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## Chairman's Message



Since the founding of Tong Yang Industry in 1952, it has been upholding the core principle of "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, focusing on the design, development, manufacturing and marketing of auto parts. Through the integration of global logistics and resources, we enhance our overall competitive advantages and have completed our layout of global channels, laying the foundation for the sustainable development of Tong Yang Group.

In the pursuit of sustainable development and growth, Tong Yang remains committed to prioritizing the interests of all stakeholders. In the face of changes in the business environment and the ongoing reshuffle and restructuring within the automotive industry, we continue to adhere to a philosophy of "one step at a time" and focus on operational discipline, strengthen foundational skills, and reinforce internal capabilities to face competition and challenges. Tong Yang has fully introduced environmental, safety and health-related laws and regulations, and incorporated employee needs into the basis for improvement, ensuring compliance with government environmental and safety regulations and gradually establishing a new milestone of LOHAS at Tong Yang. Environmental protection and innovation are the key drivers of future competitiveness. In response to the growing emphasis on vehicle lightweighting in new car development, Tong Yang has actively invested in related product R&D through its own technical strength to meet the increasingly stringent energy efficiency and carbon reduction regulations of various countries and seize the opportunities of lightweighting demands of new energy vehicles.

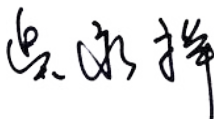
In 1993, Tong Yang established the "Tong Yang Wu Kao Culture and Education Foundation with the purpose of "caring for the road traffic of the society and improving the traffic quality of the people". The Foundation is dedicated to the promotion of traffic safety education, strengthening the public's correct traffic safety awareness and actively fulfilling our corporate social responsibilities. 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 to enhance the public's awareness of traffic safety. In addition, we have established GoNews, a self-media platform for traffic news, focusing on the promotion of traffic safety and road information, hoping that this media platform can become the most influential online media platform for traffic safety, aiming at promoting the culture of road safety into everyone's daily life.

Looking into the future, Tong Yang will continue to uphold the development goal of "Sustainable management and steady growth" and view sustainable development of both business and society as our responsibility and mission. We are committed to creating win-win outcomes for all stakeholders, while contributing economic and environmental value to society. We firmly believe that through continuous innovation and responsible practices, we strive to become a driving force for social progress, working hand in hand with all sectors to create a better future.



CEO





## Tong Yang's History

- 1952** ▪ Mr. Wu Kao founded Yi Chang Plastic, the predecessor of Tong Yang Industrial Co., Ltd.
- 1967** ▪ Restructured to Tong Yang Industrial Co., Ltd. to produce bicycle and motor plastic parts in Qingnian Road, Tainan City.
- 1973** ▪ Began exporting motorcycle parts to Southeast Asian countries such as Indonesia and Vietnam, becoming a pioneer in developing the aftermarket (AM) market.
- 1981** ▪ Produce the first domestic bumper (Ford Cortina).
- 1984** ▪ Signed a technical cooperation agreement with Mitsubishi Wheel Co., Ltd. to improve the productivity, quality, and in-house production rate of automobile instrument panels.
- 1988** ▪ Signed a technical cooperation agreement with Japan's SHI GERU to improve the productivity, quality, and in-house production rate of automobile dashboards.
- 1992** ▪ Received the "Comply with Quality Standards" award from the American CAPA Association  
Received the Ford Q1 Preferred Quality Award.
- 1993** ▪ The Founder, Mr. Wu Kao stepped down from his post, and Mr. Michael Wu took over as the chairman, and Mr. Raymond Wu as the CEO.  
▪ Founded Tong Yang Wu Kao Culture and Education Foundation, with the purpose of promoting "caring for road traffic in society and improving traffic quality for the people."  
▪ Received the Ford Q1 Preferred Quality Award.
- 1994** ▪ Listed on the Taiwan Stock Exchange.  
▪ Established Chongqing Daijang Yuchyang Plastic Products Co., Ltd. in joint venture with Chongqing Dajiang Group to enter the Chinese OEM market.
- 1995** ▪ Established Fuzhou Tong Yang Plastic Products Co., Ltd. as a wholly-owned subsidiary.
- 1996** ▪ Signed SPM Technical Cooperation Agreement with Sumitomo Cooperation and Suiryo Plastics Co. Ltd  
▪ Established TYGP production base in Texas, USA;  
▪ Established Tung Yang Chemical Co., Ltd., a joint venture with Japan Nippon Bee Chemical Group, offering plastic painting services.
- 2002** ▪ Established Chang Chun Faway Tong Yang Auto Plastic Parts Co., Ltd. with First Auto Group.
- 2005** ▪ Established Daik Nishikawa Tong Yang Auto Parts (Nanjing) Co., Ltd.  
▪ Established Guangzhou Tong Yang Tatematsu Mould Manufacturing Co., Ltd. in joint venture with Japan's Tatematsu Mold Works Co., Ltd.
- 2006** ▪ Established R&D center.
- 2007** ▪ Established Wuhan Xiang Xing with US IAC Group.



## Tong Yang's History

- 2010**
  - Merged Taiwan Kaiyi Industrial Co., Ltd. on September 1 to integrate group resources and enhance corporate competitiveness.
- 2011**
  - Appointed Yung-Hsiang Wu as CEO, Raymond Wu as Vice Chairman to demonstrate the significance of Tong Yang's "Inheritance and Perseverance".
  - Established Changsha GACC Tong Yang with Guangzhou Automobile Group; established Chang Chun Faway Tong Yang (Foshan).
- 2012**
  - Established Xiangyang Tong Yang.
  - Established Foshan Tong Yang Auto Parts Co., Ltd.
- 2013**
  - Established Technical R&D Center in Guangzhou, responsible for materials research, process development, and overseeing China branches and group laboratories.
- 2015**
  - Constructed the AM Manufacturing Department's 5th Injection Molding Plant to meet the demand of the AM market.
  - Built an AM electroplating plant for trivalent chromium and satin nickel, which had the largest single equipment capacity in the world.
  - Introduced environmentally friendly water-based primer equipment in the AM Manufacturing Department, becoming the world's first enterprise to adopt Low-VOCs (PM2.5) water-based primer technology.
- 2017**
  - Built OEM to introduce a second electroplating (satin nickel, trivalent chromium) production line.
  - Expanded the AM logistics warehouses, added three logistics warehouses and 27 container terminals.
- 2018**
  - FAW Fuwei Tong Yang (Qingdao) has annual production capacity of 300,000 sets and mass production in March 2018.
  - FAW Fuwei Tong Yang (Tianjin) has annual production capacity of 300,000 sets and mass production in June 2018.
- 2021**
  - Tong Yang was selected one of the most outstanding Car Parts Manufacturers among the Asia's Outstanding Companies by ASIAMONEY
- 2023**
  - Purchased 16,000 SM of land in Tainan Technology Industrial Park.
  - Held the Board meeting on December 21, and all the directors present unanimously elected Director Yung Mao Wu as the chairman of Tong Yang Group and Tong Yang Industrial Co., Ltd. and Director Yung Feng Wu as the Honorary Chairman.
- 2024**
  - Carried out comprehensive factor expansion planning, purchased 50,000 SM of land in Qigu Technology Industrial Park, and leased 159,000 SM of land in Sinshih Industrial Park to meet Tong Yang's growth needs in the following 3 to 5 years.
  - Started the fifth phase construction project of Logistics Warehouse 1.



# Sustainable Performance

## ENVIRONMENT

- The process waste rate reduced by **5%**.
- The Company installed **2249kw** of green electricity (solar energy), accounting for more than **8%** of the company's electricity contract capacity.
- The energy consumption in 2024 was 553,701 GJ; the energy intensity was 0.028 GJ/thousand in revenue, a decrease of about **10%** compared with the energy intensity in the previous year.
- Priority was given to eco-friendly products with environmental protection labels, water-saving labels, and energy-saving labels, such as LED lamps, inkjet printers, and water dispensers. In 2024, the total amount of green procurement reached **NT\$2.28 million**.
- A variety of tree species have been planted around the factory area. Currently, a total of **1,500 medium** and large trees have been planted, covering more than **3%** of the land area, and the estimated carbon sequestration is about **6 metric tons** per year.
- In 2024, the comprehensive water pollutant emissions index was **39.5%** better than the regulatory standard.
- In 2024, water consumption per unit of turnover decreased by **22%** compared with 2020.
- Air Pollution Management: In 2024, the company's air pollutant emissions per unit of turnover decreased by **47.23%** compared with the base year of 2016.
- In 2024, VOC emissions totaled 762 metric tons, representing a reduction of **312 metric tons** compared with 2016.

