevention and rescue, human rights or procedure training. In 2023, the training hours for Tong Yang's internal security personnel amounted to 960 hours, and 100% of the security personnel received human rights or procedures training.

4.4 Gathering Talents

4.4.1 Education and Training

Material topics: Training and Education

Reason of significance: To cope with the Company's strategy and annual direction and promote training courses and project activities in different fields. It is hoped that the training and education can inject momentum for development into the Company and create an environment for continuous learning and growing for our employees.

Policy/Strategy: To cultivate excellent talents based on the corporate philosophy of "enthusiasm, honesty, and innovation". To enable our employees to feel at ease when working and bring their talent into full play so as to continue enhancing the organizational competitiveness.

To ensure effective training, the resources invested include the followings.

1. Department-level supervisors serve as the lecturers and hold one lecture a year to pass on experience.
2. Assign a person in charge of the training in the unit.
3. Set up a Teaching Material Editorial Committee.

Goals and objectives:

1. Short-term:

- (1) Set the course implementation rate at 90% and above.
- (2) Establish a training and learning App platform and provide online course resources for our associates to learn at any time flexibly.

2. Medium-/Long-term: Continue to deepen the executive-level training and foster key talents, and strengthen practical experience through rotation and field practices for the talent succession echelon to ensure stable operation of the Company.

Material topics: Training and Education

Management evaluation mechanism: Track the course implementation conditions and situation of experience inheritance in the courses in the monthly supervisor meetings. Relevant training results are organized every six months.

Performance and adjustment:

The attentive status of 2023 training performance is as follows.

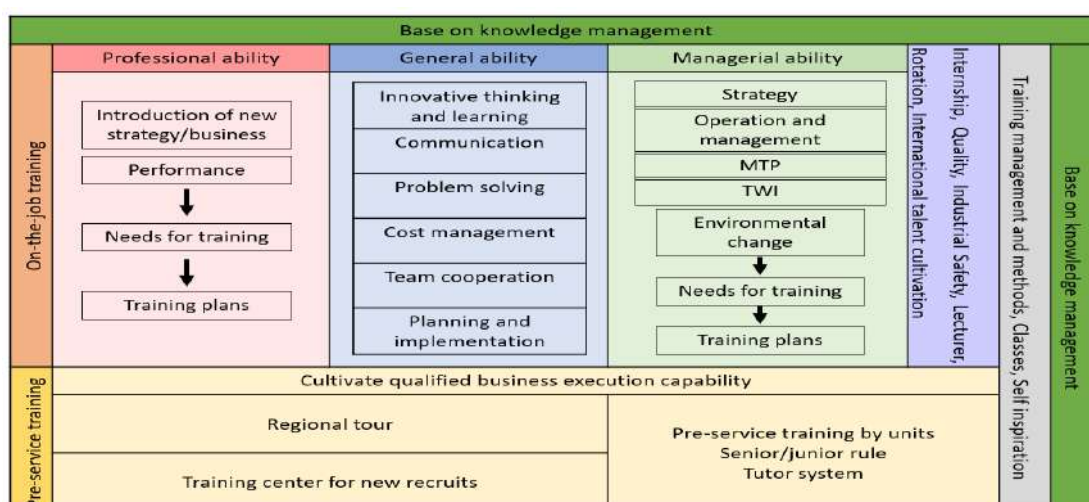
- 1.Course implementation rate reached 97%.
- 2.Experience inheritance promotion reached 97%.

Preventive or Remedial Measures

1. To enable the employees to work in a safe environment, preventive fire drill training is conducted every year.
2. In addition, to promote the spirits and ensure that our associate will abide by the code of conduct for employees, the Company specially planned the Ethics Training to prevent violations of laws and regulations among the employees.

Tong Yang has followed the three major goals of the corporate culture, namely "enthusiasm, honesty and innovation" for talent cultivation, providing opportunities and environment for our employees to learn and grow. Therefore, no matter it is in the production, supply, development/design and other departments, a complete experience inheritance mechanism is established for the integration of operation and experience among the teams. We encourage our employees to keep learning and apply what they have learned to work. Looking into the future, Tong Yang will continue to deepen training for the development toward sustainable management while aiming at alternation of generations, optimization of the competitiveness of the Company, development of knowledge management, and a cultivation model of experience inheritance.


Talent Cultivation System



At present, the staff training methods are diverse, such as pre-employment training, senior fellow and mentor program, professional technical training, language proficiency, occupational safety and quality training, lecture sharing and other multi-channels learning. We also encourage and subsidize the employees for taking external courses and actively obtaining professional licenses. In addition to the in-house lectures and external professional courses offered by the various units, employees can also sign up for the technical training of the company's main manufacturing process, such as injection molding technology and coating technology, to help them understand the company's products and production technology. The training units also provide regular public lectures and second professional specialty training on a monthly basis and help employees plan ahead for their retirement. Moreover, Tong Yang regards the knowledge of our managers at all levels as important assets. For this reason, managers above associate manager level should plan at least one course every year to pass on the experience to their subordinates, allowing the knowledge and experience to remain regardless of the employees' retirements.

By cultivating general competencies, we aim to provide employees with broad knowledge and skills to enhance their abilities to adapt to diverse work environments, including creative thinking, effective communication, problem solving, teamwork, and planning skills to allow employees to be flexible in the face of changes and enhance their value and meet organizational needs.

Continuous improvement of ideas and methods is also part of our continuous training of employees. To encourage employees to propose improvement, in addition to the existing proposal bonus in the company system, all departments also allocate some performance bonus as internal competition bonuses, allowing employees to strive for the honor for themselves and the department.

 2023 statistics of education and training							
Training	Gender	Male		Female		Total hours	Total number
		Hours	Number	Hours	Number		
Occupational safety training	Outsourcing services	4,133	1,371	1,029	343	5,162	1,714
	Internal employees	4,080	816	795	159	4,875	975
Managerial training		717	79	64	6	781	85
Professional training		3,981	2,028	1298	662	5,279	2,690
General training		2,708	346	595	84	3,303	430
Orientation training		1,659	553	231	77	1,890	630
Total		17,278	5,193	4,012	1,331	21,290	6,524



▲ Presentation and oral expression training through case exercises to learn oral expression and time control.



▲ Problem analysis and decision-making training through case sharing, analyze the current situation and characteristics of the problem to effectively and rapidly grasp the key issues.

4.4.2 Industry-Academy Collaboration

Tong Yang has been actively engaged in industry-academy collaboration for many years. In addition to delivering immediate and advanced industry-related information to the academic community, we spared no efforts in recruiting, cultivating, and providing internship and company visits. We hope to enhance students' practical experience through industry-academy collaboration and bridge the gap between theory and practical operation for young people.

In addition, through the government-related industry- academy cooperation programs, we have continued to cooperate with diverse schools for more than a decade to provide diverse internship and employment opportunities. In 2023, 225 students participated in the program, including Ministry of Education's "Industry-academia cooperation project", "Overseas Chinese Student Special Program at Science and Technology University", "Education-industry collaboration", and the internship program in cooperation with various schools for senior students. The average retention rate over the past three years was 37%.





In response to Tong Yang Group's continuous development and expansion, cultivation of technical talents and manager became our key focus. In view of the fact that talent cultivation serves as the key for the Company's sustainable development, talents with the foundation of theories and practice in the field are cultivated. The key points of industry-university collaboration are stated as follows.

- Professional technical skills and management training: To cultivate professional technical and leadership skills and select suitable managerial and technical candidates through practical training.
- Regular symposium: Plan regular symposiums and invite school and unit supervisors to participate in for the creation of coherence.
- New employee counseling: Arrange seniors associates to coach and impart professional knowledge, and to assist students adapt to the environment and interpersonal relationships as early as possible through counseling.
- Company, school and student communication platform: Establish communication groups such as Facebook and Line Groups for students to share their experience through informal communication channels. On the other hand, this allows supervisors and schools to understand students' feelings and expectation. Students also record weekly learning, experience such as environmental observation and building of interpersonal relationships to communicate with unit managers through report writing, so as to understand their learning status and opinions.

4.4.3 Performance Management

In order to actively develop the potential of employees and create high performance of the organization, the quarterly assessment is conducted by the employees themselves to assess their performance and future plans for ability improvement, and the managers' assistance is needed as the basis for subsequent communication with managers.

Managers of the unit evaluate quarterly performance according to the assessment items, and gives feedback to the employees' self-assessment, allowing both parties to identify performance barriers through communication, assist subordinates to improve their personal ability and work performance, and jointly review self-improvement goals for the next quarter. In addition, unit managers report the

top 2% employees for the key talent cultivation; The last 2% will require additional coaching. At the same time, managers will report the selection of potential candidates every quarter so as to cultivate key talents through succession plan to achieve a win- win situation for both the organization and employees.

4.4.4 Advancement System

The company's promotion system is divided into three categories: qualification post, commissioner post and supervisor post. We advocate all employees to achieve promotion through personal performance. Depending on different positions, employees may receive different salary increases and must also assume different responsibilities and obligations.

4.5 Healthy Workplace

In Tong Yang, we regard employees as family members, listen to the voice of every employee, provide a better working environment, and value the health of employees. In addition to continuous improvement in hardware facilities, we provide our employees with a comfortable working environment and more choices in dieting management, environmental greening, and club activities.

4.5.1 Club Activities

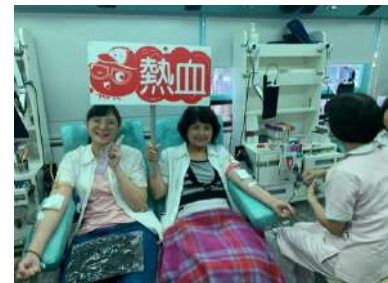
We encourage employees to establish clubs to enhance mutual interaction and to set up multiple communication channels. Currently, there are Tai Chi Club, Badminton Club, Volleyball Club, Yoga Club, Softball Club, and Table Tennis Club.





4.5.2 Health Examination

The Company regularly conducts physical examinations every two years, and the items for examinations are superior to legal regulations. Unit supervisors and staff dispatched overseas can receive advanced health checkup in the hospital when they return to Taiwan. Employees involving in special operations receive special physical examinations as scheduled, and the items include noise, dust, n-hexane, chromium, nickel and their compounds. Physical examinations are held once a year for catering staff, and staff with abnormality will be actively notified for re-examination in the hospital. Meanwhile, the employees' family members can also participate in the health checkup with the same check items at their own expense and preferential discounts are provided.



4.5.3 Healthy Diet Management

Tong Yang offers a variety of dining options, including food court, cafeteria, local snacks, healthy meals, exotic dishes, and more. Meals for foreign employees are prepared by local cooks, and they can check the dishes and provide feedback instantly by using the APP of the Company.

The management of the meal is assisted by the nutritionists to create the menu and provide the calories of the meal as a reference to the health management for employees. In addition, to implement hygiene management, a quarterly assessment of hygiene and satisfaction survey are carried out for the catering service providers, their cooks, and catering staff.

4.5.4 Care for Foreign Employees

Tong Yang spares no effort in the care and welfare of foreign employees in the hope that they can be properly taken care of in a foreign country. The specific measures and practices are as follows:

- Plan a food delivery area and food ordered can be directly delivered to the dormitory, allowing employees to enjoy a variety of meals.
- 24 hours translation available in the plant to solve the work problems immediately. For those whose performance falls behind others, the translator will actively provide assistance with the communication with the supervisor.
- Medical treatment: The translator and designated car are available in the daytime and at night to help those who don't feel well and need to seek medical treatment in clinics or hospitals and assistance is also provided for the communication between the patient and the doctor. Designated staff will also follow-up the recovery status of the sick foreign employees and periodic visits are paid to track their conditions until recovery.
- Respect different religious beliefs in different cultures. Worship rooms for Muslims and wats are set up for our foreign workers to find spiritual peace.
- The staff restaurant provides a comfortable and convenient dining space, and Thai, Indonesian and Vietnamese dishes are also available here.
- Large-scale celebration or activities on major festivals and holidays in Indonesia, Vietnam and other countries are held for the employees to celebrate together, such as the Eid al-Fitr, Songkran Festival and so on.
- We provide the gym, ball equipment, karaoke equipment, BBQ area, volleyball/badminton court, and rest areas for leisure use.
- 150 bicycles are provided for the employees to use to go grocery shopping or for an errand after work or on holidays.
- Laundromat equipment is provided in the dormitories and the charge is provided at half price to the employees.
- Seminars are held every quarter for bi-lateral communication to listen to the employees' needs.
- QR Code for the Opinion and Feedback Platform is set up to provide employees from different countries to express their opinions whether by giving their names or making it anonymous.
- Allocate 1% of the pre-tax net profit for foreign employees' festival, performance, and year-end bonuses.
- Encourage the learning of Chinese by awarding bonuses based on the Test of Chinese as a Foreign Language (TOCFL) levels.
- Foreign employees who have been in Taiwan for 12 years will be given priority to be converted to mid-level technical manpower. In addition to providing retirement benefits, we also offer long-term service bonuses to encourage foreign employees to stay long-term.
- Select outstanding foreign employees to serve as management cadres.

- Collaborate with Far East University for the Undergraduate Program- Night School to help our foreign employees to obtain associate degree or above and provide full tuition and miscellaneous fee subsidies.
- Under the caring principle of EAP (Employee Assistance Program), a foreign employee care team was simultaneously established to provide assistance in resolving personal issues including health, marriage, family, legal, and emotional matters.



▲ Photo of foreign employee activities



▲ Photo of on-site teaching by the foreign deputy leader



▲ Photo of in-service training class for foreign workers

4.6 Safeguarding Occupational Safety

Tong Yang introduced OHSAS 18001 (Occupational Safety and Health Management System) in 2005, which is applicable to all employees in all the factories of Tong Yang, including the contractors entering the factory. Through the occupational safety and health management system, the employees' safety and health is safeguarded and the comfortable working environment also improved the occupational safety and health management performance.



The ISO 45001 internal audit in 2020 was completed in March. A total of 30 departments were audited and the corrective and preventive measures of the audited units were all completed. The external audit was completed by a certification body in May. In addition, the verification of ISO 45001 Occupational Health and Safety Management Systems was passed, and the follow-up review will be conducted annually.



In August 2010, Tong Yang SH Family was established, mainly consisting of He Shun industrial park manufacturers and cooperative manufacturers so that "big factories leading small factories" cooperation model can be applied to pass on experiences and promote cooperation. A communication platform is also set up to help members learn from each other and share resources, so as to improve the level of independent management of safety and

health.2023 Tainan Municipal Government Labor Bureau SH Family Performance Evaluation Excellence Award.Tong Yang has also formulated relevant norms concerning workplace infringement and channels for the collection of multiple opinions. If employees feel their rights and interests are damaged or infringed, they can ask for assistance through the internal communication channel.

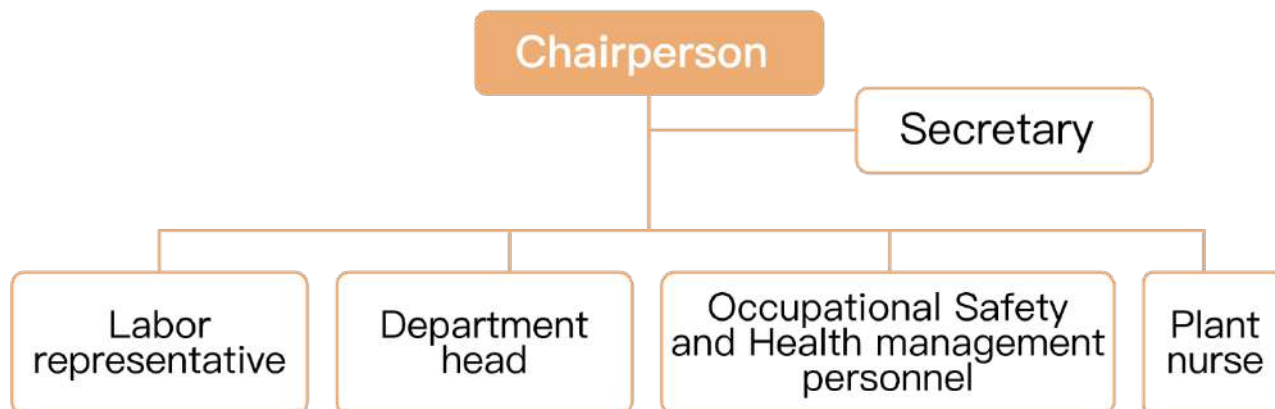
In addition to complying with regulations, we hope to internalize the concept of work and safety to become the habit of employees. Tong Yang holds a zero-injury competition every year and sets awards and punishments and inspection systems. The occupational health and safety standards are incorporated in the education and training, and our production process and operating systems are arranged after re-examination. Tong Yang not only is the industrial and safety model enterprise in Tainan City that often arranges visits for manufacturers or foreign guests to observe and learn, but has also won the “Five Star Award of Workplace Safety” twice issued by the Council of Labor Affairs, and it has also attracted other car manufacturers to come and learn.

In 2020, we were even honored with the National Occupational Safety and Health Award-Special Award for Investment in the Traditional Industry. In view of the characteristics of 3D job, namely Dangerous, Dirty and Difficult, in the workplace, we have invested NTD 610 million in total over the six years in the safety and health related measures to strengthen the comfort of the workplace, ensure the safety and health of our employees, and deepen our employees’ safety awareness.



4.6.1 Occupational Health and Safety Committee

Tong Yang has set up an “Occupational Health and Safety Committee” and monthly meeting is convened to track industrial safety improvement items, health management, occupational disease prevention, health promotion matters, results of work environment monitoring, various safety and health proposals, autonomous inspection of business units, safety and health audit items and discussions concerning contractor management. Moreover, by means of the regional joint defense of the factories conducted by the Occupational Health and Safety Committee, hazard factors and things to be learned can be identified through the cross-audits of the heads of different departments to enhance the overall performance of occupational safety and health. In addition, with the spirit of continuous improvement of the occupational safety and health system, the CEO chairs the Annual Safety Meeting every year to understand the implementation status and management performance of the annual environmental safety and health (ESH) and set the annual ESH objectives, propose specific and feasible improvement plans to carry out, reducing the potential ESH risks in the environment.