## SOCIAL

- The company attached great importance to labor-management communication, re-examined the collective agreement, and completed its signing in September. Employee feedback was compiled and reported quarterly, with a **100%** annual case resolution rate.
- To cooperate with the government's employment policy for people with disabilities, Tong Yang used the employment matching platform and hired **34 (weighted number) people** with disabilities in 2024 and **14 people** from the disadvantaged groups.
- In 2024, a total of **1,453** foreign workers were employed, accounting for **38%** of the total workforce. This reflects the company's commitment to embracing and valuing cultural diversity and inclusion.
- The reinstatement rate for those taking parental leave without pay reached **89%**, the retention rate was **100%** and the turnover rate was **2.89%**, a **1.28%** decrease compared with 2023.
- In 2024, a total of **NT\$ 2.3 million** was invested in employee learning and development, and a total of **711 sessions** of education and training courses (619 internal training courses and 92 external ones) were organized, with a total of **11,212 participants**.
- Carried out training on sensitivity of department-level supervisors, training **95 people** in total, with a total of **800 training hours**.
- In 2024, 132 students participated in the industry-academy collaboration program, including the Ministry of



## Sustainable Performance

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 **40%**.

- In 2024, through the TYG APP's Thanks and Encouragement Platform, supervisors can instantly send small cards and gifts to express their affirmation, and a total of **5,306 people** have been encouraged through this platform, creating a positive workplace culture.
- GoNews, an online platform for traffic safety knowledge established by the Tong Yang Wu Kao Culture and Education Foundation, recorded **410,895** website views in 2024.
- The "Old School Lifestyle of Tainan Islanders" Event reached **953,000 people**, inviting the public to use images to show the historical and cultural charm of Tainan City to deepen local connections and cultural participation.
- Tong Yang adopted Ancing Park for cleaning and maintenance, undertook the cleaning and maintenance of a **2.5-kilometer** roadway, and maintained a **1.2-kilometer** section of trees along the Mountains to Sea Greenway through regular watering and care.

## GOVERNANCE

- In 2024, we strengthen the supply chain responsibility management, and the proportion of suppliers signing the commitment letter of the OEM Supply Division reached **66.1%**, and that of AM Supply Division reached 88.2%, showing the results of promoting sustainable responsibility in the supply chain.
- In 2024, customer satisfaction continued to increase. The OEM customer satisfaction reached **86.82%**, better than the level in 2023. The AM market satisfaction was **92%**, higher than the industry average of **85%**.
- In 2024, we reached the goal by maintaining **zero case** of customer privacy leakage.
- In 2024, we actively participated in the MOEA's "Low-carbon transition project through large enterprises supporting smaller ones". As a central factory, we jointly promoted equipment improvement, lighting optimization, and carbon inventory verification with **11 suppliers** to step toward smart low-carbon manufacturing.
- In 2024, Tong Yang was ranked the top **51%-65%** of TWSE/TPEX listed companies in the Corporate Governance Evaluation.
- As of 2024, a total of **18 valid** patents remained in effect.



## About This Report

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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 sixth 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 2024 (January 1 to December 31 in 2024). Some of the data would be traced back to cases before or after 2024. 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 2023 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 based on the Company's internal statistics and survey results. Financial data are derived from the Company's annual financial statements audited by certified public accountants (Ernst & Young Taiwan), and all amounts are presented in New Taiwan Dollars (NTD). Environmental, health, and safety performance indicators are disclosed using internationally recognized standards. Certain data are sourced from publicly available information published by government agencies and are presented using commonly accepted quantitative formats. Where estimates or assumptions are involved, they are specified in the relevant sections.

### Reporting Guidelines

The content framework of this Report is prepared in accordance with 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.

### Internal Audit and Control

To promote the management of sustainability information, the Company has established the Sustainable Development (ESG) Management Committee that holds sustainable development kickoff meetings every year. A dedicated Sustainable Development Unit has been established to identify sustainability information disclosure items

## About This Report

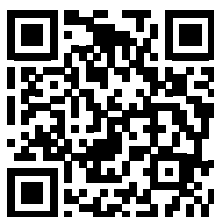


and be in charge of the collection, recording, processing, preparation, reconciliation, disclosure, and publication of sustainability information. Every year the management of sustainability information is included in an audit item in the internal audit plan. The identified internal control deficiencies related to sustainability information are communicated or reported to the management, the board of directors, and the Audit Committee in a timely manner. The Sustainable Development (ESG) Management Committee is responsible for submitting the Sustainability Report to the board of directors for approval before its issuance.

Starting in 2024, this Report has undergone a third-party limited assurance process conducted by Ernst & Young, in order to enhance the transparency and reliability of the disclosed sustainability information.

### 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> or just scan the QR Code for the Report.



Website for  
Tong Yang Group Sustainability Reports  
<https://www.tyg.com.tw/ESG-report.html>

- Previous edition: June, 2024
- Current edition: August, 2025

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# CHAPTER 01 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, and it is scheduled to provide stakeholder questionnaire on our official website in 2025 for the stakeholders to provide feedback to understand stakeholders' issues of concern through various channels. We hope 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 2024, 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 2023 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 2024.

The nine categories of major stakeholders identified in 2024 included Employees, Suppliers, Media, Investors/Shareholders, Clients, Foundation, Government Agencies, Community, and Financial Institutions. There is no significant difference in the stakeholders compared with 2023.





# CHAPTER 01 Stakeholder Inclusion and Common Prosperity

## 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
<b>Employees</b>	<ul style="list-style-type: none"> <li>Internal website</li> <li>Group</li> <li>Company announcement</li> <li>Regular meetings of organizations</li> <li>Unscheduled meetings of organizations</li> <li>Diverse employee communication channels</li> <li>Labor Union</li> </ul>	<ul style="list-style-type: none"> <li>Employment</li> <li>Market Presence</li> <li>(Salary level)</li> <li>Occupational Health and Safety</li> <li>Labor/Management Relations</li> <li>Human Rights Assessment</li> <li>Training and education</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Supply Headquarters Website Announcement feedback mailbox</li> <li>Procurement business meeting Regular and irregular visits</li> <li>ScM Platform</li> </ul>	<ul style="list-style-type: none"> <li>Economic performance</li> <li>Quality Management</li> <li>Delivery Management</li> <li>Technology Innovation</li> <li>Procurement Practices</li> <li>Customer Health and Safety</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>Press conference and thematic planning</li> <li>Press release / Special interview</li> <li>Telephone interview</li> <li>Unscheduled visit</li> </ul>	<ul style="list-style-type: none"> <li>R&amp;D Innovation</li> <li>Economic Performance</li> <li>Waste</li> <li>Compliance</li> </ul>
<b>Investors/ Shareholders/ Financial Institutions</b>	<ul style="list-style-type: none"> <li>Annual general meeting of shareholders</li> <li>Investment Conference</li> <li>Forum</li> <li>Participate in face-to-face communication meetings at investment institutions at home and abroad</li> <li>Annual report</li> <li>Unscheduled posting of major messages to MOPS (Market Observation Post System) or on the company's website</li> </ul>	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Technology Innovation</li> <li>Labor/Management Relations</li> <li>Employment</li> <li>Human Rights Assessment</li> </ul>



# CHAPTER 01 Stakeholder Inclusion and Common Prosperity

Stakeholders	Communication Channels	Topic of Interests
<b>Clients</b>	<ul style="list-style-type: none"> <li>▪ Business meeting</li> <li>▪ Regular or irregular visit</li> </ul>	<ul style="list-style-type: none"> <li>▪ Delivery Management</li> <li>▪ Quality Management</li> <li>▪ Customer Privacy</li> <li>▪ Customer Satisfaction</li> <li>▪ Marketing and Labeling</li> <li>▪ Customer Health and Safety</li> <li>▪ Technology Innovation</li> </ul>
<b>Foundation</b>	<ul style="list-style-type: none"> <li>▪ Document exchange</li> <li>▪ Regular or irregular visit/ Meeting</li> </ul>	<ul style="list-style-type: none"> <li>▪ Local Communities</li> <li>▪ Indirect Economic Impacts</li> </ul>
<b>Government agencies</b>	<ul style="list-style-type: none"> <li>▪ Document exchange</li> <li>▪ Meeting</li> <li>▪ Communication with the competent authority</li> </ul>	<ul style="list-style-type: none"> <li>▪ Emissions</li> <li>▪ Waste</li> <li>▪ Human Rights</li> <li>▪ Assessment</li> <li>▪ Water and Effluents</li> <li>▪ Employment</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>▪ Participate in the operation of the association</li> <li>▪ Irregular visits</li> <li>▪ Face-to-face communication</li> </ul>	<ul style="list-style-type: none"> <li>▪ Waste</li> <li>▪ Emissions</li> <li>▪ Local Communities</li> </ul>




# CHAPTER 01 Stakeholder Inclusion and Common Prosperity

## 1.1.3 Advisory and Grievance Channels

### Communication mechanism

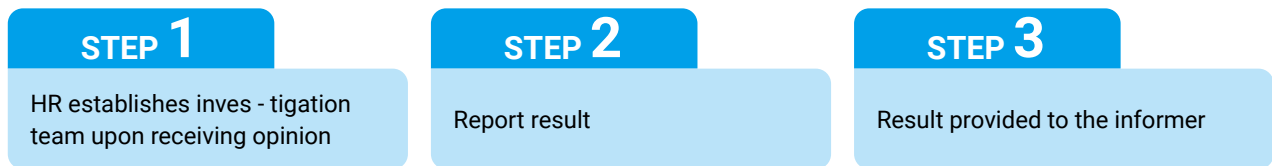
Tong Yang has established diverse communication channels for employees to express opinions, matters of encouragement and grievance, including labor regulation, environment, health and safety, restaurant benefits, notification of pregnancy, equipment, and all sorts of issues.



**Communication channel**

- Opinion and Feedback Platform
- HR Manager, Union Communication mailbox and telephone
- Grievance/reporting mailbox on corporate website
- Complaints/reporting mailbox and telephone on the external-identification card for external personnel

### Opinion Responding process



### Internal channels

- 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.
- Set up union opinion mailbox and contact phone number of the human resource manager and the trade union.

### External channels

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

# CHAPTER 01 Stakeholder Inclusion and Common Prosperity



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.

In 2024, we received 94 cases of opinion and feedback. After confirming the content and feedback on the results with the parties involved, the case closure rate reached 100%.

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





# CHAPTER 01 Stakeholder Inclusion and Common Prosperity

## 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 2024 was as follows.

2024 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, the standards issued by the Sustainability Accounting Standards Board (SASB) 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 31 topics were summarized, including corporate governance, economy, and environmental and social related issues that were used in the design of the questionnaires.	31 ESG topics
3	Prioritization of material topics	Tong Yang referred to GRI topic standards, SASB standards, and the material topics in our 2023 Sustainability Report and summarized a total of 31 sustainability topics. External experts then conducted questionnaire survey and 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 9 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 9 material sustainability topics into the contents in the 14 material topics management forms for the communication and response to stakeholders through the Sustainability Report.	9 material topics 14 Management forms



# CHAPTER 01 Stakeholder Inclusion and Common Prosperity

2024 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.</p> <p>Compared with 2023, in addition to incorporating the topics of "Corporate Governance", "Anti-competitive Behavior", and "Materials" into the text, in the 2024 Report, "Customer Health and Safety", "Customer Satisfaction", "Quality Management", "Delivery Management", and "Product Safety" are merged into "Customer Health and Safety"; "Energy" and "Emissions" are merged into "Energy, Emissions"; "Water and Effluents" is the newly added material topic for 2024.</p>	<p><b>9<sup>th</sup></b> Edition of ESG Report</p>

## 1.2.2 Prioritization of Material Topics

Compared with 2023, in this 2024 Report, material topics of "Corporate Governance", "Anti-competitive Behavior", and "Materials" are incorporated into the text; "Customer Health and Safety", "Customer Satisfaction", "Quality Management", "Delivery Management", and "Product Safety" are merged into "Customer Health and Safety"; "Energy" and "Emissions" are merged into "Energy, Emissions". In addition, "Water and Effluents" is the newly added material topic for 2024. Relevant management measures are detailed in the Management Approach.

2024 Tong Yang Material Topics		
E: Environment	S: Social	G: Corporate Governance
1. Water and Effluents	4. Employment & Labor/Management Relations	8. Economic performance
2. Energy, Emissions (*Energy Management)	5. Occupational Health and Safety	9. Customer Privacy (Information Security)
3. Waste (*Waste Management)	6. Training and Education	
	7. Customer Health and Safety (Incorporated with Customer Satisfaction, Quality Management, Delivery Management, and *Product Safety)	

\* represents the SASB Standard Topics

Prioritization of Tong Yang's Other Topics			
12. Supplier Environmental Assessment	13. Supplier Social Assessment	14. Market Presence	15. Local Communities
16. Procurement Practices (*Material Sourcing/Local Procurement)	17. Materials (*Material Efficiency)	18. Indirect Economic Impacts	19. Anti-corruption
20. Anti-competitive Behavior (*Competitive Behavior)	21. Tax	22. Biodiversity	23. Diversity and Equal Opportunity
24. Non-discrimination	25. Freedom of Association and Collective Bargaining	26. Child Labor	27. Forced or Compulsory Labor
28. Security Practices	29. Rights of Indigenous Peoples	30. Public Policy	31. Marketing and Labeling



# CHAPTER 01 Stakeholder Inclusion and Common Prosperity

## 1.2.2 Management List of Material Topics

Material Topics	Describe the Organization's policies or commitments related to Material Topics	Describe the influences and impacts
<p><b>Economic performance</b></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><b>Economic Aspect - Potential/ Negative Impact:</b></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><b>Quality Management</b></p>	<ul style="list-style-type: none"> <li>▪ All members within the organization shall be responsible for quality.</li> <li>▪ Quality is the guarantee for the implementation of lean production, targeting at maximizing profits and lowering costs.</li> <li>▪ The operators shall understand the product process of products.</li> <li>▪ Education and training for operators shall be implemented so that the product yield will not be affected.</li> </ul>	<p><b>Environmental Aspect - Actual/ Positive Impact:</b></p> <ol style="list-style-type: none"> <li>1. 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.</li> </ol> <p><b>Economy Aspect - Actual/ Positive Impact:</b></p> <ol style="list-style-type: none"> <li>1. 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.</li> <li>2. Reduce the personnel turnover rate to stabilize the quality.</li> <li>3. Optimize the working environment to meet environmental safety, so as to improve the efficiency of the operators and the stability of quality.</li> <li>4. Improve the quality to reduce waste and increase productivity, and naturally the effect of reducing costs and increasing profits can be reached.</li> </ol>



# CHAPTER 01 Stakeholder Inclusion and Common Prosperity

Mainly affected by	Negative impacts of Preventive or Remedial Measures	Goals & Objectives	Management Policy Corresponding Chapters
Investors/ Shareholders, Employees	<p><b>Preventive measures :</b> 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"> <li>1. Group business decision-making meeting (quarterly)</li> <li>2. Monthly meeting with the mobilization of the whole company (quarterly)</li> <li>3. Monthly business group meeting (monthly)</li> <li>4. Monthly quality meeting</li> </ol> <p><b>Remedial measures :</b> Ensure the emergency response procedures can be operational immediately in the event of an emergency.</p>	<p><b>Short-term goals :</b></p> <ol style="list-style-type: none"> <li>1. Continue to develop new customers, new product certification, and optimized quality.</li> <li>2. Employee salary and welfare investment to increase by 5.5% compared with the previous year.</li> </ol> <p><b>Medium- and long-term goals :</b></p> <ol style="list-style-type: none"> <li>1. Employee salary and welfare investment to increase by 6% compared with the previous year.</li> <li>2. Improve corporate governance and stable profitability.</li> <li>3. Become a benchmark enterprise for corporate governance and business performance in the same trade.</li> </ol>	2.2 Integrity Management
Upstream procurement, Clients, Consumers, Suppliers, Community	<p><b>Preventive measures :</b> Employees of the on-site units follow the SOP for product production and check at every level to prevent the outflow of defective products. Proactively identify problems and fix them before negative reviews arise.</p> <p><b>Remedial measures :</b> If there are quality-related problems, replenishment or price deduction will be provided to maintain clients' trust in the company products.</p>	<p><b>Short-term goals :</b></p> <ol style="list-style-type: none"> <li>1. Improve the one-pass rate (target:78%) and maintain the maximum yield rate of products.</li> <li>2. OEM Reduce customer complaint amount ratio (target: 0.0700% )</li> <li>3. AM Reduce customer complaint amount ratio (target: 0.0789% )</li> <li>4. Continue quality management certification</li> <li>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).</li> </ol> <p><b>Medium- and long-term goals :</b> 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



# CHAPTER 01 Stakeholder Inclusion and Common Prosperity



Material Topics	Describe the Organization's policies or commitments related to Material Topics	Describe the influences and impacts
<p><b>Employment / Labor / Management Relations</b></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><b>People and Human Rights Aspect- Actual/ Positive and Negative Impacts:</b></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><b>Customer Satisfaction</b></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><b>Strategy :</b></p> <p>Work closely with customers and understand as well as respond to customers' needs and opinions through regular meetings &amp; questionnaires to provide the best customer service.</p>	<p><b>Economic Aspect- Actual/ Positive Impact :</b></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>



# CHAPTER 01 Stakeholder Inclusion and Common Prosperity

Mainly affected by	Negative impacts of Preventive or Remedial Measures	Goals & Objectives	Management Policy Corresponding Chapters
<b>Employees</b>	<p><b>Preventive measures :</b></p> <p>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.</p> <p>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> <p><b>Remedial measures :</b></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><b>Short-term goals :</b></p> <ol style="list-style-type: none"> <li>1. No occurrence of violations of human rights, discrimination or ILO Conventions.</li> <li>2. Annual compilation and reporting of employee opinions on the platform.</li> <li>3. Review the collective agreement on a yearly basis and make adjustments based on the situation.</li> </ol> <p><b>Medium- and long-term goals :</b></p> <ol style="list-style-type: none"> <li>1. Emphasis on human rights.</li> <li>2. Gender equality.</li> <li>3. Complete corporate welfare.</li> </ol>	4. Harmonious Workplace
<b>Clients, Consumers, Suppliers, Media, Government, Community, Employees</b>	<p><b>Preventive measures:</b></p> <ol style="list-style-type: none"> <li>1. Accurately respond to customer needs and work closely with clients.</li> <li>2. 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.</li> </ol> <p><b>Remedial measures:</b></p> <ol style="list-style-type: none"> <li>1. We communicate with customers at any time through real-time video conferencing via communication platforms to promptly clarify and resolve client concerns.</li> <li>2. In the event of customer dissatisfaction, immediate communication channels, such as phone calls or face-to-face interviews, are utilized to understand client needs and implement corrective actions, ensuring customer satisfaction with the Company.</li> </ol>	<p><b>Short-term goals:</b></p> <p>Grasp different customer compliant situations from the perspectives of quality, technology, services, delivery, and prices and establish relevant operating procedures.</p> <p><b>Medium- and long-term goals:</b></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>	3.3.2 OEM Product Quality Control Policy 3.4.2 Quality Management Policy of AM Products