4.6.2 Management of Occupational Safety

Material topics: Occupational Health and Safety

Reason of significance: After analyzing the level of stakeholders’ concern and level of impact, the topic of occupational safety and health is relatively important to the Company. If there is no complete management system of occupational safety and health, when occupational accidents occur, the Company has to face legal penalties and may also be forced to suspend or even shut down the factories, causing great losses in manpower and financial resources.

Policy/Strategy: Continue to improve the working environment and instill safety concept to reduce occupational safety and health risks, create a corporate safety culture, and reach the goal of zero disaster.

Material topics: Occupational Health and Safety

Goals and Objectives:

- 1.Short-term goal: 0 case of disabling injury in 2025
- 2.Medium- and long-term goal: 0 case of disabling injury in 2030

Management evaluation mechanism: The Company conducts PDCA effectiveness evaluation of the occupational safety and health management every year in accordance with the ISO 45001 Internal Management Review Process.

Performance and adjustment:

In 2023, there was 1 incident of disabling injury. We have initiated a comprehensive review of this occupational safety incident to examine each unit for similar hazards and eliminate them to prevent recurrence of similar occupational safety incidents.

It is hoped that the management and the improvement of the occupational safety and health topics will continue to reach the medium- and long-term goals.

Preventive or Remedial Measures:

The Company has set up the “Management Methods for Environment, Safety and Health Activities Communication, Consultation, and Participation” for the establishment of communication between the internal and external parties related to the company’s environmental safety and health activities and internal consultation channels.

■ Occupational Safety and Health Risk Assessment

Tong Yang’s occupational safety and health assessment follows the content of the provisions in ISO 45001. When identifying hazards, in addition to considering the general physical, chemical, biological and ergonomic hazards, risks of social and psychological factors, such as workload, long hours of work, workplace bullying and sexual harassment are also put into consideration. The quantitative indicators of the evaluation criteria can be divided into frequency of incidents, employee health and plant safety. When the assessment results show that the item is in major hazard risk, such hazard risk should be handled, and a management plan should be presented to eliminate the hazards to reduce the risk to the minimum. Moreover, when there are changes in the process equipment or operating procedures, and when a major industrial safety accident occurs, hazard identification and risk assessment should be re-processed. Changes can only be made after the approval from the occupational safety and health management representatives.



■ Accident Investigation and Injury Prevention

To reduce injuries after an accident and to avoid the same type of injury from happening again, we have formulated a complete set of accident investigation procedures. When an accident happens, an investigation team is immediately set up to explore the cause of the incident and the countermeasures for improvement, and strict control and improvement measures will be implemented based on the results of the investigation. At the same time, horizontal review of the incident will also be conducted, requiring all departments to check whether the same hazard factor exists. If the same hazard factor exists, improvement and advocacy are required to achieve continuous improvement.

4.6.3 Occupational Safety Education and Training

■ Attach importance to occupational safety and health issues

Occupational safety and health is one of the key issues in the employment communication in Tong Yang. The group agreement signed with our employees and the discussion at the occupational safety and health committee meeting contain the following safety and health agreements and issues:

- Provide personal protective equipment (PPE)
- Newly hired or assigned staff shall receive labor safety and health training as prescribed.
- Labor representatives participate in health and safety inspections, reviews and accident investigations.
- Provide laborers with work-related education and training.
- Labor grievance mechanism
- The right to refuse unsafe work.
- Arrange regular health checkups for laborers.
- Discuss health or safety related issues the employees encountered.
- Implement various safety management related issues of the contractors.

■ Safety and Health Education and Training

Unsafe behavior is the main cause of occupational disasters. Therefore, through various training and publicity activities, the workers' awareness of the hazards is strengthened to instill work safety concept into our employees and take root in safety and health culture. The items for education include not only the general occupational safety and health training prescribed by regulations, education and training of environmental safety and health management system, emergency fire drills, CPR & AED education and training and hazardous machinery safety and health education and training are also conducted to strengthen labors' awareness of work safety and emergency response capacity. Moreover, all our new recruits and contractors shall receive the somatosensory industrial safety training before entering the site.

2023 Occupational safety and health education and training items

Items



License education and training for forklift operation certification



2023 Tong Yang SH Family Education and Training (Confined space)



Fixed crane license education and training



Industrial safety experience for contractors



Aerial work vehicle license education and training



Emergency fire test without warning



Type C occupational safety and health supervisor education and training



Drill without warning for volunteer fire fighters



On-the-job training for first aid personnel



Fire extinguisher education and training



Senior management symposium



Training of firefighting techniques



Education and training of ISO 14001 & ISO 45001 management systems



Demonstration of ergonomic hazards prevention



Safety and health education and training for foreign employees



Lecture on introduction and prevention of musculoskeletal diseases



■ Learning Videos- Operational Security

We have established standards for operational security for high-risk work and operations and also made microfilms for educational purpose. Videos are used to replace static teaching materials to stimulate our associates' willingness to learn. These microfilms are also converted into QR codes for our associates to scan and watch at any time, and this approach can also reduce the consumption of paper. Currently, there are 27 operating security standards provided in this form, and there will be more coming up.

東陽實業廠工安微學習宣導影片

透過「微學習」的方式，讓每一個人都能加強「安全意識」，避免災害發生。

您可以掃描以下QR Code觀看影片！

交通

交通安全宣導影片
交通安全宣導 (大貨車)
防闖關宣導

東陽實業廠工安微學習宣導影片

透過「微學習」的方式，讓每一個人都能加強「安全意識」，避免災害發生。

您可以掃描以下QR Code觀看影片！

各類工作安全

堆高機作業安全
吊掛作業安全
搬運作業安全
電動工具作業安全
旋轉設備作業安全
射出機作業安全
板金機具使用作業安全
塑膠機具使用作業安全
人字梯作業安全
高立梯作業安全
新設備作業安全
雷達作業安全

東陽實業預知危險教育訓練

您可以掃描以下QR Code觀看教材！

透過預知危險教育訓練，加強員工在作業上的危害認知，避免相似的工作災害產生

預知危險教育訓練-工作傷害案例

搬運作業
天車作業
搬運料作業
射出機作業
雷達作業
雷達作業
沖床、銑床作業
機具維修作業
雷達作業
雷達作業
火災
其他工作傷害案例

消防

泡沫滅火器使用教學
滅火器使用教學
室內消防栓使用教學
火災消防應變
火災緊急應變示範影片

電梯安全

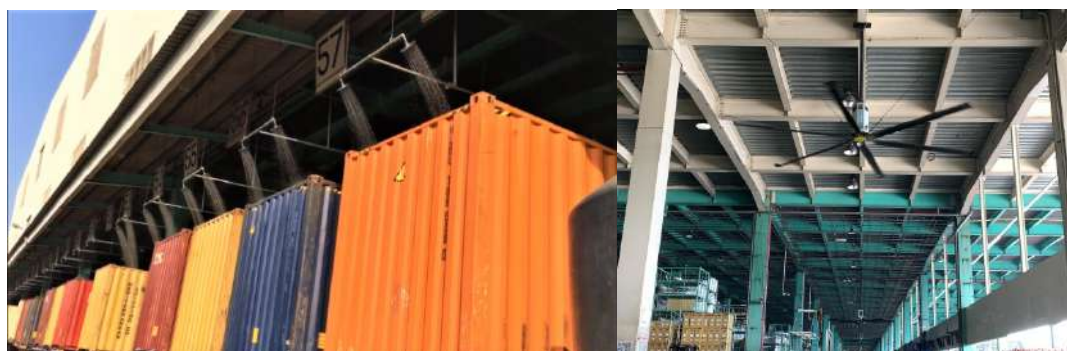
電梯故障怎麼辦？

4.6.4 Establishment of a Comfortable Working Environment

■ Cooling Project for Container Terminals and Operation Sites

The sultry heat and lack of ventilation during the loading operation will make the operators uncomfortable. Therefore, we conducted some projects for ventilation and cooling of the environment.

- (1) Added sprinkling and ventilation equipment for the containers
- (2) Installed crossflow fans and 190-inch large ceiling fans



■ Cooling Water Curtain Project

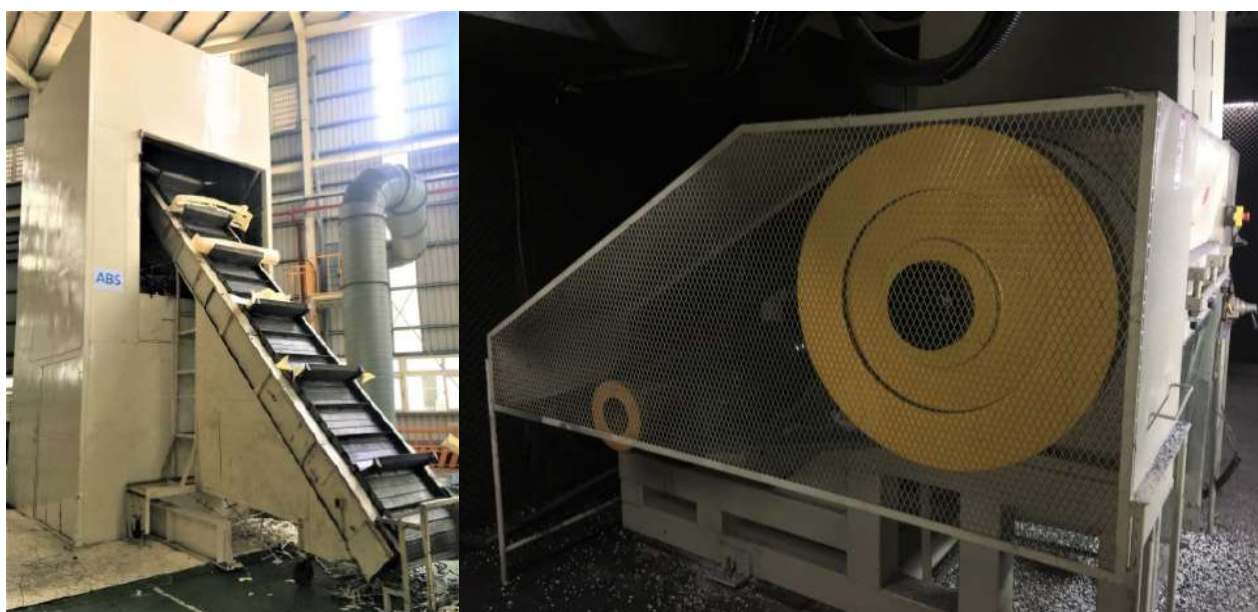
We installed the water curtain at the operation sites to lower the temperature of the working environment and avoid thermal hazards. After installing the water curtains, the temperature of the working environment can decrease by 3-4 degrees, which can effectively ensure the comfort of the working environment for the employees.

Measurement of the temperatures before and after turning on the water curtain					
	Temperature at air outlet	Temperature at the working area		Packaging Area	Hanging Area
Off	32.2	32.7	Off	31.6	31.6
On	27.5	28.5	On	27.3	28.6
Difference	-4.7	-4.2	Difference	-4.3	-3.0



■ Improvement of the Pulverizer Noise

The noise of the pulverizer, the waste plastic recycling equipment, is about 110 decibels, that could easily damage the hearing of our associates. To improve the working environment, we added a soundproof cover on the outside of the pulverizer and also stick soundproofing cotton in the pit, and successfully reduced the noise from 110 to 90 decibels, effectively improved the working environment for the employees.



4.6.5 Occupational Safety and Health Management

■ On-site Service of Plant Doctor

To strengthen the healthy workplace environment, we invite doctors from the Department of Family Medicine to provide on-site service nine times a month. In 2023, a total of 108 sessions of on-site services were provided for one-on-one health consultation (health screening, psychological consultation, nutrition and exercise consultation) to enable our employees to receive professional medical consultation during working hours and understand their health conditions and warning signs. In addition, starting from the second half of 2022, the Company also started to invite occupational medicine specialists to provide on-site service in the factory every quarter to assess whether the work mode of our associates would cause any health concerns so as to reach the purpose of “early detection, early treatment”. In addition, to strengthen the healthy workplace, we also hold health lectures from time to time and invite our employees from the on-site units to attend.



■ Maternal Health Protection Plan



The existence of safety and health hazard factors in the workplace may have adverse effects on pregnancy and breastfeeding. When women have an indispensable role in the workplace, it highlights the importance of maternal health protection. At Tong Yang, we regard female employees who are pregnant, within one year after delivery or those who still continue breastfeeding as our protection objects. The Maternal health protection evaluation form is filled in and the plant doctor and nurse

will go to their workplace for on-site evaluation and interview and propose suggestions for improvement or measures to take.

■ Prevention Plan for Overload and Ergonomic Hazards



Every year, we ask our employees in the units to fill in the “Overwork scale and musculoskeletal questionnaire” by scanning the QR-CODE, and a tracking list is made for the plant doctor and nurse to pay attention to for understanding the cause of the symptoms and also give proper suggestions for improvement.

■ Establishment of Health Management System APP



In order for our employees to know their own health status over the years, starting from 2018, an electronic health examination management database platform was combined with the company's APP for employees to inquire their personal health examination reports and comparison tables of their history physical exam items. Furthermore, relevant health education information is also provided in this system so that the employees can learn health management independently and make real-time inquiry of reports of health checkups online. In addition, to keep track of the health conditions of our employees during the epidemic, a self-health reporting system is also established on the platform for the factory nurses to get the real-time information of the employees' health so that they take actions and make contacts as soon as possible when any abnormalities happen.

■ Employee Health Management

Tong Yang has established an overtime control system to reduce the impact of workload on the physical health of our employees. We will include employees with "high blood pressure, high blood glucose, and high blood lipids" into the overtime control list according to the results of the employee health examinations, and these employees will be given priority for an interview with the factory doctors. There were 209 employees included in the control list. If they want to be removed from the overtime control list, they need to get the latest health examination report and have an interview with the factory doctor for the permission from the doctor before they can work overtime.

■ Employee Assistance Program (EAP)

Tong Yang not only attaches importance to employee welfare and cultivation but also emphasizes more on the relief of workplace pressure. The Employee Assistance Program (EPA) that is suitable for the organizational culture developed by internal professional is to help employees solve personal issues affecting their work productivity and prevent and solve possible reasons for employees to reduce their productivity. At the same time, it also provides supervisors with professional management consulting services to assist them to solve crisis and management issues. Through systematic professional services, planning of plans and provision with resources, employees are able to devote themselves to working with healthy body and mind while corporate competitiveness is enhanced, creating a win-win situation for both labor and management.



■ Prevention of Occupational Disease

In the production process of traditional industries, it is inevitable to generate health hazards such as noise, dust, n-hexane, chromium, nickel and their compounds during operations. The company controls the hazards in the working environment and health status of the personnel through the Labor Working Environment Monitoring and special physical examinations.

■ AED Education and Training

AEDs (Automated External Defibrillators) are set up in 3 locations, and CPR+AED education and training is held annually.



■ Keen to Public Welfare Activities to Give Back to Society- Holding a Somatosensory Training for Industrial Safety and On-site Demonstration Publicity Meeting with Government Agencies

We co-organized the somatosensory training for industrial safety with the Southern Occupational Safety and Health Center of Occupational Safety and Health Administration and the Labor Affairs Bureau of Tainan City Government to allow participants to learn correct work safety regulations and operational security skills and experience in person the potential danger during operation that could cause work-related injuries. In addition, participants can also observe the safety protection of forklifts, robots, and injection machines in the manufacturing site. By sharing and exchanging industrial safety management experience, the workplace safety can be jointly improved.

Session	Date	Title of Activity	Number of participants	Organizer
1	2023/04/12	Industrial safety visit and somatosensory training of Labor Affairs Bureau of Tainan City Government InnoLux SH Family	38	Labor Affairs Bureau of Tainan City Government
2	2023/07/25	XR occupational safety and health somatosensory education and training	31	Occupational Safety and Health Department (OSHD), Labor Affairs Bureau of Tainan City Government
3	2023/11/13-11/14	Chia Nan University of Pharmacy & Science University industrial safety somatosensory training	58	Chia Nan University of Pharmacy & Science University
4	2023/11/21	Southern Occupational Safety and Health Center On-site Demonstration Observation Meeting for ergonomic hazards prevention	70	Southern District Occupational Safety and Health Center



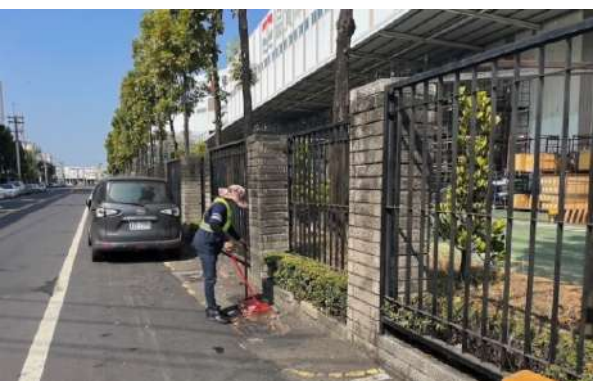
- **Blood Donation from Tong Yang:** Our employees enthusiastically participate in blood donation activities to save others and continue life by passing on love.



- **EPA's in-plant technical exchange:** In November, 2021, the Environmental Protection Administration held an In-plant Technical Exchange Symposium in Tong Yang, and inspectors across Taiwan gathered to visit relevant process and control equipment to understand the industry status and have technical exchanges.