# CHAPTER 01 Stakeholder Inclusion and Common Prosperity

Material Topics	Describe the Organization's policies or commitments related to Material Topics	Describe the influences and impacts
<p><b>Delivery Management</b></p>	<ol style="list-style-type: none"> <li>1. Improve the bottleneck in the production line.</li> <li>2. Shorten administrative procedures.</li> <li>3. The goal to reach just-in-time delivery.</li> <li>4. The scheduling of the production line should be revised in time with the supply to facilitate delivery.</li> </ol>	<p><b>Economic Aspect- Actual/ Positive Impact :</b></p> <ol style="list-style-type: none"> <li>1. The accuracy and punctuality of delivery affect the cost and turnover rate of inventory on the customer's side.</li> <li>2. Check inventory regularly to avoid cost pressure caused by excessive stockpiling and shorten the delivery time of orders.</li> <li>3. Improve productivity and product quality and facilitate the enterprise to make effective control of products and delivery time.</li> </ol> <p><b>Economic Aspect- Potential/ Negative Impact :</b></p> <ol style="list-style-type: none"> <li>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.</li> </ol>
<p><b>Customer Health Safety</b></p>	<p>Initiation of the Green Plan-Commitment to Net Zero Emissions by 2050 :</p> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ol>	<p><b>Economic Aspect- Actual/ Negative Impact :</b></p> <p>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><b>Environmental Aspect- Actual/ Positive Impact :</b></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><b>People and Human Rights Aspect- Actual/ Positive Impact :</b></p> <p>Avoid the manufactured products to endanger the health and safety of clients and general customers.</p>



# CHAPTER 01 Stakeholder Inclusion and Common Prosperity

Mainly affected by	Negative Impacts of Preventive or Remedial Measures	Goals & Objectives	Management Policy Corresponding Chapters
<p><b>Clients, Investors/ Shareholders</b></p>	<p><b>Preventive measures:</b></p> <ol style="list-style-type: none"> <li>1. Plan and implement long-term ESG strategies.</li> <li>2. Regularly monitor the progress of each department.</li> <li>3. Establish a learning and training system.</li> <li>4. Establish a knowledge management system.</li> </ol> <p><b>Remedial measures:</b> Adopt product diversification contingency strategy to reduce the risk of abrupt change.</p> <ol style="list-style-type: none"> <li>1. Talent training (selected within the Company)</li> <li>2. Suggestions for and implementation of risk identification planning and improvement plans.</li> </ol>	<p><b>Short-term goals:</b></p> <ol style="list-style-type: none"> <li>1. Reduce the defect rate of delivery (Target: 46ppm).</li> <li>2. Improve on-time delivery rate (Target: 100%).</li> </ol> <p><b>Medium- and long-term goals:</b></p> <ol style="list-style-type: none"> <li>1. Reduce the defect rate of delivery (Target: 30 ppm).</li> <li>2. Improve on-time delivery rate (Target: 100%).</li> </ol>	<p>3.3.2 OEM Product Quality Control Policy</p>
<p><b>Clients, Consumers, Suppliers, Government, Community, Employees</b></p>	<p><b>Preventive measures:</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>2. Ensure the quality of raw materials and stable supply of suppliers.</li> <li>3. Establish a product safety testing mechanism.</li> </ol>	<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><b>Short-term goal:</b> Conduct regulation identification on a monthly basis.</p> <p><b>Medium-term goal:</b> Confirm the suitability of relevant regulations through continuous tracking and identification of regulations.</p> <p><b>Long-term goal:</b> Zero industrial accidents and no fines from government agencies.</p>	<p>3.3.2 OEM Product Quality Control Policy</p>



# CHAPTER 01 Stakeholder Inclusion and Common Prosperity

Material Topics	Describe the Organization's policies or commitments related to Material Topics	Describe the influences and impacts
<p><b>Emissions</b></p>	<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><b>Environmental Aspect - Potential/ Negative Impact :</b> Failure to comply with emission/discharge standards will lead to environmental impacts.</p> <p><b>Environmental Aspect - Actual/ Positive Impact :</b> Reduce the wastewater and exhaust generated during the production process and reduce the impact on human health and the environment.</p>
<p><b>Waste</b></p>	<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><b>Economic Aspect - Potential/ Negative Impact :</b> If the waste classification is not implemented, the cost of waste disposal will increase.</p> <p><b>Economic Aspect - Potential/ Negative Impact :</b> Increase the burden on incinerators and carbon emissions from waste incineration.</p>



# CHAPTER 01 Stakeholder Inclusion and Common Prosperity

Mainly affected by	Negative Impacts of Preventive or Remedial Measures	Goals & Objectives	Management Policy Corresponding Chapters
Community	<p><b>Preventive measures :</b> Regular monitoring is made for immediate and appropriate response when abnormal conditions occur.</p>	<p><b>Continue to improve wastewater treatment technology:</b></p> <p><b>Short-term goals:</b> The comprehensive indicator of water pollution in 2025 to be 40% better than the requirements in the Effluent Standards.</p> <p><b>Long-term goals :</b> The comprehensive indicator of water pollution in 2030 to be 45% better than the requirements in the Effluent Standards.</p> <p><b>Air pollution management :</b> With source pollution reduction and the introduction of terminal pollution prevention equipment, under the conditions of no additional process:</p> <p><b>Short-term goals :</b> 45% decrease of VOC emissions per unit of revenue by 2025 compared with 2016.</p> <p><b>Long-term goals :</b> 50% decrease of VOC emissions per unit of revenue by 2030 compared with 2016</p>	6.5 Pollution Prevention
Shareholders 、 Community	<p><b>Preventive measures :</b> Regularly monitor and manage the amount of waste generated so that it meets the planned target amount.</p>	<p>Waste reduction: Carry out the classification of waste for management to reduce outsourcing of waste disposal.</p> <p><b>Short-term goals :</b></p> <ul style="list-style-type: none"> <li>Overall waste: To reduce the output intensity by 34% in 2025 (with 2017 as the base year).</li> <li>Hazardous waste : the target output intensity in 2025 will be reduced by 36% (with 2017 as the base year).</li> </ul> <p><b>Long-term goals :</b></p> <ul style="list-style-type: none"> <li>Overall waste: To reduce the output intensity by 40% in 2030 (with 2017 as the base year).</li> <li>Hazardous waste : To reduce the output intensity by 40% in 2030 (with 2017 as the base year).</li> </ul>	6.5.2 Waste Management



# CHAPTER 01 Stakeholder Inclusion and Common Prosperity

Material Topics	Describe the Organization's policies or commitments related to Material Topics	Describe the influences and impacts
<p><b>Occupational Health and Safety</b></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><b>People and Environment Aspect-Potential/ Negative Impact :</b></p> <p>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><b>Customer Privacy (Information Security)</b></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><b>Economic Aspect-Potential/ Negative Impact :</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>2. Information security and corporate sustainability are inseparable. When hackers launch a DDoS attack, the worst case is that it will cause business interruption.</li> </ol> <p>Leakage of customer privacy may cause customers to lose their competitiveness.</p>



# CHAPTER 01 Stakeholder Inclusion and Common Prosperity

Mainly affected by	Negative Impacts of Preventive or Remedial Measures	Goals & Objectives	Management Policy Corresponding Chapters
Shareholders & Employees	<p><b>Preventive measures :</b></p> <p>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><b>Short-term goals :</b></p> <p>0 case of disabling injury in 2025</p> <p><b>Medium- and long-term goals :</b></p> <p>20 case of disabling injury in 2030</p>	4.6.2 Management of Occupational Safety
Clients, Consumers, Suppliers, Media, Government, Community, Employees	<p><b>Preventive measures :</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>3. Use various systematic tools for monitoring and analysis and establish active protection and warning capabilities.</li> <li>4. Regularly review customer information and conduct risk assessment.</li> </ol>	<p><b>Short-term goals :</b></p> <p>Strengthen employees' awareness of information security.</p> <p><b>Medium- and long-term goals :</b></p> <p>Ensure that there is no leakage of customer privacy.</p>	5.4.3 Customer Privacy