- **Participation in Environmental Activities**
 1. Provide Environmental Protection Bureau with effluent better than discharge standards for road cleaning.
 2. Adopt a park and road cleaning (about 3 km) to jointly maintain the cleanliness of the area.



發文方式：郵寄

檔 號：

保存年限：

臺南市安南區公所 函

709401

臺南市安南區安和路2段98號

受文者：東陽實業股份有限公司

發文日期：中華民國109年9月15日

發文字號：南安經字第1090620443號

速別：普通件

密等及解密條件或保密期限：

附件：

地址：709201臺南市安南區安中路2段308號

承辦人：林祐德

電話：2567126

電子信箱：bomb963852@mail.tainan.gov.tw

主旨：檢送臺南市空氣品質淨化區認養協議書乙份，請查照。

4.6.6 Safety of Work Partners

Statistics of Tong Yang's Occupational Injuries

In 2023, there were 1 work-related injuries. Tong Yang conducts an investigation immediately to determine the causes of the accidents and conducts a horizontal investigation to determine whether other units have potential hazards, and improve and strengthen safety education and training.

2023 Statistics of occupational safety and work-related injuries							
Site	Gender	Occupational injuries		Disabling Injury Frequency Rate (F.R.)		Disability Injury Severity Rate (S.R.)	
		Injuries	Death	Number of Disability injuries	Total Working Hours	Total Damage Loss Days	Total Working Hours
All factories	Female	0	0	0	0	0	1,641,488
	Male	1	0	1	0	183	6,565,953
Total		0	0	0	0	0	8,207,441
Average at Tong Yang				0.12 time		22 days	
National average				1.49 times		84 days	
Definition and description				F.R.: Actual disabling injury per million-man hours worked		S.R.: Loss days due to disabling injuries per million-man hours worked	
Type of occupational injury		Fall					

■ Statistics of Contractors' Occupational Injury

In 2023, no occupational injuries occurred in our contractors.

(Note: The total working hours for female contractors was 36,106 hours, 108,318 hours for male contractors, and the total working hours for contractors was 144,424 hours)

■ Statistics of Occupational Diseases

In 2023, no deaths caused by occupational diseases occurred in our employees and contractors.

Note:

1. The total working hours of for female employees at Tong Yang were 1,641,488 hours, 6,565,953 hours for male employees, and the total working hours were 8,207,441 hours.
2. The total working hours for female workers of contractors (non-employee workers) were 36,106 hours, 108,318 hours for male workers, and the total working hours were 144,424 hours.

■ Occupational Safety Management of Contractors

Occupational Safety and Health System applies to Tong Yang's Tainan Factory and Guanyin Factory, and all contractors entering the factories, including the construction personnel, guards, cleaning personnel and kitchen staff. Before entering the factories, contractors have to sign an agreement and receive hazard notification education and training as well as the somatosensory training for industrial safety. All contractors can enter the factories after passing the test, and retraining is needed every three years. To maintain the safety of contractors' construction personnel and the safety of the plants, industrial safety personnel will conduct inspections from time to time at the construction site. Once hazard factors are found, notification will be immediately made requesting improvement.





Chapter 5

Dialogue with Partners

5.1 Partners

5.2 Evaluation and Management

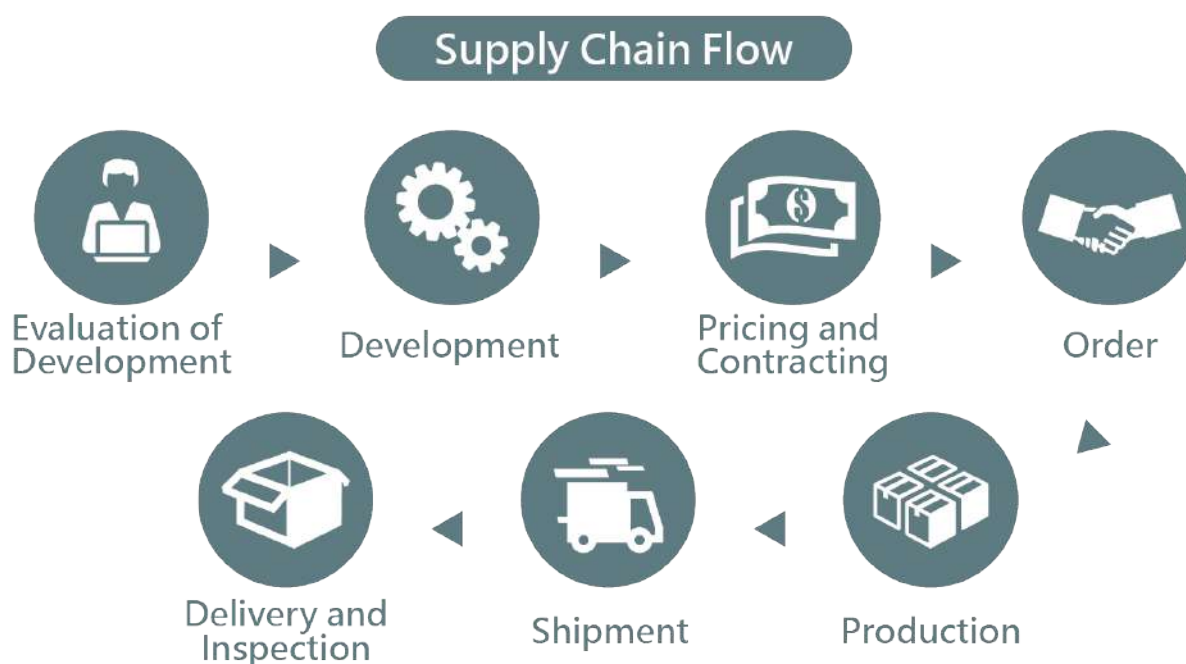
5.3 Green Procurement

5.4 Customer Relationships

5. Dialogue with Partners

5.1 Partners

Tong Yang regards the suppliers as long-term partners and aims to establish common growth. Through various communication platforms, we strengthen information exchange and problem communication with suppliers and enhance the management of supplier chain. In addition to promoting quality, we also urge them to organize and rectify the production environment, improve the production process, and handle things related to safety management, with a view to strengthening process technology, improving production quality, and inspiring suppliers to pursue sustainable business operations, thereby creating a win-win situation and achieving coexistence and common prosperity.



5.1.1 Supplier Overview

Procurement of the company has to be conducted in accordance with the procurement management operation related measures and regulations, and evaluation regulations for suppliers have also been set up for regular assessment of qualified suppliers. The main suppliers of Tong Yang can be divided into raw materials, outsourcing processing and packaging material suppliers. With the total amount of procurement serving as the calculation basis, the percentage of procurement from domestic and foreign manufacturers in 2023 is shown in the following table. Under the similar supply conditions, priority is given to local suppliers for procurement to establish long-term and stable cooperative relations. The proportion of Tong Yang's domestic suppliers accounts for more than 85.5%.

2023 Statistics of Supplier Procurement			
Business Group	Supplier Type	Procurement %	Number of Supplier
AM	Raw material supplier	51.23%	51
	Outsourcing processing supplier	33.29%	137
	Packaging material supplier	15.48%	20
OEM	Raw material suppliers (including paint suppliers)	18.4%	33
	Other suppliers ^{Note 1}	70.4%	126
	Packaging material supplier	11.2%	20

Note 1: Other suppliers include general spare parts suppliers and designated domestic and foreign manufacturers.

2023 Statistics of Domestic and Foreign Suppliers			
Business Group	Supplier Type	Procurement %	Number of Suppliers
AM	Domestic supplier	93.09%	202
	International supplier	6.91%	6
OEM	Domestic supplier	85.5%	153
	International supplier	14.5%	26

5.1.2 Supplier Communication Channel

■ SCM Online Platform

Tong Yang introduced the supply chain management system into the SCM platform, which can provide relevant information such as orders, important announcements, and assessments of the company as the communication with suppliers. Through this platform, suppliers can obtain and respond to information such as shipping materials, inspection materials, material abnormality and data of countermeasures for acceptance failure, payment notice information, and supplier assessment records and documents (inspection standards, packaging standards, flow chart, semi-finished product packing standards). In addition, the information of the ERP system can be updated to the SCM platform immediately. The functions of the SCM Platform include document query, order management, delivery receipt, quality management, remittances, and project announcement.



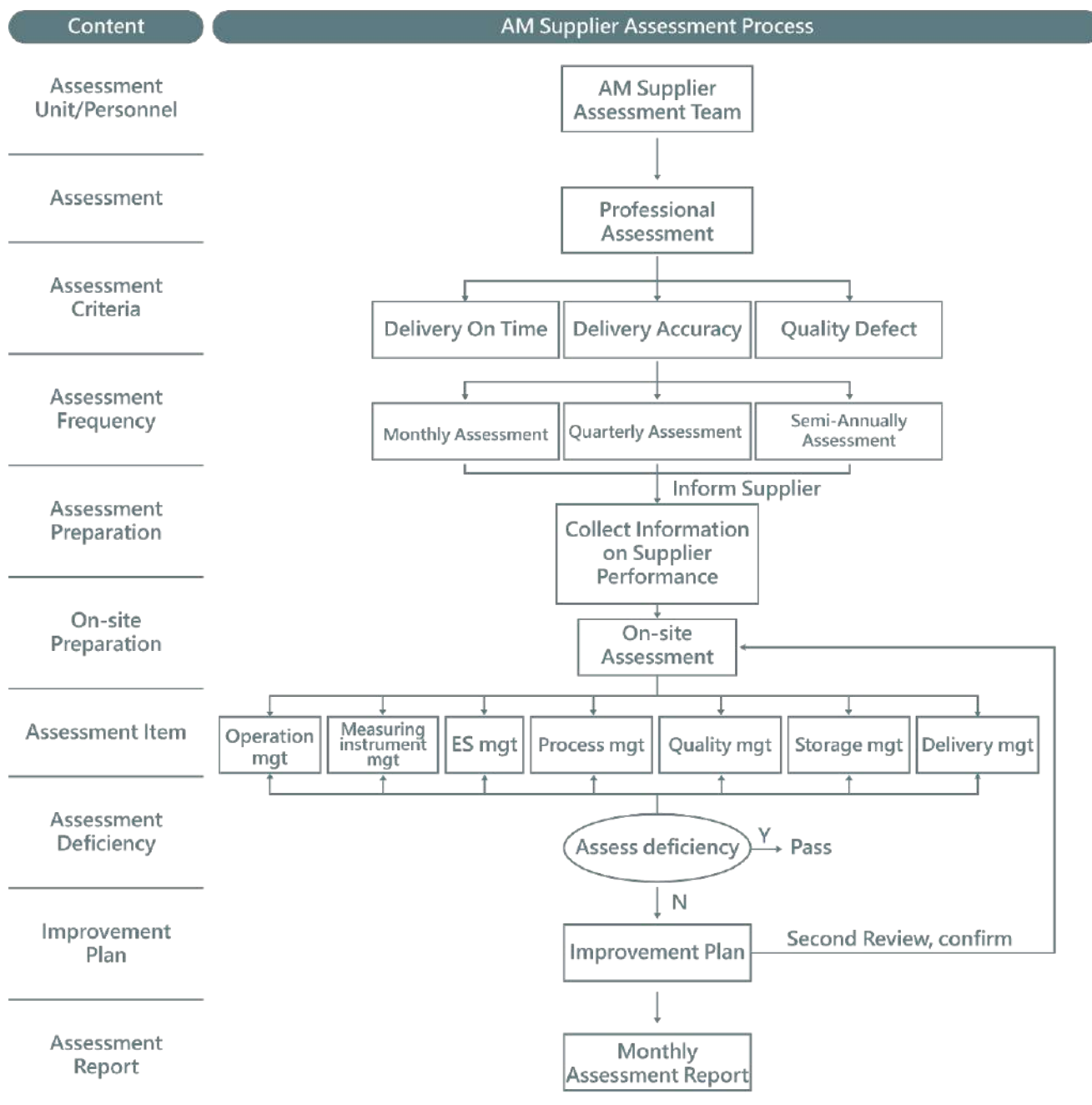
5.2 Evaluation and Management

5.2.1 Supplier Evaluation and Audit

An annual evaluation plan is established each year, and key suppliers are selected to perform project evaluation on a monthly basis in order to strengthen supplier's production management capability, increase production quality reduce defect rate, on-time delivery, improve on-time delivery, and make timely supply for production demands.

OEM Supply Division: Supplier Guidance Team regulated annual supplier assessment plan in accordance with the "Supplier Evaluation Management Measures" and conducts monthly on-site assessment. Suppliers with the failing evaluation score (<70 points) must provide the improvement plan to improve and be re-assessed. Besides the guidance plan, Tong Yang also provides guidance performance results to ensure improvement meet the requirement. In order to assist suppliers to provide high quality and build mutually beneficial relationship, OEM Supply Division expanded the organization and functions and formed the Supplier-Counseling Organization (also referred to as the auxiliary delivery control team), and looks for long-term cooperation based on pre-planned and complete assessment system and risk evaluation operations. We use effective assessment to examine suppliers and report unqualified suppliers for the review on improvement and countermeasures on a monthly basis.

AM Supply Division arranges the annual supplier evaluation schedules, conducts on-site evaluation of suppliers in accordance with the schedules every month, and submits the monthly comprehensive report based on the evaluation results. Those who do not meet the requirements or are not compliant are included in the counseling and tracking process. Suppliers should analyze the cause of the problems and submit an improvement plan or are asked to come to Tong Yang for the deficiency review report. Our counseling unit for contractors will provide proper assistance and reschedule the evaluation audit for project review and track it until improvement is made. Suppliers whose score of evaluation item is unqualified (under 70 points) will receive project counseling. The following is the flowchart of supplier evaluation process.



In addition, Tong Yang conducts annual evaluations based on the evaluation status of each supplier for the recent year, and sets the supplier's selection operation, in hope to simplify and management process and improve product quality. Evaluation and auditing are divided into six major items, including Operation management, Measuring instrument management, Quality management, Process management, Storage management, ES management, and Delivery management.

5.2.2 Supplier Code of Conduct

To strengthen corporate integrity management and corporate governance and to follow the United Nations Convention against Corruption and international trend of anti-corruption, Tong Yang has set up the Supplier Commitment Letter, stipulating that all the major vendors shall not provide false, forged or altered information; major vendors shall not promise or give a bribe or other improper benefits to our employees. Boycotting and exposing the acts of bribing or accepting bribes are called for to implement the integrity management policy of the Company and prevent illegal behavior. This

is for the purpose of establishing a transparent, honest, and fair business environment to positively protect the rights and interests of both our company and the vendors.

Tong Yang has required its major suppliers (including new suppliers) to sign the Supplier Commitment Letter since 2018, and it has been added in the supplier evaluation that the audit of suppliers should be verified to ensure that there is no violation of labor conditions and human rights issues. In 2021, the second stage of investigation of the signing of suppliers was initiated to construct a complete and sustainable supply chain of Tong Yang. AM Supply Division has a total of 208 suppliers in 2023, and among them, 185 had signed the Supplier Commitment Letter, with the signing rate of 88.9%. For the OEM Supply Division, among the 179 suppliers we had transactions with in 2023, 116 had signed the Supplier Commitment Letter, with the signing rate of about 64.8%. The number of suppliers signing the Supplier Commitment Letter gradually increases, and they are also required to fulfill the contents in the commitment letter.

Supplier Commitment Letter

Due to the business relationship between the supplier and Tong Yang Industrial Co., Ltd. (hereinafter referred to as your company) including but not limited to transactional negotiation, supply, service, hire of work, payment, contract performance, etc. In order to fulfill its corporate social responsibility, the supplier commits to comply with the following matters :

- 一、 Principle of Good Faith : In the course of transactions or performance of contracts with your company, the supplier guarantees that the information provided such as qualification certificates, licenses, warrants, profiles, declarations, guarantees, specifications or quality, etc. are all true and that there is no falsehood, deception, forgery or alteration.
- 二、 Principle of Anti-corruption and Bribery : The supplier shall not make promises, bribes or other improper benefits to your Company's personnel for the purposes of achieving the transactions and shall never induce the personnel of your Company to violate their duties or otherwise harm the interests of your Company. The supplier also agrees to boycott and expose to your Company the acts of those who solicit and accept bribes.
- 三、 Principle of Human Rights : The supplier commits to abide by international human rights principles, to protect the legitimate rights and interests of employees, and to prohibit any slavery and human trafficking in business activities.
- 四、 Liability for Breach of Contract : The supplier commits to make its employees and agents comply with the obligations of this commitment letter. If there is a breach of any obligation, the supplier shall pay liquidated damages of NT\$ 1000,000 or 3% of the total amount of transaction with your Company in the preceding year (whichever is higher) to your Company, and shall also be liable for compensation for the actual losses suffered by your Company. Your Company also has the right to terminate or rescind the transaction without incurring any liability for breach of contract. Your Company has the right to deduct any liquidated damages and compensations borne by the supplier from the accounts payable to the supplier.
- 五、 This commitment letter is applied to the business relationship between the supplier and your Company, and is an important attachment to the contract.

The supplier :
Representative :
Date :

5.3 Green Procurement

To respond to environmental requirements, reduce the risks of environmental hazards and adverse effects on human health, and respond to the Goal of Responsible Consumption and Production of SDGs, Tong Yang requires that the woven bags for material packaging provided by the suppliers shall be printed and imported with water-based paint to reduce the use of oil-based primers that are diluted with toxic substances. Each layer of the packaging structure shall use the same nature of PE raw materials, making it convenient for customers to recycle and process later without the process of

dismantling. To cooperate with the SASO verification, the acrylic bag packaging materials exported to Saudi Arabia are degradable plastics that meet the biodegradable specifications.