# CHAPTER 01 Stakeholder Inclusion and Common Prosperity



Material Topics	Describe the Organization's policies or commitments related to Material Topics	Describe the influences and impacts
<p><b>Energy</b></p>	<p>Global warming and climate change have caused great environmental impact. The energy is limited. The Company intends to set 2024 as the base year for carbon reduction, and set a target of 34% reduction by 2035 and net-zero emissions by 2050. We will actively promote various energy-saving measures to continue lowering the impact on the environment.</p>	<p><b>Environmental Aspect - Actual/ Positive Impact:</b> 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.</p> <p><b>Economic Aspect - Potential/ Negative Impact:</b> Carbon taxes/fees will increase product costs and may increase prices of products.</p>
<p><b>Water and Effluents</b></p>	<p>The Company manages and reuses water resources within its facilities, gathers statistics on water consumption and implements water quality testing on a yearly basis.</p>	<p><b>Environmental Aspect - Actual/ Positive Impact:</b> Comply with environmental regulations to reduce corporate legal risks and minimize adverse impacts on water bodies and ecosystems.</p> <p><b>Economy Aspect - Potential/Negative Impact:</b> Improper discharge can lead to pollution of water bodies, resulting in regulatory fines, financial losses, damage to the Company's reputation and corporate image.</p>



# CHAPTER 01 Stakeholder Inclusion and Common Prosperity

Mainly affected by	Negative Impacts of Preventive or Remedial Measures	Goals & Objectives	Management Policy Corresponding Chapters
Shareholders, Clients	<p><b>Preventive measures:</b> Regular and continuous monitoring and management of the implementation performance.</p>	<ol style="list-style-type: none"> <li>To continue to produce 2.60 million kWh of green electricity in 2025, accounting for more than 8% of the total electricity consumption of the Company.</li> <li>The 2025 energy consumption per unit turnover is set at 2% lower than that in 2024.</li> </ol>	6.2 Energy Management
Shareholders, Community	<p><b>Preventive measures:</b> Installed water quality analysis equipment at each wastewater treatment plant to regularly monitor water quality and water volume to avoid abnormalities.</p>	<p>Continue to improve wastewater treatment technology:</p> <p><b>Short-term goals:</b></p> <ol style="list-style-type: none"> <li>The water consumption per unit of turnover in 2025 to be reduced by 23% compared with 2020.</li> <li>The comprehensive pollution index of discharged water to be set to be 40% higher than the legal standard of discharged water in 2025 to reduce its environmental impact.</li> </ol> <p><b>long-term goals:</b></p> <ol style="list-style-type: none"> <li>The water consumption per unit of turnover to be reduced by 30% by 2030.</li> <li>The comprehensive pollution index of discharged water to be 45% higher than the legal standard for discharged water by 2030.</li> </ol>	6.4 Water Management



# CHAPTER 01 Stakeholder Inclusion and Common Prosperity

Material Topics	Describe the Organization's policies or commitments related to Material Topics	Describe the influences and impacts
<p><b>Training and Education</b></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><b>People and Human Rights Aspect - Actual/ Positive Impact :</b> 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><b>Product Safety</b></p>	<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><b>Economic Aspect - Actual/ Positive Impacts :</b> Third-party certified products are trusted by customers and provide customers with guaranteed high-quality products.</p>



# CHAPTER 01 Stakeholder Inclusion and Common Prosperity

Mainly affected by	Negative Impacts of Preventive or Remedial Measures	Goals & Objectives	Management Policy Corresponding Chapters
Employees	<p><b>Preventive measures:</b></p> <ol style="list-style-type: none"> <li>To enable the employees to work in a safe environment, preventive fire drill training is conducted every year.</li> <li>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.</li> </ol>	<p><b>Short-term goals:</b></p> <ol style="list-style-type: none"> <li>Set the course implementation rate at 96% and above.</li> <li>Establish a training and learning App platform and provide online course resources for our associates to learn at any time flexibly.</li> </ol> <p><b>Medium- and long-term goals:</b> 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
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> <ul style="list-style-type: none"> <li>USA: Number of CAPA certified products: 550.</li> <li>Europe: Number of TUV-R certificated products: 73.</li> </ul>	3.4.2 Quality Management Policy of AM Products



## CHAPTER 02 Management and Governance

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# CHAPTER 02 Management and Governance