On the other hand, we started the commitment to promoting the procurement of water-based coatings in order to comply with the VOC (Volatile Organic Compound) organic solvent emission regulations in 2016 and reduce the dilution of toxic substances in oil-based primers to reduce environmental damage. The traditional VOC emissions of solvent-based coatings account for 75% of the total. After the use of water-based coatings, it can be reduced to less than 10%, meeting strict environmental requirements. In 2017, the first water-based coating equipment in the OEM Business Division was officially put into production. While meeting needs of the end customers, we also hope to achieve a more sustainable and more eco-friendly production mechanism.

AM's introduction of water-based coatings- procurement ratio distribution		
Year	Proportion of general coatings	Proportion of water-based coatings
2018	51.75%	48.25%
2019	49.36%	50.64%
2020	54.70%	45.30%
2021	50.99%	49.01%
2022	50.96%	49.04%
2023	49.83%	50.17%

OEM's introduction of water-based coatings- procurement ratio distribution		
Year	Proportion of general coatings	Proportion of water-based coatings
2018	96.7%	3.3%
2019	95.3%	4.7%
2020	96.6%	3.4%
2021	96.0%	4.0%
2022	96.2%	3.8%
2023	97.0%	3.0%

5.4 Customer Relationships

5.4.1 OEM Customer Satisfaction

Tong Yang has been working on the goal of deep cultivation of quality, optimized customer satisfaction, production of automotive plastic parts, and continuous improvement of production technology capabilities for the becoming of a professional supplier to automobile makers. The aspects of satisfaction for OEM customers include the followings.

- (1) Business: Grasp the schedules for design change and response capability.
- (2) Design and development function: Capability to grasp the progress of product development and capability to cope with problems of trial assembly.
- (3) Quality assurance: Handling of abnormalities and timely feedback.
- (4) Production and marketing: Capabilities to deal with abnormalities.

The results of the overall satisfaction survey in 2023 improved compared with 2022, and the performance of all functions improved compared with the previous year. The overall satisfaction in 2023 was 84.94%.

Annual Customer satisfaction of the OEM Assembly Market over the past five years

Year	2018	2019	2020	2021	2022	2023
Customer Satisfaction	81.57%	82.16%	83.05%	83.37%	84.09%	84.94%

For the items our customers want us to improve, it is suggested that the responsible units work on the improvement and make efforts in accordance with the existing annual work target system, develop professional capabilities in product development, ensure quality and progress, solve the quality problem and prevent it from recurrence, and strengthen the capability of handling orders to ensure on-time delivery.

5.4.2 AM Customer Satisfaction

The overall customer satisfaction survey of the after-sales maintenance (AM) market measured by 9 indicators was 91% in 2023, a drop of 1% compared with the 92% in 2022, and better than the 85% of customer satisfaction in the same trade. The satisfaction in delivery on-time and accuracy increased by 2% and 4% respectively in 2023, but due to the larger decline in price satisfaction compared with 2022, the overall satisfaction dropped by 1%. Except for the price, the satisfaction rate of the other 8 indicators can still maintain at the rate of 93% and above, among which the problem-solving ability of professionals reached 100%.

Tong Yang will go on to provide customers with premium quality and keep cost trimming to increase customer satisfaction on price. After the analysis of customer satisfaction, a review meeting will be held to set up the improvement plan for the nine indicators and deadline for the improvement plan. At the same time, we will also give feedback on the matters suggested by our customers and present the improvement results.

AM Customer Satisfaction over the past six years						
Year	2018	2019	2020	2021	2022	2023
Tong Yang	87%	90%	91%	89%	92%	91%
Industry Average	81%	85%	85%	80%	85%	85%

The Customer Satisfaction is a bridge of communication with customers, also an essential means for Tong Yang to review our performance in all aspects. We hope to promote the industry with perfect communication and become a pioneer in the market of quality service provider.

The satisfaction survey results of the nine aspects of Maintenance Market



Product Quality



Product Price



Complaint Handling
Efficiency



Delivery Accuracy



Delivery On Time



Loading and Delivery
Quality



Sales Personnel
Problem Handling
Ability



Sales Personnel
Service Attitude



Professionalism of Sales
Personnel

5.4.3 Customer Privacy

Material topic: Customer Privacy

Reason of significance: We receive first-hand product development information. Customer data security protection is the top priority among the management items. We make proper management of customer information to reduce the risk of leakage of customers' confidential information to reduce the risks for customers to miss the business opportunities.

Policy:

Tong Yang holds the quality control policy of "deep cultivation of quality, optimized customer satisfaction, production of automotive plastic parts, and continuous improvement of production technology capabilities for the becoming of a professional supplier to automobile makers".

Strategies :

1. Carry out information security related publicity for employees to strengthen their concept and awareness of information security and avoid data leakage.
2. Relevant information security control measures are implemented, such as the controlling of the use of USB Flash Drive and cloud hard drives, and account passwords are required for folders and systems. In addition, relevant permission is set according to each individual. Only relevant personnel in charge of the case can have access to customer's confidential information.

Goals and Objectives: The goal for 2024 is to maintain Zero leakage of customer privacy.

Management evaluation mechanism: In accordance with the OEM Technical Information Management Method (PRC-F004), Taiwan 's OEMs implement sending and receiving, logging, and storage procedures for the specifications, drawings, CAD Files, and domestic and foreign standards provided by customers, and also conduct internal and external information cycle audits to ensure zero deficiency.

Performance and adjustment: Number of cases of customer privacy leakage over the past three years

	Item	2020	2021	2022	2023
Number of cases of customer privacy leakage	Goal	0	0	0	0
	Results	0	0	0	0

Preventive or Remedial Measures: Establish technical information management measures for the specifications, drawings, CAD Files, and domestic and foreign standards provided by customers, and continue to inspect the vulnerability of information security of the Company and strengthen information security protection.

The assembly market (OEM) needs to safeguard customer's patents and related materials due to the industry attributes. Therefore, in addition to signing relevant technical and research and development confidentiality agreements with customers/suppliers, internal regulations such as "Confidential Information Management Measures", the design document control in the "OEM New Product Design Operation Management Measures", "OEM Technical Information Management Measures", "Intelligence Property Management Measures" "Group Business Secret Management Measures" and "Employee Code of Conduct" are established to protect customer patents and technologies and other business-related information. Tong-Yang did not violate any customer privacy or lost customer information that resulted in damage to customer rights and interests in 2023.

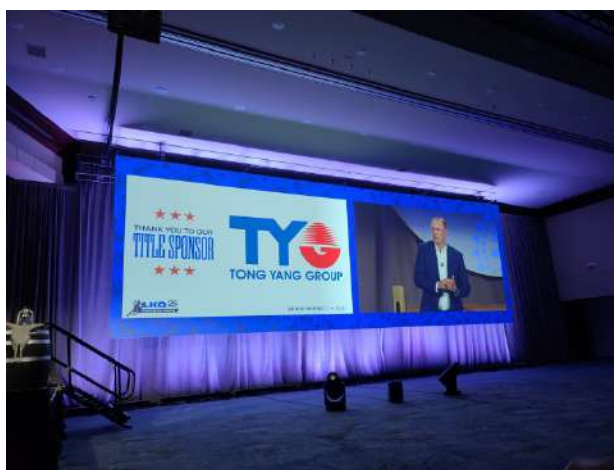
5.4.4 Diverse Communication Channels

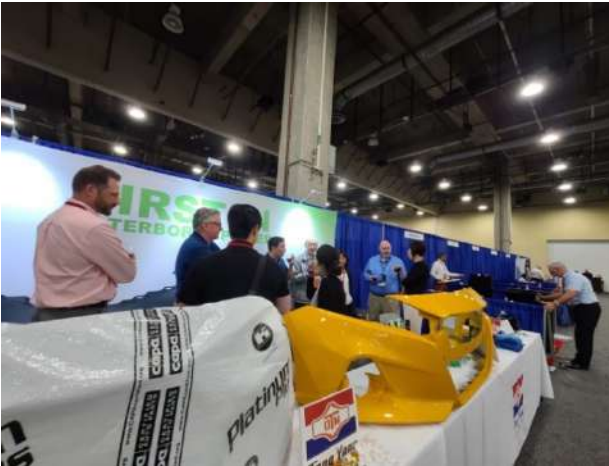
To provide our customers with diverse information channels, in addition to direct e-mails to dedicated salespersons from our customers, we also plan to design an e-commerce platform in different languages such as Mandarin, English, Spanish and so on to for our customers to obtain the latest product information or inquiry about products in a timeless and borderless manner so that our customers can keep informed of our product development trends and technological development.

In addition, Tong Yang also regularly participates in exhibitions of related industries in different countries to promote our brand and to stay close to customers as well as share recent conditions of industry development. In addition, we also exchange ideas and practices of new product technologies and quality improvement measures with our customers when they visit.

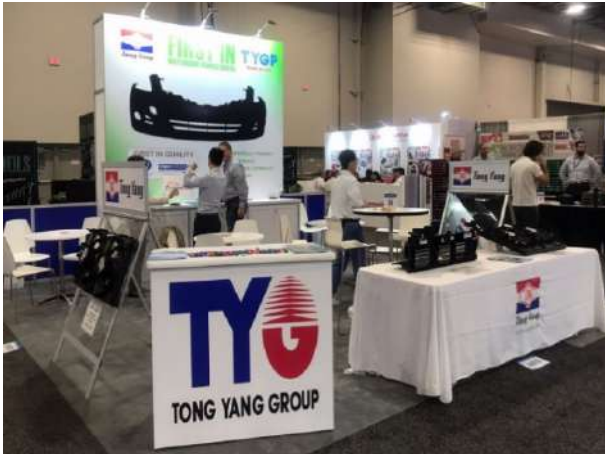
Starting from 2023Q2, all business departments will fully launch visits to global key customers and participate in the annual meeting of the largest customers. Visitors from home and abroad continue to arrive every month. Additionally, frequent virtual meetings with clients via internet remain ongoing. We also officially resumed overseas exhibitions from 2023Q3, and domestic and foreign exhibitions for 2024 are also being planned.

1. Participated in the annual meeting of American client company in April, 2023





2. Participated in 2023 APPEX in November



3. Customer visit



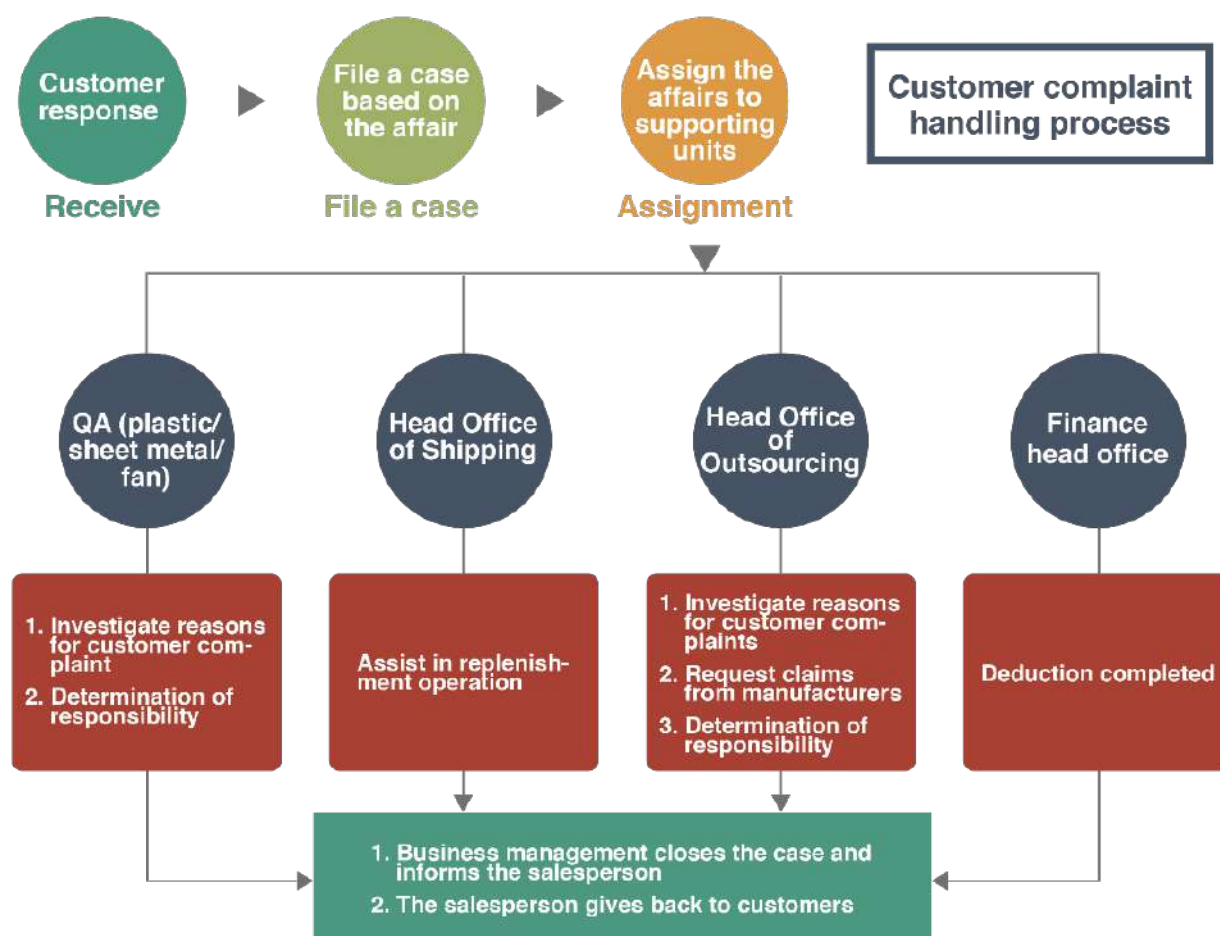


4. Visited customer



■ Management of Consumer Complaints

In response to the objection raised by the customer, Tong-Yang has a "customer complaint handling measures". All customer complaints will be responded within 24 hours. We hope to use the fastest processing to achieve the recurrence prevention effect so that the customer dissatisfaction can be reduced to ensure the company's reputation. In order to ensure different customer complaints are all handled properly we established relevant operating procedures.



5.4.5 Delivery Management

In order to ensure on-time delivery, Tong Yang follows the "Delivery Control Measures for the Vehicle-assembling Division" and the "Delivery Control Measures for Maintenance Market" to make sure of the smooth delivery process. The followings are the delivery control methods :

Step1	Ensure order	<ol style="list-style-type: none"> 1. The business division converts customer's order into internal order and delivers it to the management/shipment control group. 2. Check details of the order.
Step2	Follow up the deadline of delivery	<ol style="list-style-type: none"> 1. The production management group confirms the actual shipment quantity and notifies the tally window according to the delivery schedule. 2. Out-of-stock details in daily orders are provided to the supervisor of each process as the feedback of treasury information in the management list. 3. Products that fail to deliver on time need to fill out the "Daily Orders Delay Report".
Step3	Delivery	The shipping window of production management division will print the Delivery Note on the confirmed shipping day for shipping.

5.4.6 Requirements for Products Labeling

Tong Yang has received certification from Certified Automotive Parts Association (CAPA) for the sale of plastic and sheet metal components in the United States and was honored with the "Compliance with CAPA New Product Standards" award. To meet the customers' needs, our product design center continuously introduces the latest computer-aided systems (CAD/CAM/CAE) to strengthen product value with professional design, providing customers components and parts with exquisite appearance and more comfort and safety.



Moreover, we are also dedicated to the R&D of materials, improvement of the design and development capabilities of bumpers and dashboards. We continuously improve the quality to meet the quality standards required by customers at home and abroad. In the meantime, to implement environmental protection, Tong Yang took the lead in introducing water-based primers for plastic products in the industry, making it the very first manufacturer to obtain CAPA and NSF certification for products using water-based primers. Only by continuously engaging in research and development can we become the leading manufacturer in the industry, laying a more professional, stable and solid foundation for us to enter the competitive market internationally.

Tong Yang is the first enterprise in the world to use water-based primer in the AM market. The advantages of using water-based coating include the followings.

1. Low VOC: Reduce volatile organic compounds (such as toluene, xylene) to avoid adverse effects on the environment and body (VOC is a volatile organic compound, and the VOC content of oil-based primer is 75%, and if it is changed to water-based primer, the content can be reduced to 10%).
2. Increased the quality of paint adhesion :
 - (1) Increased strength of paint adhesion: Water-based primer has better adhesion strength than oil-based primer (when changed the oil-based primer to water-based primer, the adhesion strengthen can be increased from 200 to 1000 N/m²).
 - (2) Increased abrasion resistance: After reacted by the hardener, the coating film of the two-component water-based primer is tougher, more wear-resistant and harder to remove.

■ Environmental Labeling

Tong Yang's products with water-based primer are certified by US and Chinese certification associations. For these products with certified water-based primer, the certification label of a green leaf is used on the products or packaging.



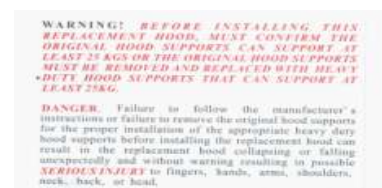
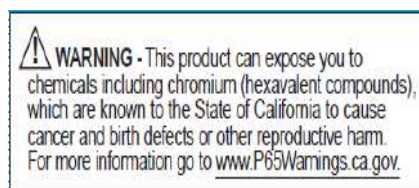
■ Products Labeling

Tong Yang provides label of Painting Instruction in many languages in order to ensure quality.



■ Risk Labeling

In order to ensure consumers' safety during operation, we put warning signs on fan, electroplating products, and overweigh iron hoods.





Chapter 6 Sustainable Environment

6.1 Material Management

6.2 Energy Management

6.3 Green Environment and Energy Conservation

6.4 Water Management

6.5 Pollution Prevention

6. Sustainable Environment

Tong Yang's environmental policy and philosophy are designed to reduce environmental impact and to comply with relevant environmental regulations and the needs of green consumers. To effectively manage the negative impact of the production operation of the factories on the environment and to realize the Company's commitment to environment protection and pursuit of sustainable management, we introduced the international standard ISO 14001 Environmental Management System to establish, implement and maintain our environmental management system to ensure the environmental management operates properly and efficiently. In addition to comply with relevant regulations of the government's environmental protection of work safety, Tong Yang has also formulated the EHS management system review procedures, and is committed to the following work:



Pollution Control

Periodically inspect pollution (air, water, waste, toxic substances and noise) generated by company activities and products. Conduct effective control and management for pollution prevention and implementation of corrective measures.



Communication

Internal : Proactively publicize our EHS policy to all employees.

External : Publicize our EHS policy on the official website for shareholders, vendors, community residents, and the general public and is opened to inquire. Also, do a good neighborly and establish a good communication channel and keep good relationships with stakeholders.



Work Safety

Implement auto inspection and periodical maintenance of machinery and equipment. Prevent work accidents with effective EHS management systems and regular check. Strengthen emergency management measures to create a safe working environment with zero accident.



Improved Hygiene

Conduct environmental measurements and health check regularly. Provide personal protective equipment and supervise the use of it. Strive in hazard and risk management to improve the working environment and prevent physical injury and illness of employees, establishing a comfortable and sanitary workplace.



Compliance

Ensure that the latest environmental safety regulations are the basis for production improvement. Comply with the government's environmental safety laws and regulations. Meet requirements for hazard identification and other environmental issues.



Education and Training

Improve employees' awareness of EHS



Cherishing Resources

Implement recycling and cultivating environmental awareness. Actively promote energy conservation activities and paperless operations to enhance cost competitiveness. Supply green materials.



Continuous Improvement

Regularly review errors and update goals of environmental and safety. Use the PDCA cycle for continuous improvement.

6.1 Material Management

Material topic: Materials

Reason of significance: The main raw material of the plastic bumper is PP (polypropylene) whose characteristics are being recyclable and re-manufacturable. Tong Yang is dedicated to the production of auto parts. Through strict quality control, we ensure the best quality of all the products we provide to our customers. When unqualified products are found in the production process, to avoid the outflow of such products, these unqualified products are recycled and remade into plastic raw materials for reuse to avoid waste of resources and reduce the environmental impact.

Policy/Strategy: PP raw materials are recyclable and re-manufacturable. However, recycling and remanufacturing will consume more resources. Tong Yang's insistence on quality is based on the policy of "deepened quality for customer satisfaction, paving the safe way home for customers with our quality products". Through continuous improvement of the yield rate of the process and reduction of the product recycling rate, we aim at achieving the business policy of energy conservation and carbon reduction.

Goals and Objectives: Tong Yang sets the work goals every year, and the defect rate of plastic products and scrap rate in the process are included in the quality target management items. Monthly follow-ups and reviews are also conducted.

Management evaluation mechanism: The operation of the work target management mechanism includes monthly performance appraisal for departments and employees.

Performance and adjustment: At the end of every year, the annual work target setting meeting is held to review the implementation status of each work target and re-establish the target requirements. After the approval of the revision of annual work target by the management is obtained, the revision will be announced to all employees and will be tracked for management on a monthly basis. The scrap rate in process reduced by 5% in 2023.

Preventive or Remedial Measures : Summarize the implementation results of the work goals on a monthly basis, convene relevant unit supervisors in the weekly quality meeting and production management meeting for review, and carry out improvement measures and follow-up management for projects that did not achieve the targets.

The company's statistics of raw material consumption in recent years are shown in the following table.

Statistics of raw material consumption

Unit: ton

Business Group	Name of raw material		2019	2020	2021	2022	2023
AM	ABS Plastic	Raw material	2,800	2,800	2,600	2,600	3,348
		Recycled materials	485	320	330	354	364
	Polypropylene	Raw material	21,000	13,000	18,800	18,900	23,456
		Recycled materials	2,335	1,800	1,835	1,590	1,775
OEM	ABS Plastic	Raw material	432	365	346	283	342
	Polypropylene	Raw material	1,935	1,905	1,745	1,598	1,678

Note: Recycled materials refer to materials recycled and reused in the factory.

6.2 Energy Management

Material topic: Energy

Reason of significance: Global warming and climate change have caused great environmental impact. The limited energy will cause the operating costs of the Company to increase. Therefore, we actively promote various energy conservation measures to reduce the impact on the environment.

Policy/Strategy: To promote various energy conservation measures and reduce various energy consumption during the production process so as to reduce the environmental impact.

Goals and objectives:

- 1.It is estimated to continue to produce 2.5 million kWh of green electricity in 2024.
- 2.It is estimated to install 250 kw solar power generation equipment in 2024.
- 3.The energy consumption per unit turnover is set to be 2% lower in 2024 compared with 2023.

Management evaluation mechanism: The Company has managed various energy sources in a systematic way in accordance with ISO14001 Environmental Management System.

Performance and adjustment:

1. The Company has achieved the goal of setting up 1997kw of green electricity (solar energy) in 2021 (ahead of schedule), which accounts for 9% of the Company's contract capacity.
2. The Company continued to purchase energy-saving lamps and equipment in 2023, and the power consumption of the unit turnover in 2024 is expected to be set to reduce 2% compared with 2023.
3. The energy consumption in 2023 was 560,624 GJ; the energy intensity was 0.031 GJ/thousand in revenue, a decrease of about 7% compared with the energy intensity in the previous year.

Preventive or Remedial Measures: To conduct regular and continuous control of the management of the implementation performance.

6.2.1 Energy Use

Tong Yang's energy use includes electricity, natural gas and diesel, of which electricity usage is the largest consumption. Electricity is mainly used in air conditioning systems and production machines; natural gas is used in the factory oven, air pollution control equipment and boilers are used for fuel; Diesel is mainly used in vehicles. The water source used in the Tong Yang plants is the tap water supplied by the Taiwan Water Corporation. Water is mainly used in the manufacturing process including electroplating, painting, as well as for cooling tower water recycling; non-production use is mainly employees' domestic water and plants watering. The energy use of Tong Yang is as follows. The energy consumption intensity in 2023 reduced due to the upgrading of equipment efficiency in the plants and the introduction of energy-saving equipment, achieving energy conservation and carbon reduction.

Tong Yang's statistics of energy consumption over the years

Item	2019	2020	2021	2022	2023
Electricity(kWh)	106,540,680	94,545,820	99,454,480	102,550,700	107,387,601
Natural Gas(kWh)	3,683,560	3,436,850	3,554,946	3,449,165	3,817,690
Diesel(Liter)	1,261,500	1,111,500	1,166,200	1,163,400	1,315,753
Energy usage(GJ)	551,179	494,729	518,014.08	525,521.36	560,624
Revenue (1,000 NTD)	16,919,352	13,264,281	13,732,527	15,707,401	18,205,468
Energy intensity (GJ/ thousand in Revenue)	0.033	0.037	0.038	0.033	0.031

Note:

1. The electricity emission factors referred to the latest electricity carbon emission factors announced by the Energy Bureau of MOEA.
2. Energy consumption (GJ) = Fuel consumption x calorific value (the source of calorific value referred to the GHG emission Coefficient Management Table 6.0.4 Edition announced by the Environmental Protection Administration): Electricity 1kWh=0.0036GJ; natural gas: 8000 Kcal/m³; diesel: 8,400 Kcal/L; 1 Kcal is 4.184 KJ).

6.2.2 Greenhouse Gas Emission

Tong Yang has conducted basic greenhouse gas inventory inspection to calculate greenhouse gas emissions by means of source identification, activity intensity, and emissions data. The company's total greenhouse gas emissions calculations include Scope 1 and Scope 2 emissions. The main sources are from sources owned or controlled by the organization, such as production processes and transportation vehicles. The greenhouse gas emissions of Tong Yang's operation bases for the past three years are as follows.

Statistics of Tong Yang's GHG emissions over the years

Item /Year	Unit: metric tons of CO ₂ e				
	2019	2020	2021	2022	2023
Scope 1	10,227.07	9,389.72	9,736.21	9,512.80	11,642.81
Scope 2	56,786.18	48,123.82	49,926.15	52,198.31	53,156.86
Scope 1+Scope 2	67,013.25	57,513.54	59,662.36	61,711.11	64,799.67
Revenue (1,000 NTD)	16,919,352	13,264,281	13,732,527	15,707,401	18,205,468
Greenhouse Gas Emission Intensity	0.0040	0.0043	0.0043	0.0039	0.0036

Note:

1. Scope 1 aims at the emission sources directly owned or controlled by the company, including stationary combustion sources, process emissions, mobile combustion sources on transportation, and fugitive emission sources. The calculation formula is: CO₂e emission = fuel consumption × emission factor × GWP (based on the GHG emission Coefficient Management Table 6.0.4 Edition announced by the Environmental Protection Administration).
2. Scope 2 refers to indirect energy emissions, such as purchased electricity. The calculation formula is: CO₂e emissions = total electricity kWh x emission coefficient x GWP (the electricity emission factor was based on the latest 6.0.4 Edition announced by the Energy Bureau).
3. Types of GHG emissions: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O).
4. The emission results from 2019 to 2023 were estimated by the Company, and have not yet been verified by a third-party organization. It is expected to obtain third-party verification in 2025.

6.3 Green Environment and Energy Conservation

6.3.1 Carbon Reduction Measures

The energy-saving measures currently promoted by the plant are replacing equipment with poor efficiency for efficiency improvement, replacing the lighting equipment with T5, T8 or LED lamps, and adding sensors to save energy. In addition, energy-saving lamps and equipment have been purchased for the new production line areas. The following table lists the equipment and lighting materials that have been purchased in recent years, and it is estimated that the electricity consumption per unit of output for 2024 will decrease by more than 1% compared with 2023. We continue to formulate plans for the future to achieve the goal of continuous energy conservation and carbon reduction. Solar power generation equipment has been installed on the roofs to reduce carbon emissions. It is expected to generate 2.50 million kWh of green electricity in 2024.

The Company continues to promote the greening of the plant area. Currently, there are a total of 1,500 medium and large trees planted in the plant area, and the estimated carbon sequestration capacity is approximately 6 tons every year.

Cumulative quantity of new equipment and lamps purchased (since 2014)						
Name	Unit	Year				
		2019	2020	2021	2022	2023
Injection molding machine (Servo energy saving)	unit	57	62	66	67	70
Air compressor (frequency conversion and energy saving)	unit	20	24	25	26	28
T5 energy-saving lighting fixtures	unit	11,500	12,459	13,949	14,337	14,645
T5 energy-saving lamps/bulbs	unit	13,077	15,098	17,620	20,057	22,171
T8 energy-saving lighting fixtures	unit	-	-	-	603	1,151
T8 energy-saving lamps/bulbs	unit	-	-	-	320	1,109
LED light fixture	unit	4,725	5,139	5,786	7,060	7,507
LED lamps/bulbs	unit	2,829	3,245	3,667	3,879	4,040
Heat pump water heater (dormitory)	unit	6	6	6	6	6
Rooftop solar power generation	kWh	-	1.55 million	2.64 million	2.44 million	2.50 million

Note: Rooftop solar power generation of 1997KW.

6.4 Water Management

6.4.1 Water Use Management

Access to fresh water is vital to the survival and well-being of humans, and it is also a human right recognized by the United Nations (UN). Major goals related to sustainable water resource management are included in the 2030 Agenda for Sustainable Development and the SDGs. For example, the Sustainable Development Goal 6 is to ensure access to water and sanitation for all. These goals aim at achieving universal access to safe and affordable drinking water, improving water quality and solving the problem of water shortage.

The water intake and consumption of an enterprise, as well as the discharge water quality may cause an impact on the ecosystem. Therefore, enterprises should have a comprehensive understanding of their own water usage conditions. Through the World Resources Institute's WATER RISK ATLAS, Tong Yang inquired about the water risk in Tainan and Guanyin where our operation bases are located in, and both showed Low– Medium (1-2), indicating that the company's water intake has not caused significant impacts on the ecological environment.

Tong Yang's statistics of water consumption over the years

Unit : tons

Item	2019	2020	2021	2022	2023
Water intake	720,831	707,342	701,176	777,805	829,756
Water discharge	438,057	381,035	326,153	297,559	334,402
Water consumption	282,744	326,307	375,023	480,246	495,354
Revenue (1,000 NTD)	16,919,352	13,264,281	13,732,527	15,707,401	18,205,468
Water intensity per unit	0.043	0.053	0.051	0.050	0.046

Note:

1 : The source of raw water is tap water.

2 : Water consumption = Water intake - Water discharge.

3 : Water intensity = Water intake/ thousand dollars of revenue.

6.4.2 Water Saving Measures

For water resources management, the Company has established the floor plan for water resource storage and flow for use and also installed different flow meters to manage the use of process water, recycled water, wastewater and domestic water in the plant for water resource management. Recycled water is managed in accordance with the process requirement. The cleanest water is first used in the purification process, and then the secondary water is used. Finally, water is treated in the wastewater treatment plant and is continuously recycle.

In terms of water intensity, the water intensity in 2023 decreased by approximately 8% compared with that in 2022. The evaluation of the water use efficiency has always been the focus for the improvement of the Company's water conservation measures. Manufacturing process is the main water use in Tong Yang, therefore, our water conservation plan mainly focuses on reuse process water. For example, the painting process used only recycled water in Tainan plant, which reduces the costs and improves the water use efficiency.

In addition, the Company will provide effluent better than discharging standards to be used for public environment so as to reduce the consumption of water resources. We will provide Environmental Protection Bureau with approximately 800-1,500 tons of effluent for road cleaning and dust reduction, and for the trees in the company and the adopted trees externally. Every month we use about 40-50 tons of effluent for irrigation.

Tong Yang continues to promote the water conservation plans, expecting to effectively achieve water conservation goals. The company has introduced new water recycling equipment in 2017. In 2023, we recycle 50 tons of effluent discharged from the electroplating wastewater plant every day and it is treated to the tap water grade for the use of operating process.

6.5 Pollution Prevention

Material topic: Emissions

Reason of significance: In accordance with the legal requirements, the Company needs to properly collect wastewater and exhaust and properly treat it before discharging. The discharging standards are getting stricter, so it is necessary to optimize the handling methods and improving the preventative measures.

Policy/Strategy: To reduce the wastewater and exhaust generated during the production process so as to reduce the impacts on the environment and human health.

Goals and objectives:

1. Air pollution: The short-term goal is to reduce the air pollution emissions per unit of turnover in 2024 by 43% compared with 2016, and the medium- and long-term goal for the air pollution emission per unit of turnover set for 2030 is to reduce by 50% compared with 2016.
2. Wastewater: The short-term goal is to make the comprehensive index of water pollution discharge exceed the legal standards by 39%, and the medium- and long-term goal for the comprehensive index of water pollution discharge is to exceed the legal standards by 45%.

Management evaluation mechanism: The Company has systematically managed and compiled statistics of various emissions amount in accordance with the ISO14001 Environmental Management System.

Performance and adjustment:

1. Air pollution: Compared with the base year of 2016, the air pollution emissions per unit of turnover have reduced by 41.42% in 2023, which has not yet met the short-term target set by the Company. In the future, the emission issues will continue to be managed.
2. The comprehensive index of water pollution discharge in 2023 exceeded the legal requirements by 36%, meeting the short-term target set by the Company.

Preventive or Remedial Measures: The company conducts legal inspection on a monthly basis, proposes environmental management plans, and set the annual implementation plans in accordance with the ISO 14001 environmental management system.

6.5.1 Air Pollutant Management

Tong Yang has obtained a fixed pollution source operation permit approved by the competent authority in each operation site. The operation is carried out in accordance with the approved contents of the operation permit, and the inspection is carried out regularly according to the regulations. For the management of air pollutants, Tong yang not only implemented exhaust cleaning system and biodegradation method to reduce pollution emissions, but also introduced water-based coating equipment to control pollution from the source. We expect to minimize air pollution emissions and reduce impact on environment by source management as much as possible. Currently, the air pollutants generated by the factory include sulfur oxides, nitrogen oxides, and volatile organic compounds that are effectively collected to the air pollution control equipment through the hood and the conduit. All control equipment is included in the daily operation inspection items and the annual regular maintenance to ensure its operation. The emissions we generate are declared every year according to regulations.

Strategic goals	Results in 2023	Goal Set for 2023
<ol style="list-style-type: none"> The VOC emission intensity per unit turnover in 2030 to decrease by 50% compared with 2016 (2016 serves as the baseline year). The VOC emissions per unit turnover in 2023 were set to decrease by 31% compared with 2016. 	The VOC emission intensity per unit turnover dropped by 41.42%	The VOC emission intensity per unit turnover to reduce by 43% compared with 2016 (2016 serves as the baseline year).

6.5.2 Waste Management

Material topic: Waste

Reason of significance: The Company has to properly treat various waste as prescribed by law and make good management of the final flow of the waste. However, the current capacity of landfill and incineration is getting saturated, and it is difficult to find a qualified vendor, affecting the handling of various types of waste.

Policy/Strategy: To reduce the amount of waste produced in the production process so as to reduce the impact on the environment and human health.

Goals and objectives: The short-term goal is to reduce the waste production per unit of turnover in 2024 by 22% compared with 2016, and the medium-term goal for the waste production per unit of turnover in 2030 is set to reduce by 30% compared with 2016.

Management evaluation mechanism: The Company has systematically managed and compiled statistics of the disposal of various types of waste in accordance with the ISO14001 Environmental Management System.

Performance and adjustment: The waste production per unit of turnover has reduced by 20% compared with the baseline year of 2016 (the target was 10%), meeting the short-term target set by the Company. In the future, the discharging issues will continue to be managed.