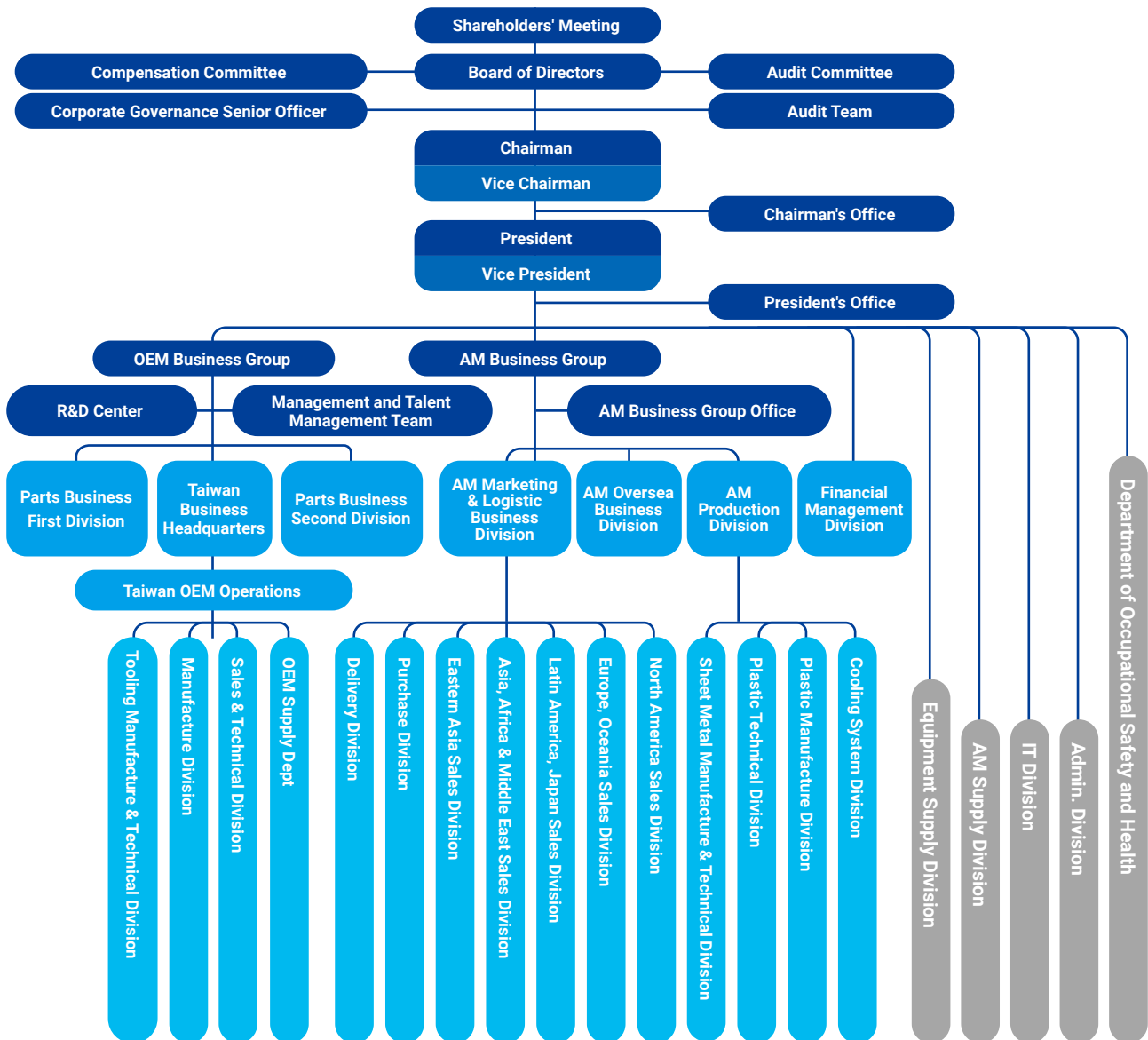


## 2.1 Glory of Tong Yang

### 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.



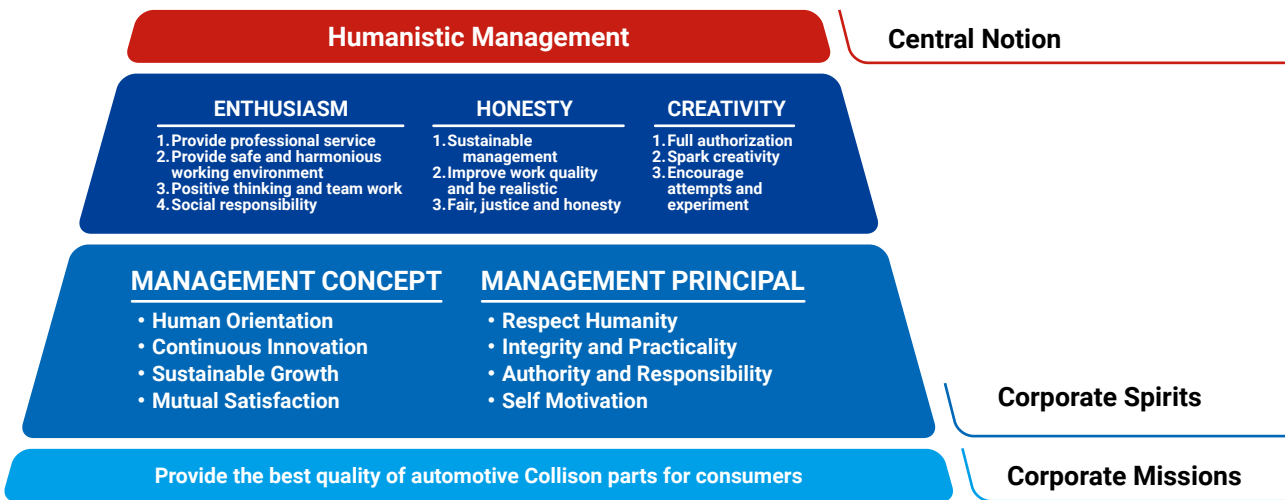


# CHAPTER 02 Management and Governance

## 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.

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



## TYG Considerations of Sustainable Management Strategies

Leading global supplier of automotive interior & exterior parts





## CHAPTER 02 Management and Governance

### Business Strategies

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

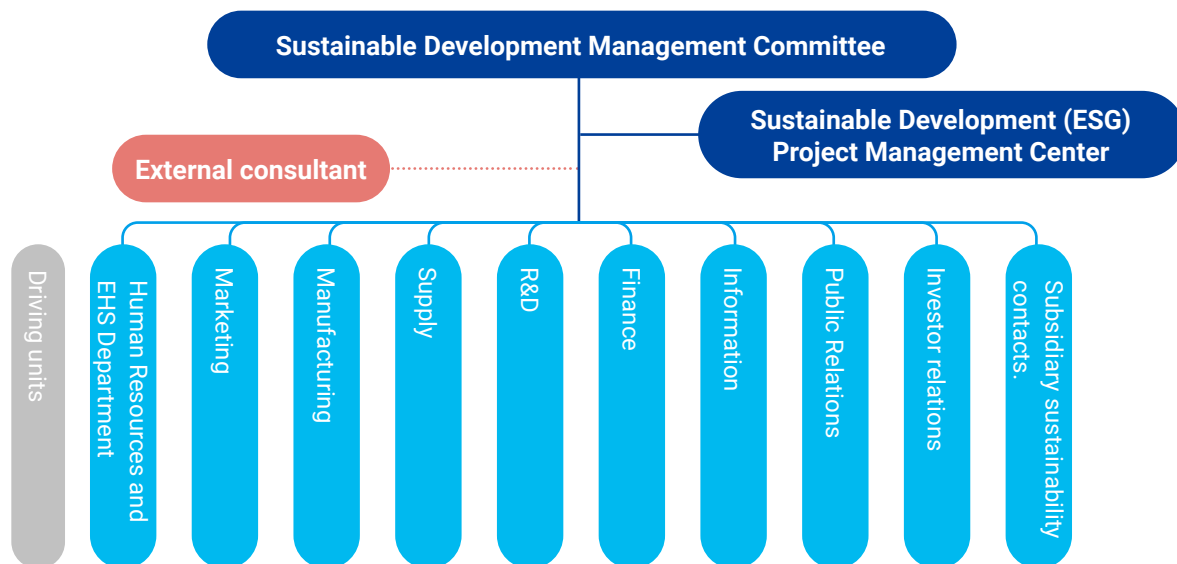
### Tong Yang's Sustainable Management Approach

<b>Market</b>	The global leading supplier of automobile interior and exterior parts. OEM: <ol style="list-style-type: none"> <li>1. Stabilize the cooperation and development with Taiwanese car manufacturers and the top 10 car manufacturers in mainland China.</li> <li>2. Develop OEM and OES markets to export to new customers and cooperate with new plants.</li> </ol> AM: <ol style="list-style-type: none"> <li>1. Expand global sales channels and develop new markets in China, Southeast Asia and Eastern Europe.</li> <li>2. Continue to accelerate product certification so as to facilitate the development of products for insurance companies and markets for certified products.</li> </ol>
<b>Product</b>	<b>OEM:</b> Front-end modular assemblies and high value-added products including instrument panels and plated parts. <b>AM:</b> Plastic, sheet metal, cooling system, plating and other parts
<b>Technology</b>	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.
<b>Talent</b>	Management-oriented operation, deep- ploughing technology and innovation <b>1. Management talent:</b> Comprehensive general manager, talents for new market development. <b>2. R&amp;D talents:</b> <ol style="list-style-type: none"> <li>A. New raw materials, coatings, electroplating fluid research and development.</li> <li>B. New technology research and development of equipment planning introduction.</li> <li>C. Collaborate with car factories, participate in product design and development.</li> <li>D. International experimental equipment management and test measurement capabilities.</li> </ol>
<b>Financial</b>	Pursue the balance between shareholders' rights and interests and sustainable growth of the company.



# CHAPTER 02 Management and Governance

## 2.1.2 Sustainability Management Committee



In the beginning of 2016, the CEO established the CSR Project Committee, which was renamed the ESG Promotion Committee in 2021. From 2024, the Company's sustainability-related issues and projects are coordinated by the Sustainable Development (ESG) Management Committee, with the CEO serving as the chairman, the president of the business group as the deputy chairman, and the Sustainable Development (ESG) Project Management Center is in charge of establishing and planning the Company's overall policy, reviewing the implementation outcomes, and supervising the execution of various sustainable operations and system establishment by each promotion unit to ensure that the information is correct and compliant with relevant laws and regulations. (We referred to specific indicators listed in Global Reporting Initiative (GRI) standards version, which are divided into driving units, such as personnel & environmental safety, marketing, production, supply, R&D, finance, information, public relations, investor relations, and subsidiary sustainability contacts.)

- Operation Status of the Sustainable Development (ESG) Promotion Committee
  1. On 2024/3/8: Reported on the GHG inventory and verification implementation progress of Tong Yang and the subsidiaries in the consolidated statements to the board of directors.
  2. On 2024/3/8: Revised Tong Yang's internal regulations, "Sustainability Report Preparation and Verification Procedures".
  3. On 2024/5/7: Reported on the GHG inventory and verification implementation progress of Tong Yang and the subsidiaries in the consolidated statements to the board of directors.
  4. On 2024/6/27 : The 2023 Sustainability Report was submitted to and passed by the board of directors.
  5. On 2024/8/8: Reported on the GHG inventory and verification implementation progress of Tong Yang and the subsidiaries in the consolidated statements to the board of directors.
  6. On 2024/11/7: Formulated Tong Yang's Internal Control System for Sustainable Information Management, which was approved by the board of directors.
  7. On 2024/11/7: 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 2025/1/9: Held the kick-off meeting for the 2024 Sustainability Report preparation and organized education and training courses.
  9. On 2025/2/7: Convened the kick-off meeting of the ESG Development Committee.



## CHAPTER 02 Management and Governance

### 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 2024 reached 16.29 million units, with an annual increase of 25% (estimated by TrendForce), which were driven by the four major core trends of e-vehicle industry, "CASE", namely Connected, Autonomous, Service and Shared, and Electric. These trends are reshaping the ecosystem of the traditional automotive supply chain, making technologies for Safety, Comfort, and Being Lightweight are playing increasingly significant role. For automotive component manufacturers, Intelligent automotive technology has become the mainstream specification for new vehicles. Modularization, system functionality development, and high-value and lightweight products have become the key directions for industry development.

The output of Taiwan's auto parts manufacturing industry has exceeded that of the automobile manufacturing industry in recent years. In addition, it is characterized by flexible manufacturing and small-volume and diversified production models, giving it a competitive advantage in the development of aftermarket (AM) service. Its primary export markets are North America and Europe, with the U.S. being the largest destination for Taiwan's aftermarket (AM) parts, accounting for over 50% of total exports. In recent years, due to the parts supply and materials shortages, for the purpose of shortening the wait time for car owners, insurance companies have introduced lower-premium policies that offer coverage with AM parts as an option for customers. State Farm, the largest property insurance company in the U.S. announced that from October 16, 2023, the use of AM collision parts in insurance claims has become standard practice across the U.S. These parts must be certified by Certified Automotive Parts Association (CAPA) to expedite the claims process, promoting other insurance providers to adopt similar policies. This shows that Taiwan's AM parts have gradually been recognized by American consumers. This is a significant opportunity for automotive parts manufacturers with competitive advantages in technology, cost, and quality, and is expected to drive continued growth and expansion in export scale of Taiwan's auto parts.



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### 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 inferior 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, driven by its globalization and specialization strategies, Tong Yang Group has established production plants and sales bases in Taiwan, China, and other regions to strengthen its market competitiveness. It is the most specialized Tier 1 manufacturer and the world's largest AM supplier of automotive exterior collision parts, holding a leading position in the global AM market.