Preventive or Remedial Measures: To regularly monitor and manage the amount of waste generated to meet the target amount planned.

Waste generated during the operating process by Tong Yang will be handled in accordance with the relevant provisions of the Waste Disposal Act. We classify waste to improve the efficiency of recycling. Tong Yang signs contracts with qualified waste disposal operators for regular waste treatments. Waste generated by Tong Yang can be classified into industrial waste and recyclables, and descriptions are as follows.



Plastic mixture, sludge, paint slag, electroplating sludge, waste wood, general waste, etc.

General/hazardous industrial waste



Waste oil, scrap steel, scrap aluminum, plastic, wastepaper, fluorescent lamps, etc.

Recyclables

■ Waste treatment methods

Tong Yang signs tripartite written contracts with qualified waste disposal operators for regular waste treatments. The outsourcing treatments of industrial waste include recycling, incineration and landfill.

■ Waste treatment flow

Tong Yang confirms and controls the flow of waste treatment as prescribed by law to ensure that waste is properly treated.

2023 Waste treatment methods and statistics				
Waste composition	Waste generated (tons)		Treatment method	
Item	On-site (in-plant treatment)	Off-site (treatment outside the plant)	On-site (in-plant treatment)	Off-site (treatment outside the plant)
Hazardous waste				
1. Electroplating sludge	0	274	-	Heat treatment
2. Fluorescent lamp	0	0	-	Recycling
Total amount	0	274	-	-
Non-hazardous waste				
1. General garbage	0	312	-	Incineration
2. Waste wood mixture	0	8	-	Incineration
3. Waste plastic mixture	0	0.5	-	Incineration

2023 Waste treatment methods and statistics				
Waste composition	Waste generated (tons)		Treatment method	
Item	On-site (in-plant treatment)	Off-site (treatment outside the plant)	On-site (in-plant treatment)	Off-site (treatment outside the plant)
4. Sludge	0	322	-	Physical treatment
5. Paint residue	0	33	-	Incineration
6. Scrap steel	0	129	-	Incineration
7. Scrap aluminum	0	740	-	Physical treatment
8. Mixed paper waste	0	1	-	Incineration
9. Mixed waste oil	0	4	-	Other processing operations
10. Waste fabric	0	0.2	-	Physical treatment
11. Sludge	0	12	-	Landfill
12. Waste lubricating oil	0	80	-	Recycling
13. Waste resin	0	216	-	Recycling
14. Wastepaper	0	535	-	Recycling
Total amount	0	2,666	-	-

Note:

1. For the composition of waste, please refer to the category of (A/B/C/D/E/R...) in the "Waste Disposal Plan".

2. The weight of waste is all measured in tons.

3. Types of recycling operations: such as preparation for reuse, reuse and others.

4. The type of recycling can be specified: downgrade utilization.

5. Other recycling operations: Such as change of purpose of use or refurbishing.

6. Types of disposal methods, such as incineration (including energy recovery), incineration (excluding energy recovery), landfill and other disposal operations.

7. Other disposal operations can be specified: such as dumping, open air burning and deep well injection.

8. "On-site" refers to the area within the physical boundary or administrative control of the reporting organization; "off-site" means the area outside the physical boundary or administrative control of the reporting organization.

2022 Waste treatment methods and statistics				
Waste composition	Waste generated (tons)		Treatment method	
Item	On-site (in-plant treatment)	Off-site (treatment outside the plant)	On-site (in-plant treatment)	Off-site (treatment outside the plant)
Hazardous waste				
1. Electroplating sludge	0	296	-	Heat treatment
2. Fluorescent lamp	0	0	-	Recycling

2022 Waste treatment methods and statistics				
Waste composition	Waste generated (tons)		Treatment method	
Item	On-site (in-plant treatment)	Off-site (treatment outside the plant)	On-site (in-plant treatment)	Off-site (treatment outside the plant)
Total amount	0	296	-	-
Non-hazardous waste				
1. General garbage	0	392	-	Incineration
2. Waste wood mixture	0	22	-	Incineration
3. Waste plastic mixture	0	2	-	Incineration
4. Sludge	0	271	-	Physical treatment
5. Paint residue	0	86	-	Incineration
6. Scrap steel	0	158	-	Incineration
7. Scrap aluminum	0	522	-	Physical treatment
8. Mixed paper waste	0	1	-	Incineration
9. Mixed waste oil	0	0	-	Other processing operations
10. Waste fabric	0	1	-	Physical treatment
11. Sludge	0	0	-	Landfill
12. Waste lubricating oil	0	86	-	Recycling
13. Waste resin	0	119	-	Recycling
14. Wastepaper	0	489	-	Recycling
Total amount	0	2,445	-	-

6.5.3 Waste Reduction

In terms of waste reduction, Tong Yang implemented the source reduction. We reduce unnecessary packaging during product design to reduce the amount of waste, and conduct sorting of waste and recycling, and recycle waste wood pallets for reuse, which can reduce wood output by about 8% to 10%. In addition, the sludge dryer is introduced to reduce the moisture content of the sludge, and part of the process waste heat and the burner are used to carry out the drying and reduction of the general sludge and harmful electroplating sludge.

Strategic goals	Results in 2023	Goal Set for 2024
1. To reduce the waste production per unit of turnover in 2030 by 30% (with 2016 as the base year).	The waste generation per unit turnover reduced by 20% compared with 2016 (the goal is 10%).	The waste generation per unit turnover reduce by 22% compared with 2016.
2. The waste generation per unit turnover for 2023 to decrease by 10% compared with 2016.		

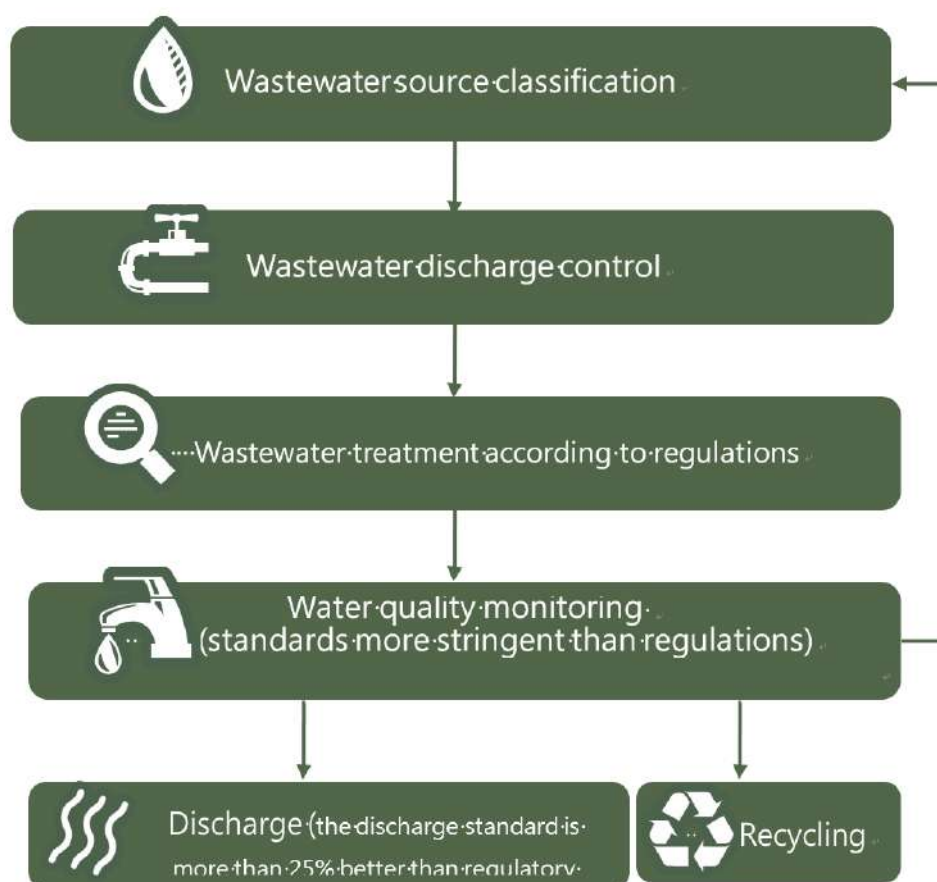
Tong Yang cooperates with manufacturers to study the waste recycling technology for circular economy. The copper liquid waste in the electroplating process is electrolytically recovered and transferred to the manufacturers for refining before reusing it in the process. In 2023, 302 kg of copper was recycled, and the target of the recycled copper for 2027 is estimated to be 1,000 kg, which will reduce the amount of sludge while at the same time improving the discharge of heavy metal in wastewater.

6.5.4 Wastewater Management

Tong Yang has developed prevention and control technology and monitored water quality. The recycling equipment is used to reduce the original concentration of process wastewater in the Company, and a total of 9 diversion systems have been established based on its composition and concentrations to effectively decompose and treat pollutants to reduce the concentration of pollution. Water quality analysis equipment is established at the discharge outlets of all wastewater treatment plants to regularly monitor changes in water quality and water volume to facilitate proper emergency treatment when abnormal situations occur. There were no incidents of serious leak at Tong Yang in 2023.

Strategic goals	Results in 2023	Goal Set for 2023
1. The comprehensive indicator of water pollution in 2030 to be 45% better than regulatory standards.	The comprehensive indicator of water pollution was 36% better than the regulatory standards.	The comprehensive indicator of water pollution to be 39% better than the regulatory standards.
2. To set the 2023 comprehensive index of water pollution discharge exceed the legal standards by 35%		

There are three types of wastewater generated in the manufacturing process at Tong Yang: plastic coating wastewater (including domestic wastewater), electro-coating wastewater and electroplating wastewater. The wastewater treatment process is shown in the figure.



Statistics of water pollution testing		
Test item	2023	
	Annual average monitoring value (ppm)	Annual average monitoring value (ppm)
COD (mg/L)	100	41
SS (mg/L)	30	8

For recycling wastewater, Tainan plant's painting process uses 100% recycled water. After the treatment of electroplating wastewater, there is about 1,500 tons of effluent that will be supplied monthly for the Environmental Protection Bureau to wash the street, and about 50 tons of effluent will be used for watering the trees in the factory and also the adopted trees outside the factory area every month. We have introduced a new water recovery equipment in 2017, effluent discharged from the electroplating wastewater plant will be recovered and processed to the tap water level for the use of operating process. The overall water recycling ratio and targets of the Company is shown as follows.

Strategic goals	Results in 2023	Goal Set for 2024
1. The water recycling amount to account for 10% of the tap water use in 2030.	The water recycling amount accounted for 9% of the tap water use in 2023 (target: 9%).	The water recycling amount to account for 9.1% of the tap water use in 2024.
2. The 2030 target is set at 8.9%.		



● Chapter 7

Enthusiasm of Public Welfare

7.1 Traffic Safety Activities

7.2 Community Welfare Events

7. Enthusiasm for Public Welfare

Tong Yang has been upholding the spirit of enthusiasm, caring about the society and combining internal and external resources of the Group for the long-term promotion of traffic safety, community care, youth cultivation and other social welfare activities. From the education of traffic safety at schools to the promotion of traffic safety concept to the public, we try to enrich the society with enthusiasm to create a better and safer life for all.

Theme	Traffic safety	Community welfare
Purpose of activity	Tong Yang Culture & Education Foundation focuses on the mission to care for the culture of the society and improve of the quality of the people. We also maintains GoNews, an online platform, to promote the knowledge of traffic safety, promoting the concept of Safe-Go to the public, and has been affirmed and recognized by government agencies.	In addition to being committed to the propaganda of traffic safety related to our core industry, we even take practical actions to care for the communities, participate in community welfare activities, assist disadvantaged groups and provide emergency relief based on our corporate spirit of enthusiasm.
Total labor cost invested in 2023 (NT\$)	NTD 2.08 million	NTD 382,000
	NT\$ 2.462 million in total	
Total cash expenses in 2023 (NT\$)	NTD 2.835 million	NTD 3.433 million
	NT\$ 6.268 million in total	
Number of participants in 2023	Website reached 1.938 million people.	930 people
2023 goals/results	<ul style="list-style-type: none"> ● Target: 50 articles in the columns on the websites of traffic safety knowledge / Results: 73 articles in total, goal achieved. ● Continue to publicize traffic safety to the public/ goals achieved (see description in 7.1) 	<ul style="list-style-type: none"> ● Continue to participate in various charity activities and sponsorship/ Goal achieved (see description in 7.2) ● Organize two employee blood donation activities/ Goal achieved.
Goal for 2024	<ul style="list-style-type: none"> ● 50 articles in the columns on the websites of traffic safety knowledge ● Traffic safety publicity to all 	<ul style="list-style-type: none"> ● Continue to participate in various charity activities and sponsorship. ● Organized 2 employee blood donation activities
Long-term goal for 2025	<ul style="list-style-type: none"> ● Cumulative of more than 450 articles in the columns on the websites of traffic safety knowledge 	<ul style="list-style-type: none"> ● Continue to participate in various charity activities and sponsorship. ● Cumulative of more than 27 employee blood donation activities

7.1 Traffic Safety Activities

7.1.1 Tong Yang Culture & Education Foundation

Tong Yang Culture & Education Foundation was established in October, 1993. In memory of Tong Yang Group's founder, Mr. Wu Kao, who devoted his life to the production of transportation equipment spare parts, the foundation's mission is to care for the traffic culture of the society and improve the traffic quality for the people. The targets of the events are all students, from elementary school students to college students. The online platform of GoNews has been established to actively organize various propaganda activities to promote traffic safety. The Foundation won the "Sports and Education Community of Seven Counties in the Southern Province of Taiwan" Award and the "National Social Education Active Group" award in 1996. In 2019, the foundation was even honored with the MOTC's Golden Safety Award- Enterprise Contribution Award, fulfilling the social responsibility of a good legal person in society.



7.1.2 GoNews- Online Platform of Traffic Safety Knowledge

To promote the Safe-Go Culture, the foundation developed the media platform, GoNews, and a theme related to traffic safety is chosen every week and the information in graphic or video clips are compiled and published on the website. All the traffic regulations, knowledge of automobiles and motorcycles, current traffic related affairs can be searched with relevant keywords (such as Double white lines and low gear) or just view it on the GoNews Website to enhance everyone's understanding of and attention to road traffic culture.

Currently, the cumulative original column articles related to traffic safety has reached 343, and dozens of articles have been placed on the homepage of the search engine, Google. The total clicks of the website amounted to 583,321 in 2023. It is hoped that the public can have a better understanding of traffic rules and information related to traffic safety so as to improve the social environment for traffic safety.

Cumulative activity period	Cumulative number of original articles	Cumulative online views	Input cost
2018~2023	343	2.69 million people	NT\$ 0.896 million

7.1.3 “2023 Tainan Trip- Let’s Go to the Markets in Tainan



We make use of the article section of our own media platform, GoNews- Tainan Zone, to promote and introduce the cultural and historical features of Tainan. We continue to promote care for public outings. There are four articles in total, focusing on the introduction of unique traditional markets in Tainan- Yongle Temple Market (the Thief Market), Shuixian Gong Market, Yamuliao Market, and The East Market, including the origins and allusions, market features, traditional shops, surrounding delicacies, etc. Every week, an article of the Let’s Go to the Markets in Tainan series would be published on the media platform- GoNews to allow the public to understand the history and culture of Tainan, experience local market culture, and also provides good tourist attractions, creating a cultural connotation of “Tainan Trip” and enriching the local promotion of "GoNews" in multiple aspects.

The posts were updated on FB Fanpage weekly for netizens to leave messages for the lucky draw. After completing the designated mission and uploading and sharing the photos in the message area, participants were qualified for the lucky draw of the foundation’s self-designed, limited edition of Tong Yang mascot roaming bag, key chain for Easy Card, and many others, which increased the participation of the fans of the foundation to extend the meaning of the event “The Way It Is in Tainan”. Our self-produced pre-roll ads were promoted on FB and YT to expand the reach of the viewers, arousing the interest of the netizens to share the photos of their favorite market in Tainan. During the event, the number of people reach online amounted to 896,447. The foundation will continue to promote care for the traffic safety of the public, hoping that all can go out happily and return home safely.

Cumulative activity period	Cumulative number of participants	Cumulative number of people reach online	Input cost
2016~2023	19,192	2.368 million people	NT\$ 0.638 million

7.1.4 “Showcasing Tainan” Online Event



To expand the foundation’s young fan base aged 17-22, we strengthened the Instagram social media activities. Taking advantage of the trend among young people to shoot online reels on the internet, popular themes of Tainan tourism were integrated to promote awareness of responsible travel among the teenagers. The event used relevant concepts often shared by teenagers, including “hipster café”, “pet restaurant”, and “select shop” to initiate resonance with the theme of the introductory video, inviting netizens to share reels capturing everyday life in Tainan through their lenses. This could include local delicacies, old street and historic houses, hidden gems, or the cultural ambiance on the streets. To increase engagement, the reels are posted on Instagram fanpage and a comment-based giveaway activity was also organized.

During the event, the number of people reach online amounted to 458,000, allowing young people to learn about the foundation through the event and expand their attention to the foundation.

Cumulative activity period	Cumulative number of participants	Cumulative number of people reach online	Input cost
2023	434	0.458 million people	NT\$ 0.609 million

7.1.5 Publicity and Promotion of Traffic Safety: Large-Scale High-altitude LED Billboards in Downtown Areas

We rent the top floor of the 14-story China Daily News Ambassador Commercial Building in front of Tainan Train Station in downtown Tainan and set up a large-scale LED billboard (main screen size: 28 ft in height* 170ft in width) to play the award-winning videos of the annual video competition on the internet or in campus the foundation held of the current year repeatedly between 18:00-22:00 every night. This not only gives the participating groups/individuals a sense of honor but also attracts passersby in the busiest area of downtown Tainan and achieves the best effect of reminding the public to pay attention to the road safety.

Cumulative activity period	Playing hours	Input cost
1994-2023	1,460 hours	NT\$ 2.338 million

7.1.6 Publicity and Promotion of Traffic Safety: National Newspapers and Media

We promoted our own media platform, GoNews, in the national newspapers such as China Times and China Daily News, to enable the readers to know this website. On the website, visitors can learn about traffic rules, knowledge of automobiles and motorcycles, current news about traffic and others and establish their own concept of Safe-Go Culture. It can further enhance the public's correct concept of public traffic safety.

Advocacy period	Number of articles published	Input cost
2023	4	NT\$ 434,000

7.2 Community Welfare Events

■ Adoption of Ancing Park for cleaning and maintenance

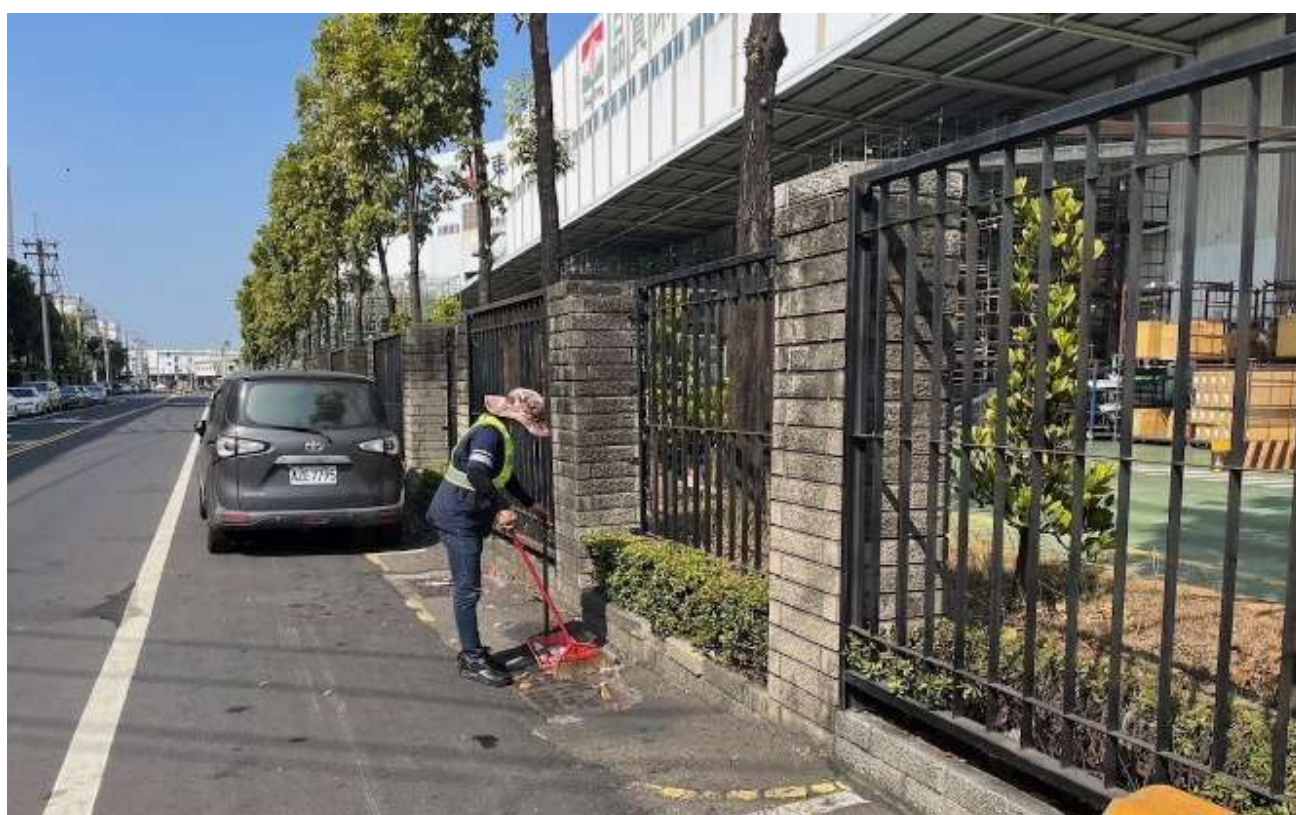
We adopt the park in the community where Tong Yang is located and lead our employees to jointly clean, maintain and beautify the green space to enhance the bond with the community residents and improve the living environment for a clean and high-quality space in the community.

Adoption period	Cleaning and maintenance hours	Input cost
2023	280 hours	NTD 83,000

■ Adoption of 2.5-km road cleaning and maintenance

We adopt the road around the plant of Tong Yang and lead our employees to clean the road so as to provide a clean and safe road for passers-by.

Adoption period	Cleaning and maintenance hours	Input cost
2023	300 hours	NTD 166,000



■ Adoption of the 1.2-km bike trail of the Mountains to Sea National Greenway for watering and maintenance

We care about environmental protection. In order to safeguard the beautiful homeland, we respond to the Mountains to Sea National Greenway Project of Tainan City Government and adopt the bike trail outside the plant of Tong Yang for the watering of trees to maintain the ecology, providing a green bike trail that the public can enjoy when biking, taking a walk or enjoying the leisure time.

Adoption period	Watering and maintenance hours	Input cost
2023	300 hours	NTD 133,000

■ Blood Donation Activity in the Group

Employees of Tong Yang Group respond to the “Donate one bag of blood, save one life” activity of the blood donation center. We hold the blood donation twice every year since 2010, and the blood donation vehicle will be stationed in Tong Yang, and our employees take practical actions and donate blood for the use of rescue and emergency, injecting strength into the blood bank in Taiwan.

Duration of the activity	Cumulative blood donation sessions/ number of people	Cumulative donation of blood
2023	2 sessions /50 people (72 bags)	18,000 C.C.

■ Engagement in Public Welfare

Tong Yang cooperates with the city government and participates in various public welfare activities in communities to provide the disadvantaged with emergency relief, clean up the beaches and other activities, sponsoring NTD3.433 million in the year in these activities to contribute to the society and continuously bring positive energy to care for the society.

Year	Funds sponsored
2023	NTD 3.433 million

Appendix 1: Global Reporting Initiative (GRI) Index

Statement of use	TONG YANG has reported in accordance with the GRI Standards for the period of January 1, 2023 through December 31, 2023. Data is referenced according to the GRI Content index.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/A

GRI Category/ Material Aspects	No.	GRI Index	Chapter and Section	Page	Omit/ remark
1. The Organization and its Reporting Practices					
GRI 2: General Disclosures 2021	2-1	Organizational details	2.1 Glory of Tong Yang		
	2-2	Entities included in the organization's sustainability reporting	About This Report 2.3 Prosperous Economy		
	2-3	Reporting period, frequency and contact point	About This Report		
	2-4	Restatements of information	1.1 Identification of and Communication with Stakeholders About This Report		
	2-5	External assurance / confirmation	About This Report		
2. Activities and Workers					
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	2.1 Glory of Tong Yang 3.1 Industry Overview 3.3.1 OEM Assembly Car Market 3.4.1 AM After-Sales Maintenance Market 5.1 Partners		
	2-7	Employees	4.1 Manpower Overview		
	2-8	Workers who are not employees	4.1 Manpower Overview		
3. Governance					
GRI 2: General Disclosures 2021	2-9	Governance Sstructure and composition	2.1 Glory of Tong Yang 2.2 Integrity Management		
	2-10	Nomination and selection of the highest governance body	2.2 Integrity Management		
	2-11	Chair of the highest governance body	2.2 Integrity Management		
	2-12	Role of the highest governance body in overseeing the management of impacts	2.1 Glory of Tong Yang		
	2-13	Delegation of responsibility for managing impacts	2.1.2 ESG Promotion Committee		
	2-14	Role of the highest governance body in sustainability reporting	2.1 Glory of Tong Yang		
	2-15	Conflicts of interest	2.2 Integrity Management		
	2-16	Communication of critical concerns	1.2.1 Material Topics Identification Process		
	2-17	Collective knowledge of the highest governance body	2.2 Integrity Management		
	2-18	Evaluation of the performance of the highest governance body	2.2 Integrity Management		

GRI Category/ Material Aspects	No.	GRI Index	Chapter and Section	Page	Omit/ remark
	2-19	Remuneration policies	2.2 Integrity Management		
	2-20	Process to determine remuneration	2.2 Integrity Management		
4. Strategy, Policies and Practices					
	2-22	Statement on sustainable development strategy	Chairman's Message		
	2-23	Policy commitments	4.3.5 Human Rights		
	2-24	Embedding policy commitments	4.3.5 Human Rights		
GRI 2: General Disclosures 2021	2-25	Processes to remediate negative impacts	1.2.3 Impact Boundary of Material Topics		
	2-26	Mechanisms for seeking advice and raising concerns	2.5 Regulatory Compliance		
	2-27	Compliance with laws and regulations	2.5 Regulatory Compliance		
	2-28	Membership associations	2.1 Glory of Tong Yang		
5. Stakeholder Engagement					
GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement	1.1 Identification of and Communication with Stakeholders		
	2-30	Collective bargaining agreements	4.3.1 Labor-Management Communication		
Topic-specific disclosures: 200 Series (Economic Themes)					
Economic Performance					
	201-1	Direct economic value generated and distributed	2.3 Prosperous Economy		
	201-2	Financial implications and other risks and opportunities due to climate change	2.4 Risk Adaptation		
GRI 201 Disclosure of Economic Performance 2016	201-3	Defined benefit plan obligations and other retirement plans	4.2.3 Retirement Protection		
	201-4	Financial assistance received from government	The company has no government subsidy amount in 2023		
Market Presence					
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-		
Topic-specific disclosures	202-2	Proportion of senior management hired from the local community	4.1 Manpower Overview		
Indirect Economic Impacts					
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	7. Enthusiasm for Public Welfare		
Topic-specific disclosures	203-2	Significant indirect economic impacts	7.2 Community Welfare Events		
Procurement Practices					
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	5.1.1 Supplier Overview		
Topic-specific disclosures					
Anti-corruption					
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	-		
Topic-specific disclosures	205-2	Communication and training about anti-corruption policies and procedures	2.5 Regulatory Compliance		

GRI Category/ Material Aspects	No.	GRI Index	Chapter and Section	Page	Omit/ remark
	205-3	Confirmed incidents of corruption and actions taken	2.5Regulatory Compliance		
Tax					
GRI 207: Tax 2019 Management Approach Disclosures	207-1	Approach to tax	-		
	207-2	Tax governance, control and risk management	2.4.1 Risk Management		
	207-3	Stakeholder engagement and management of concerns related to tax	-		
GRI 207: Tax 2019 Topic-specific Disclosure	207-4	Country-by-country reporting	-		
Topic-specific disclosure: 300 series (Environmental topics)					
water and runoff					
GRI 303 water and runoff 2018management approach disclosures	303-1	Interactions with water as a shared resource	6.4.1 Water Use Management		
	303-2	Management of water discharge-related impacts	6.5.4 Wastewater Management		
GRI 303 water and runoff 2018 Topic-specific disclosures	303-3	Water withdrawal	6.4.1 Water Use Management		
	303-4	Water discharge	6.4.1 Water Use Management		
	303-5	Water consumption	6.4.1 Water Use Management		
Biodiversity					
GRI 304 Biodiversity 2016 Topic- specific disclosures	304-1	Operational sites owned, leased,managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-		
	304-2	Significant impacts of activities, products and services on biodiversity	-		
	304-3	Habitats protected or restored	7.2 Community Welfare Events		
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	-		
Supplier Environmental Assessment					
GRI 308 Supplier Environmental Assessment 2016 Approach Disclosures	308-1	New suppliers that were screened using environmental criteria	5.2.1 Supplier Evaluation and Audit		
	308-2	Negative environmental impacts in the supply chain and actions taken	5.2.1 Supplier Evaluation and Audit		
Topic-specific Disclosures: 400 Series (Social Themes)					
Diversity and Equal Opportunity					
GRI 405: Diversity and Equal Opportunity 2016 Approach Disclosures	405-1	Diversity of governance bodies and employees	-		
	405-2	Ratio of basic salary and remuneration of women to men	-		
Non-discrimination					
GRI 406: Non- Discrimination 2016 Approach Disclosures	406-1	Incidents of discrimination and corrective actions taken	4.3.5 Human Rights		
Freedom of Association and Group Consultation					

GRI Category/ Material Aspects	No.	GRI Index	Chapter and Section	Page	Omit/ remark
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4.3.3 Freedom of Association		
Child Labor					
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	4.3.4 Eliminating Forced Labor 5.2.2 Supplier Code of Conduct		
Forced or Compulsory Labor					
GRI 409 Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.3.4 Eliminating Forced Labor 5.2.2 Supplier Code of Conduct		
Security Practices					
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	4.3.5 Human Rights		
Rights of Indigenous Peoples					
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	-		
Local Communities					
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Community Welfare		
	413-2	Operations with significant actual and potential negative impacts on local communities	-		
Supplier Social Assessment					
GRI 414 Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	5.2.2 Supplier Code of Conduct		
	414-2	Negative social impacts in the supply chain and actions taken	5.2.2 Supplier Code of Conduct		
Public Policy					
GRI 415 Public Policy 2016	415-1	Political contributions	-		
Marketing and Labeling					
GRI 417 GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	3.3 OEM Service 3.4 AM Service 5.4.6 Requirement of Products Labeling		
	417-2	Incidents of non-compliance concerning product and service information and labeling	2.5Regulatory Compliance		
	417-3	Incidents of non-compliance concerning marketing communications	2.5Regulatory Compliance		

Disclose of material topics

GRI No.	Topic	SECTOR STANDARD	No.	GRI Index	Chapter and Section	Page	Omit/ remark
GRI 3: Material Topics 2021	Management Policy	-	3-1	Process to determine material topics	1.2 The Value Chain Boundary of Material Topics	14	
GRI 3: Material Topics 2021	Management Policy		3-2	List of material topics	1.2 The Value Chain Boundary of Material Topics	14	
Material Topics : Economic Performance(GRI 201) 、 Sustainable Development							
GRI 3: Material Topics 2021	Economic Performance 、 Sustainable Development Management Policy		3-3	Management of material topics	2.2 Integrity Management	41	
GRI 201	2016 Economic Performance 2016	-	201-1	Direct economic value generated and distributed	2.3 Prosperous Economy	45	
		-	201-2	Financial implications and other risks and opportunities due to climate change	2.4 Risk Adaptation	46	
		-	201-3	Defined benefit plan obligations and other retirement plans	4.2.3Retirement Protection	82	
		-	201-4	Financial assistance received from government	2.3Prosperous Economy	45	
Material Topics : Anti-competitive Behavior(GRI 206)							
GRI 3: Material Topics 2021	Anti-competitive Behavior Management Policy		3-3	Management of material topics	2.5Regulatory Compliance	56	
GRI 206	Anti-competitive Behavior 2016		206-1	egal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.5Regulatory Compliance	56	
Material Topics : Quality Management							
GRI 3: Material Topics 2021	Quality Management Management Policy		3-3	Management of material topics	3.3.2 OEM Product Quality Control Policy	69	
					3.4.2 Quality Management Policy of AM Products	71	
Material Topics : Delivery Management							
GRI 3: Material Topics 2021	Delivery Management Management Policy		3-3	Management of material topics	3.3.2 OEM Product Quality Control Policy	69	
Material Topics : Customer Satisfaction							
GRI 3: Material Topics 2021	Customer Satisfaction Management Policy		3-3	Management of material topics	3.3.2 OEM Product Quality Control Policy	69	
					3.4.2 Quality Management Policy of AM Products	71	
Material Topics : Customer Health and Safety (GRI 416)							
GRI 3: Material Topics 2021	Customer Health and Safety Management Policy		3-3	Management of material topics	3.3.2 OEM Product Quality Control Policy	69	

GRI No.	Topic	SECTOR STANDARD	No.	GRI Index	Chapter and Section	Page	Omit/remark
GRI 416	Disclosure of Customer Health Safety 2016		416-1	Assessment of the health and safety impacts of product and service categories	3.3 OEM Service 3.4 AM Service 5.4.6 Requirement of Products Labeling	68 71 120	
			416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.5Regulatory Compliance 3.3 OEM Service	56 68	
Material Topics : Product Safety							
GRI 3: Material Topics 2021	Product Safety Management Policy		3-3	Management of material topics	3.4.2Quality Management Policy of AM Products	71	
Material Topics : Employment/ Labor/Management Relations(GRI 401 、 GRI 402)							
GRI 3: Material Topics 2021	Employment/ Labor/Management Relations Management Policy		3-3	Management of material topics	4. Harmonious Workplace	77	
GRI 401	Labor/Management Relations Management Policy 2016		401-1	New employee hires and employee turnover	4.1 Manpower Overview	78	
			401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2 Salary and Benefit 4.5.4 Care for Foreign employees	80 91	
			401-3	Parental leave	4.2.2 Parental leave without pay	81	
GRI 402	Employment Management Relations Management Policy 2016		402-1	Minimum notice periods regarding operational changes	4.3.2 Advance Notice of Operation Change	83	
Material Topics : Training and Education (GRI 404)							
GRI 3: Material Topics 2021	Training and Education Management Policy		3-3	Management of material topics	4.4.1 Education and Training	84	
GRI 404	Training and Education2016		404-1	Average hours of training per year per employee	4.4.1 Education and Training	84	
			404-2	Programs for upgrading employee skills and transition assistance programs	4.4.1 Education and Training	84	
			404-3	Percentage of employees receiving regular performance and career development reviews	4.4.3 Performance Management	89	
Material Topics : Occupational Health and Safety (GRI 403)							
GRI 3: Material Topics 2021	Occupational Health and Safety Management Policy	-	3-3	Management of material topics	4.6.2 Management of Occupational Safety	94	
GRI 403	2018 Occupational Health and Safety	-	403-1	Occupational health and safety management system	4.6 Safeguarding Occupational Safety	92	
	2018 Management approach disclosures	-	403-2	Hazard identification, risk assessment, and incident investigation	4.6.2 Management of Occupational Safety	94	
		-	403-3	Occupational health services	4.5.2 Health Examination	90	