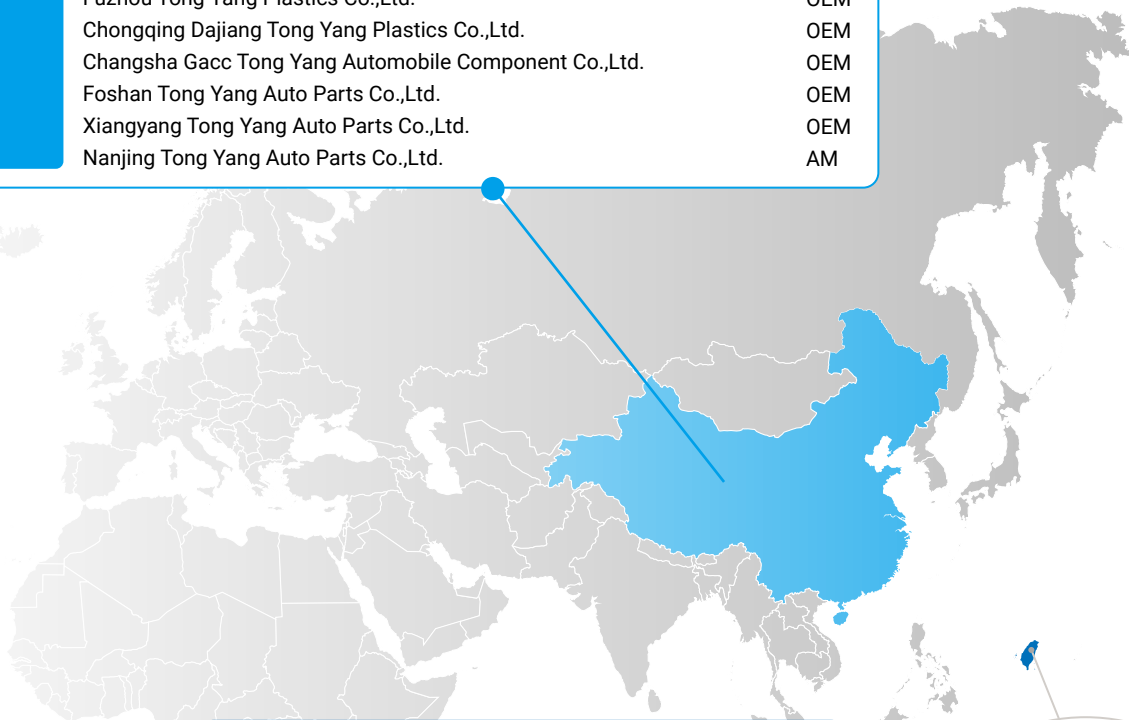
The Group has advantages in different product lines. By the complementation and mutual support of related resources in business, the operation efficiency can be increased and the operation scale is expanded, enlarging the breadth and depth of the product line, which can meet the convenience of one-stop 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 20 production bases globally, including Taiwan, China, etc.



# CHAPTER 02 Management and Governance

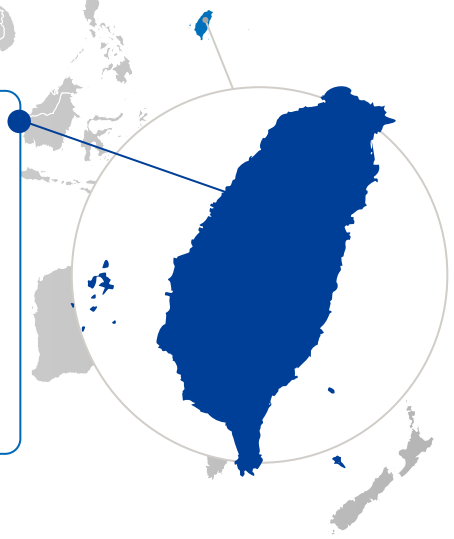
## China Region

<b>Design</b>	Tong Yang(Guangzhou)Technology R&D Service Co.,Ltd.	OEM
	Shanghai Huashi Automobile R&D Center	OEM
<b>Molds</b>	Guangzhou Tong Yang Tatematsu Mold Manufacturing Co.,Ltd.	OEM
<b>Plastic parts</b>	Changchun Faway Tong Yang Automobile Components Co.,Ltd.	OEM
	Changchun Faway Tong Yang Automobile Components Co.,Ltd. (Foshan)	OEM
	Changchun Faway Tong Yang Automobile Components Co.,Ltd. (Qingdao)	OEM
	Changchun Faway Tong Yang Automobile Components Co.,Ltd. (Tianjin)	OEM
	Faway Tong Yang Automobile Components(Anhui) Co.,Ltd.	OEM
	Faway Tong Yang Automobile Components(Shanghai) Co.,Ltd.	OEM
	Daikyo Nishikawa Tong Yang Auto Parts(Nanjing)Co.,Ltd.	OEM
	Fuzhou Tong Yang Plastics Co.,Ltd.	OEM
	Chongqing Dajiang Tong Yang Plastics Co.,Ltd.	OEM
	Changsha Gacc Tong Yang Automobile Component Co.,Ltd.	OEM
	Foshan Tong Yang Auto Parts Co.,Ltd.	OEM
	Xiangyang Tong Yang Auto Parts Co.,Ltd.	OEM
	Nanjing Tong Yang Auto Parts Co.,Ltd.	AM



## Taiwan

<b>Plastic parts</b> <b>Sheet parts</b> <b>Fan</b> <b>Molds</b>	Tong Yang Industry Co.,Ltd.	OEM AM
	Ru Yang Industry Co.,Ltd.	OEM
<b>Plastic parts</b>		
<b>Coating</b>	Tung Yang Chemical Co.,Ltd.	OEM





## CHAPTER 02 Management and Governance

### 2.1.4 Awards and Glory

Year	Awards
1992	<ul style="list-style-type: none"> <li>Received the "Comply with Quality Standards" award from the American CAPA Association.</li> <li>Received the Ford Q1 Preferred Quality Award.</li> </ul>
1996	<ul style="list-style-type: none"> <li>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.</li> </ul>
1997	<ul style="list-style-type: none"> <li>Received the Five-Star Award for Excellence in Safety and Health in Taiwan Province.</li> </ul>
2005	<ul style="list-style-type: none"> <li>Awarded by the Department of Health for three consecutive years as National smoke prevention excellent workplace.</li> </ul>
2006	<ul style="list-style-type: none"> <li>Selected as the "Excellent Unit for the Employment of Persons with Disabilities."</li> </ul>
2007	<ul style="list-style-type: none"> <li>Partnership with Executive Yuan Southern District Labor Inspection Office, Co-signing Safety Partner Declaration.</li> </ul>
2010	<ul style="list-style-type: none"> <li>The 3rd "Safety Partner - Group Contribution Award" awarded by the Executive Yuan's Labor Committee in 2010.</li> </ul>
2014	<ul style="list-style-type: none"> <li>2014 HONDA Best Partner Award.</li> <li>2014 Nissan Cooperation System Design and Development Excellence Award.</li> <li>2014 China Motor Corporation Excellent manufacturer.</li> <li>2014 Ford Lio Ho Supplier Excellence Award-Silver Award.</li> </ul>
2015	<ul style="list-style-type: none"> <li>2015 Tainan City Safety and health performance evaluation "Excellence Award".</li> <li>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.</li> <li>2015 Nissan Cooperation System Design and Development Excellence Award.</li> <li>2015 HONDA Accessory Development Award.</li> <li>2015 HONDA Best Partner Award.</li> <li>2015 Ford Lio Ho Supplier Excellence Award-Silver Award.</li> </ul>
2016	<ul style="list-style-type: none"> <li>Received praise from the Ministry of Labor and the Tainan Municipal Government for signing collective agreement, harmonious institution with good labor relations.</li> <li>2016 Tainan City Safety and health performance evaluation "Excellence Award".</li> <li>A level Manufacturers for Kuozui Motor's safety and health management system assessment from 2014 ~2016.</li> <li>Awarded by Tainan City for "Excellent Labor Relations and Harmonious institutions" for three consecutive years.</li> <li>HONDA Best Partner Award (for ten consecutive years).</li> <li>2016 Nissan Cooperation System Design and Development Excellence Award.</li> <li>2016 China Motor Corporation Quality Refine Award.</li> <li>2016 Ford Lio Ho Supplier Excellence Award-Gold Award.</li> </ul>