GRI No.	Topic	SECTOR STANDARD	No.	GRI Index	Chapter and Section	Page	Omit/remark
		-	403-4	Worker participation, consultation, and communication on occupational health and safety	4.6.1 Occupational Health and Safety Committee	94	
		-	403-5	Worker training on occupational health and safety	4.6.3 Occupational Safety Education and Training	96	
		-	403-6	Promotion of worker health	4.5.3 Healthy Diet Management	90	
		-	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.6.4 Establishment of a Comfortable Working Environment 4.6.5 Occupational Safety and Health Management	98 100	
	Occupational Health and Safety 2018	-	403-8	Workers covered by an occupational health and safety management system	4.6.5 Occupational Safety and Health Management	100	
		-	403-9	Work-related injuries	4.6.6 Safety of Work Partners	105	
		-	403-10	Work-related ill health	4.6.6 Safety of Work Partners	105	
Material Topics : customer privacy (GRI 418)							
GRI 3: Material Topics 2021	customer privacy Management Policy		3-3	Management of material topics	5.4.3 Customer Privacy	116	
GRI 418	customer privacy 2016		418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.4 Risk Adaptation 5.4 Customer Relationships	46 114	
Material Topics : Materials (GRI 301)							
GRI 3: Material Topics 2021	Materials Management Policy		3-3	Management of material topics	6.1 Material Management	124	
			301-1	Materials used by weight or volume	6.1 Material Management	124	
GRI 301	Materials 2016		301-2	Recycled input materials used	-	-	not applicable
			301-3	Reclaimed products and their packaging materials	-	-	not applicable
Material Topics : Energy (GRI 302)							
GRI 3: Material Topics 2021	Energy Management Policy	-	3-3	Management of material topics	6.2 Energy Management	125	
		-	302-1	Energy consumption within the organization	6.2.1 Energy Use	125	
		-	302-2	Energy consumption outside of the organization	-	-	
GRI 302	Energy 2016	-	302-3	Energy intensity	6.2.1 Energy Use	125	
		-	302-4	Reduction of energy consumption	6.3.1 Carbon Reduction Measures	127	
		-	302-5	Reductions in energy requirements of products and services	6.3.1 Carbon Reduction Measures	127	

GRI No.	Topic	SECTOR STANDARD	No.	GRI Index	Chapter and Section	Page	Omit/ remark
Material Topics : Disclosure of Emissions (GRI 305)							
GRI 3: Material Topics 2021	Disclosure of Emissions Management Policy	-	3-3	Management of material topics	6.5Pollution Prevention	129	
GRI 305	GRI 305 Disclosure of Emissions topics 2016	-	305-1	Direct (Scope 1) GHG emissions	6.2.2 Greenhouse Gas Emission	126	
		-	305-2	Energy indirect (Scope 2) GHG emissions	6.2.2 Greenhouse Gas Emission	126	
		-	305-3	Other indirect (Scope 3) GHG emissions	-	-	
		-	305-4	GHG emissions intensity	6.2.2 Greenhouse Gas Emission	126	
		-	305-5	Reduction of GHG emissions	6.3.1 Carbon Reduction Measures	127	
		-	305-6	Emissions of ozone-depleting substances (ODS)	6.5.1Pollutant Management	130	
		-	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	5.3 Green Procurement 6.5.1Pollutant Management	113 130	
Material Topics : Disclosure of Waste (GRI 306)							
GRI 3: Material Topics 2021	Disclosure of Waste Management Policy	-	3-3	Management of material topics	6.5.2Waste Management	130	
GRI 306	GRI 306 Disclosure of Waste topics 2020	-	306-1	Produzione di rifiuti e impatti significativi connessi ai rifiuti	6.5.2Waste Management	130	
		-	306-2	Gestione degli impatti significativi connessi ai rifiuti	6.5.3 Waste Reduction	132	
		-	306-3	Rifiuti prodotti	6.5.2Waste Management	130	
		-	306-4	Rifiuti non destinati a smaltimento	6.5.2Waste Management	130	
		-	306-5	Rifiuti destinati allo smaltimento	6.5.2Waste Management	130	
	Disclosure of Waste 2016	-	306-3	Waste generated	6.5.4Wastewater Management	133	

Appendix 2: Sustainability Accounting Standards Board, SASB Index

Transportation_Auto Parts							
Topic	Code	Accounting Metric	Disclosure in 2023	Category	Chapter and Section	Page	
Energy Management	TR-AP-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	1. The total operational energy consumption in 2023 is 560,624GJ. 2. 68.96% of electricity is from the grid. 3. The Company did not use renewable energy in 2023.	Quantitative	6.2.1 Energy Use		
Waste Management	TR-AP-150a.1	(1) Total amount of waste from manufacturing, (2) percentage hazardous, (3) percentage recycled	(1) The total amount of waste in 2023 was 2,940 metric tons. (2) Hazardous waste in 2023 was 9.32%. (3) Non-hazardous waste in 2023 was 90.68%.	Quantitative	6.5.2 Waste Management		
Product Safety	TR-AP-250a.1	Number of recalls issued, total units recalled	There was no customer product recalls due to quality issues in 2023.	Quantitative	3.3.3 OEM Quality Assurance System		
Design for Fuel Efficiency	TR-AP-410a.1	Revenue from products designed to increase fuel efficiency and/or reduce emissions	N/A	Quantitative	Not applicable		
Materials Sourcing	TR-AP-440a.1	Description of the management of risks associated with the use of critical materials	<p>In order to strengthen suppliers' process production management capabilities, improve production quality, reduce defective rates, improve delivery on-time rates, and meet production needs in a timely manner, the OEM Supply Department and AM Supply Department formulate an annual evaluation plan and select key suppliers to perform project evaluations every month. The company evaluates each supplier every year based on the evaluation status of the previous year, and formulates the supplier contract selection process. The evaluation and audit are divided into seven major projects: operation management, measuring instrument management, quality management, process management, acceptance warehousing management, environmental safety management, and delivery management.</p> <p>Starting in 2018, we require key suppliers to sign a "Supplier Commitment Letter" (including new suppliers). New suppliers will be reviewed to verify that there are no violations of labor conditions and human rights issues, and they will be included in the supplier evaluation. In 2021, the second phase of supplier signing surveys was initiated to build a complete Dongyang sustainable supply chain. AM Supply Headquarters has a total of 208 suppliers in 2023, of which 185 have signed supplier commitment letters, with a signing rate of 88.9%. Among the 179 domestic and foreign suppliers that the OEM Supply Department had transactions with in</p>	Discussion and Analysis	5.2 Evaluation Management 5.3 Green Procurement		

Transportation_Auto Parts						
Topic	Code	Accounting Metric	Disclosure in 2023	Category	Chapter and Section	Page
			2023, 116 have signed the supplier commitment letter, accounting for approximately 64.8%. The number of signatories is gradually increasing, and they are also required to fulfill the content of the requirements of the commitment letter.			
Materials Efficiency	TR-AP-440b.1	Percentage of products sold that are recyclable	N/A	Quantitative	Not applicable	
	TR-AP-440b.2	Percentage of input materials from recycled or remanufactured content	N/A	Quantitative		
Competitive Behavior	TR-AP-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	No financial losses resulting from legal proceedings related to anti-competitive conduct regulations in 2023.	Quantitative	2.5 Regulatory Compliance	
ACTIVITY METRIC	Code	UNIT OF MEASURE	Description	Category	Chapter and Section	Page
Number of parts produced	TR-AP-000.A	Number	1. Bumpers : 5,641,525 PCS 2. Front column : 1,703,204 PCS 3. Engine hood : 764,593 PCS 4. Fender : 2,064,079 PCS	Quantitative		
Weight of parts produced	TR-AP-000.B	t	(1) Bumpers : 22,566.10 t (2) Front column : 2,214.16 t (3) Engine hood : 12,202.90 t (4) Fender : 5,366.61 t	Quantitative		
Area of manufacturing plants	TR-AP-000.C	m²	AM : 109,242.97 m²	Quantitative		

Appendix 3: Climate-related Information of Listed OTC Companies

Project	Corresponding Chapter
1. Board and management oversight, and governance of climate-related risks and opportunities.	2.4.3 Financial Risks of Climate Change
2. How do climate risks and opportunities affect the business, strategy and finance of the enterprise (short, medium and long term).	2.4.3 Financial Risks of Climate Change
3. Describe the financial impact of extreme climate events and transitional actions.	2.4.3 Financial Risks of Climate Change
4. How to integrate the identification, assessment and management process of climate risk into the overall risk management system.	2.4.3 Financial Risks of Climate Change
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be explained.	-
6. If there is a transition plan to manage climate-related risks, explain the content of the plan, and the indicators and goals used to identify and manage physical risks and transition risks.	-
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	-
8. If climate-related goals are set, information such as the activities covered, scope of greenhouse gas emissions, planning schedule, and annual progress should be explained; if using carbon offsets or renewable energy vouchers (RECs) to achieve relevant goals, the source and quantity of carbon reduction credits to be offset should be stated or Renewable Energy Certificate (RECs) number.	-
9. GHG inventory and assurance, as well as reduction targets, strategies, and specific action plans (fill in 1-1 and 1-2).	6.2.2 Greenhouse Gas Emission

1-1 GHG inventory and assurance status of the Company in the past two years

1-1-1 GHG inventory information

Describe the GHG emissions in the past two years (tons CO₂e), intensity (tons CO₂e/NT\$ million), and data coverage.

According to the provisions of the sustainable development roadmap of listed companies, disclosure should at least include

- (1) The parent company entity should disclose 2024 inventory information from 2025.
- (2) Consolidated financial reporting subsidiaries should begin to disclose 2025 inventory information from 2026.

GHG emissions in the past two years

Tong Yang has established the GHG inventory mechanism in accordance with ISO 14064-1 GHG inventory standards issued by the International Standards Organization (ISO). Starting from 2023, the Company makes regular inventory of the GHG emissions of the parent company (Tong Yang Industry Co., Ltd.) to fully understand the usage and emission status of GHG and verify the effectiveness of the reduction actions. In addition, it is expected to implement the GHG inventory of consolidated subsidiaries from 2024. The GHG inventory data for the past two years summarized the GHG emissions of the parent company in accordance with the operation control. The GHG emissions are explained as follows:

		2022		2023	
		Emissions	Density	Emissions	Density
		(metric tons of CO ₂ e)	(metric tons of CO ₂ e/Turnover of NT\$ million	(metric tons of CO ₂ e)	(metric tons of CO ₂ e/Turnover of NT\$ million
The Company	Scope 1	9,512.80		11,642.81	
	Scope 2	52,198.31		53,156.86	
	total	61,711.11		64,799.67	
Total		61,711.11	3.93	64,799.67	3.56

Note 1: Direct emissions (Scope 1, i.e., emissions from sources owned or controlled by the company), indirect energy emissions (Scope 2, i.e., emissions from purchased electricity, heat, or steam that result from the company's activities), and other indirect emissions (Scope 3, i.e., emissions from sources not owned or controlled by the company but related to its activities).

Note 2: The coverage of direct emissions and indirect energy emissions shall be based on the schedule specified in Article 4-1, Item 2 of the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies (hereinafter referred to as the Rules). Other indirect emission information is subject to voluntary disclosure.

Note 3: GHG inventory standard: ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of GHG emissions is calculated based on revenue (NT\$ million).

Note 5: GHG inventory standards: The emission results in 2022 and 2023 are the statistical results of the Company's GHG inventory, and have not been verified by a third-party organization.

1-1-2 GHG Assurance Information

Describe the explanation of the assurance status over the past two years, including the scope of assurance, the assurance provider, the assurance standards, and the assurance statements.

According to the provisions of the sustainable development roadmap of listed companies, assurance should be conducted at least within the specified coverage scope.

1. The parent company should start to carry out assurance from 2027 to disclose the parent company's individual inventory situation in 2026.
2. Subsidiaries with consolidated financial reporting should begin to carry out assurance from 2028 and disclose the inventory of consolidated statements in 2027.

Tong Yang has completed the independent greenhouse gas inventory in 2022 and 2023, which have not been verified by a third-party organization. Currently, in accordance with Financial Supervisory Commission's Sustainable Development Roadmap for Listed Companies, external assurance of GHG inventory will be formulated to ensure the company's progress in sustainable development and compliance with relevant requirements of the competent authorities. The parent company's GHG inventory has started in 2023, and it is expected to complete third-party agency verification in 2025, and the parent company's assurance in 2027. In addition, the GHG inventory of the consolidated subsidiaries is expected to be implemented in 2024, and the assurance of the consolidated subsidiaries will be completed in 2028.

Note 1: It should be handled in accordance with the timetable specified in Article 10, Paragraph 2 of this Standards. If the Company has not obtained a complete GHG assurance statement by the publication date of the annual report, it should be noted that "Complete assurance information will be disclosed in the Sustainability Report of the Company". If the company does not prepare a sustainability report, it should be noted that "Complete assurance information will be disclosed on TWSE MOPS", and the full assurance information shall be disclosed in the next annual report.

Note 2: The assurance institution should comply with the relevant provisions of the sustainability report assurance institutions stipulated by TWSE and TPEx.

1-2 GHG Reduction Targets, Strategies, and Specific Action Plans

Describe the GHG reduction base year and its data, reduction targets, strategies, specific action plans and achievement of reduction targets.

GHG Reduction Strategies

Through risk identification, the relevant response measures are formulated as follows to improve COV gas emissions, reduce carbon emissions, water recovery and emissions, as well as waste treatment to reduce environmental impact.

1. Water-based coating was introduced to reduce pollution emissions from 2016.
2. The solar power generation equipment has been installed on the roof of the factory to reduce carbon emissions. In 2023, approximately 2.5 million kWh of green electricity has been generated.
3. After the process wastewater is treated, it is recycled and used in the manufacturing process, street washing, and gardening to reduce the use of tap water.
4. In view of the increasing extreme weather conditions, various contingency management measures for floods, earthquakes, fires, and so on have been formulated.
5. Implement the waste classification and reuse to reduce waste output.

GHG Reduction Targets

1. By reducing source pollution and introducing end-of-pipe pollution prevention equipment, and without adding new processes, the long-term goal is to reduce VOC emission intensity per unit turnover by 50% by the end of 2030 compared with 2016, and the target VOC emission intensity per unit turnover in 2024 to decrease by 43% compared with 2016.
2. By installing solar power generation on the roof of the factory to reduce carbon emissions, in addition to continuing to generate 2.5 million kWh of green electricity in 2024, it is expected to build about 250kw of new solar power generation. It is estimated that the green electricity generated can reach more than 8% of the company's total electricity consumption.
3. Energy conservation and carbon reduction: Promote various energy-saving measures, and reduce electricity consumption per unit turnover by more than 2% in 2024 compared with 2023.
4. Circular economy: Recover copper from electroplating waste liquid, transfer it to the manufacturer for refining, and then use it back in the manufacturing process. The goal in 2024 is to recover 320KG of copper waste liquid, and 100% of the copper waste liquid will be recycled in 2027. We will also simultaneously improve the discharge of heavy metals in wastewater.
5. Save water resources and make full use of recycled water. The long-term goal is that recycled water usage accounts for 10% of tap water usage in 2030, and the 2024 target is set at 9.1%.
6. Continue to improve wastewater treatment technology. It is expected that the comprehensive water pollution index in 2030 will be 45% better than the legal standard of the discharged water, and the comprehensive water pollution index in 2024 is set at 39% better than the legal standard of discharged water.
7. Carry out various waste classification management and reduce outsourcing processing. The waste output intensity per unit turnover in 2030 will be reduced by 30% compared with 2016, and the target output intensity in 2024 will be reduced by 22% (with 2016 as the base year).

Achievement of reduction in 2023

1. In 2023, VOC emissions per unit turnover (kg/NT\$ million turnover) was reduced by 41.42%.
2. The company has reached the target of installing 1997kw of green power (solar energy) in 2021 ahead of schedule, accounting for 9% of the company's power contract capacity.
3. Energy conservation and carbon reduction: The company continued to purchase relevant energy-saving lamps and equipment in 2023. It is expected that the electricity consumption per unit turnover will decrease by 2% in 2024 compared with 2023 levels.
4. Circular Economy: Tong Yang cooperates with manufacturers to research circular economy waste recycling technology. The copper waste liquid in the electroplating process is electrolytically recycled. After being refined by the manufacturer, it is recycled and reused in the process. In 2023, 302KG of copper was recovered, and the target is expected to be 1,000kg by 2027. This not only reduces sludge output and simultaneously improves heavy metal emissions from wastewater.
5. Conserve water resources: Water recycling accounted for 9% of tap water usage in 2023.
6. Continue to improve wastewater treatment technology: In 2023, the comprehensive water pollution index was 36% better than the legal requirements on average.
7. Compared with the base year of 2016, the company's waste output per unit turnover in 2023 has been reduced by 20% (the target was 10%), which is in line with the company's short-term goal setting. We will continue to manage emission issues in the future.

Note 1: It should be handled in accordance with the timetable specified in Article 4-1, Item 4 of the operating regulations.

Note 2: The base year should be the year in which the consolidated financial report boundary is completed. For example, according to the provisions of Article 4-1, Item 2 of the Operating Measures, companies with a capital of more than NT\$10 billion should complete the inventory of the 2024 consolidated financial report in 2025, so the base year is 2024. If the company has completed the inventory of the consolidated financial report in advance, the earlier year can be used as the base year, and the data in the base year can be calculated as the average of a single year or several years.