## CHAPTER 02 Management and Governance

Year	Awards
2017	<ul style="list-style-type: none"> <li>2017 Ford Lio Ho Supplier Excellence Award-Gold Award.</li> <li>2017 Nissan Cooperation System Design and Development Excellence Award.</li> <li>Awarded by Tainan City of Excellent labor relations and harmonious institutions for four years in a row).</li> </ul>
2018	<ul style="list-style-type: none"> <li>2018 Ford Lio Ho Supplier Excellence Award-Gold Award.</li> <li>Taiwan Honda Best Partner Award.</li> <li>Nissan Cooperation System Design and Development Excellence Award.</li> <li>2018 Tainan Municipal Government Labor Bureau SH Family Performance Evaluation Excellence Award.</li> </ul>
2019	<ul style="list-style-type: none"> <li>Received praise from the Ministry of Labor and the Tainan Municipal Government for signing collective agreement, harmonious institution with good labor relations.</li> <li>2019 Tainan Municipal Government Labor Bureau SH Family Performance Evaluation Excellence Award.</li> <li>Awarded by Tainan City for "Excellent Labor Relations and Harmonious Institution" for six consecutive years.</li> <li>2018 Nissan Cooperation Award for Excellence in Quality.</li> <li>Taiwan Honda Best Partner Award.</li> <li>Ford Lio Ho Supplier Excellence Award-Gold Award.</li> <li>Nissan Cooperation Supplier Excellence Awards.</li> <li>Tong Yang Wu Kao Culture and Education Foundation was honored with the MOTC's Golden Safety Award- Enterprise Contribution Award.</li> </ul>
2020	<ul style="list-style-type: none"> <li>Awarded the 2020 National Occupational Safety and Health Award-Special Award for Traditional Industry Safety and Health Investment</li> <li>Awarded by Tainan City for "Excellent Labor Relations and Harmonious institutions" for 7 consecutive years</li> <li>2019 Nissan Award for Excellence in Delivery</li> <li>Taiwan Honda Best Partner Award</li> <li>2019 Customer Service Excellence Award from China Motor Corporation</li> <li>2019 Excellence in Delivery Award from China Motor Corporation</li> </ul>
2021	<ul style="list-style-type: none"> <li>Awarded by Tainan City for "Excellent Labor Relations and Harmonious Institutions and Collective Agreements "</li> <li>Tong Yang was selected one of the most outstanding Car Parts Manufacturers among the Asia's Outstanding Companies by ASIAMONEY announced on Sep. 20</li> <li>On Oct. 28, Tong Yang passed the AEO certification by the Kaohsiung Customs, Customs Administration, Ministry of Finance</li> <li>2021 Nissan Award for Excellence in Delivery</li> <li>2021 Nissan Design and Development Excellence Award</li> <li>2021 Nissan Award of the Year</li> <li>Ford Lio Ho Supplier Excellence Award-Gold Award</li> <li>Taiwan Honda Best Partner Award</li> <li>Design and Development Excellence Award from China Motor Corporation</li> </ul>



## CHAPTER 02 Management and Governance

Year	Awards
2022	<ul style="list-style-type: none"> <li>▪ 2021 CMC Award of Outstanding Quality SMEs</li> <li>▪ Taiwan Honda Best Partner Award</li> <li>▪ Tainan Municipal Government Labor Bureau SH Family Performance Evaluation Excellence Award.</li> <li>▪ Occupational Safety and Health Administration Competition of Performance Evaluation of OHS Group Partners- Championship in the SH Family Team</li> <li>▪ Occupational Safety and Health Administration Competition of Performance Evaluation of OHS Group Partners-Runner-up in the Safety Partners Team</li> <li>▪ Excellent Labor Relations and Harmonious Institution</li> <li>▪ Business Unit Signing the Collective Agreement</li> </ul>
2023	<ul style="list-style-type: none"> <li>▪ 2023 Nissan Design and Development Excellence Award.</li> <li>▪ Taiwan Honda Best Partner Award.</li> <li>▪ Excellence in Design and Delivery Award from China Motor Corporation</li> <li>▪ Ford Lio Ho Supplier Excellence Award-Gold Award</li> <li>▪ Tong Yang Industry Enterprise Union participated in 2023 Tainan City Sports Carnival and Labor-Management Sports Competition and received 8 awards for outstanding performance</li> <li>▪ Tong Yang Industry Enterprise Union participated received top ratings in Tainan City's 2023 Trade Union Evaluation and publicly accepted commendation from the mayor.</li> </ul>
2024	<ul style="list-style-type: none"> <li>▪ Excellence in Design and Delivery Award from China Motor Corporation.</li> <li>▪ 2024 Nissan Design and Development Excellence Award.</li> <li>▪ Tong Yang Industry Enterprise Union participated in 2024 Tainan City Sports Carnival and Labor-Management Sports Competition and received 9 awards for outstanding performance.</li> <li>▪ Tong Yang Industry Enterprise Union participated received top ratings in Tainan City's 2024 Trade Union Evaluation and publicly accepted commendation from the mayor.</li> <li>▪ 2024 Tainan Municipal Government Labor Bureau SH Family Performance Evaluation Excellence Award</li> <li>▪ Excellent Labor Relations and Harmonious institution</li> <li>▪ Business unit that have signed collective agreements</li> </ul>



## CHAPTER 02 Management and Governance

### 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 2024, 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



## CHAPTER 02 Management and Governance

### 2.2 Integrity Management

#### Material topics: Economic performance

##### 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 2024 annual revenue amounted to NT\$25.596 billion, a cumulative increase of 7.28% over the same period of time. The net profit before tax was NT\$ 5.530 billion, an increase of 45.06%.

##### 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, the Administration Department and the Legal Affairs Group jointly formed a task force promoting integrity management with the head of the Administration Department serving as the convener. Based on each department's responsibilities and scope of work, the task force is responsible for assisting the board of directors and the management in establishing and supervising the implementation of integrity management policies and preventive measures, ensuring the effective enforcement of the Code of Ethical Conduct. In addition, 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. Tong Yang was ranked Top 51% ~ 65% among TWSE Listed Companies in the 2024 Corporate Governance Evaluation



## CHAPTER 02 Management and Governance

### 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 2024 is as follows.

No.	Institution	Title of course	Duration of training		Hours of training
			From	To	
1	Securities & Futures Institute	Sustainability Disclosure Implementation Workshop	2024 05/16	2024 05/17	9.0
2	Taiwan Investor Relations Institute	Taiwan Carbon Solution Exchange (TCX) supports and outlooks & data-based precision carbon reduction, driving upgrading operational management	2024 06/19	2024 06/19	3.0
3	Taiwan Investor Relations Institute	Sharing on the practical application of sustainability reports	2024 06/19	2024 06/19	3.0
4	Taiwan Stock Exchange (TWSE)	Taiwan's Capital Market Summit	2024 09/30	2024 09/30	3.0

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 6 times in 2024, 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 2024 is as follows.

Title	Name	2024 (6 meetings in total)	
		Attendance	Attendance Rate %
<b>Chairman</b>	Yung Mao Wu (reelected on 2023.12.21)	4	66.67%
<b>Director</b>	Yung Feng Wu (2023.12.21 Resigned as the Chairman of the board, but still serves as the board member)	6	100%
<b>Director</b>	Yung Hsiang Wu (reelected on 2023.6.19)	5	83.33%
<b>Director</b>	Chi Pin Wang (reelected on 2023.6.19)	6	100%
<b>Independent Director</b>	Kan Hsiung Lin (reelected on 2023.6.19)	6	100%
<b>Independent Director</b>	Ming Tien Tsai (reelected on 2023.6.19)	6	100%
<b>Independent Director</b>	Yan Ling Cheng (reelected on 2023.6.19)	6	100%



## CHAPTER 02 Management and Governance

### 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 <sup>st</sup> 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 2024 is shown in the table below.

Title	Name	Attendance	Attendance Rate %
Chairman	Kan Hsiung Lin (elected on 2023.6.19)	5	100%
Member	Ming Tien Tsai (elected on 2023.6.19)	5	100%
Member	Yan Ling Cheng (elected 2023.6.19)	5	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 8 and December 24, 2024 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.



## CHAPTER 02 Management and Governance

The attendance of the Compensation Committee in 2024 is shown in the table below.

Title	Name	Attendance	Attendance Rate %
Chairman	Kan Hsiung Lin (reappointed on 2023.6.29)	2	100%
Member	Ming Tien Tsai (reappointed on 2023.6.29)	2	100%
Member	Yan Ling Cheng (reappointed on 2023.6.29)	2	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 2024 self-evaluation results were reported to the Board of Directors on March 7 2024.

### 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 with 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".



## CHAPTER 02 Management and Governance

### 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".



## CHAPTER 02 Management and Governance

### 2.3 Prosperous Economy

#### 2.3.1 Financial Performance

Our 2024 total annual revenue was NT\$ 25.596 billion, a cumulative increase of 7.28% over the same period last year. The net profit before tax was NT\$5.530 billion, an increase of 45.06%.

Unit: NT\$1,000

Item/year	2020	2021	2022	2023	2024
<b>Operating income</b>	17,322,986	18,380,295	21,282,606	23,858,806	25,596,063
<b>Non-operating income</b>	345,129	223,939	665,793	67,828	716,325
<b>Operating expenses</b>	2,903,020	2,944,010	3,093,555	3,389,282	3,717,312
<b>Operating cost</b>	13,880,338	14,893,150	16,254,532	16,725,244	17,065,391
<b>Employee Salaries and Benefits Expenses</b>	2,931,026	2,966,989	3,313,056	3,746,570	4,175,545
<b>Dividend &amp; Dividend Payout</b>	473,182	502,756	1,478,693	2,365,908	3,134,828
<b>Amount of Tax /Income Tax Expenses</b>	142,170	129,910	563,592	764,828	1,074,414
<b>Income before tax</b>	884,757	767,074	2,600,312	3,812,108	5,529,685
<b>Profits after tax</b>	742,587	637,174	2,036,720	3,047,280	4,455,271
<b>Net income attributable to the parent company</b>	819,609	687,538	2,151,321	3,019,410	4,376,915

Note :

- To comply with the "Blueprint for the integration of International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards" officially released by the Financial Supervisory Commission (FSC), and in accordance with the sustainability disclosure standards announced by International Sustainability Standards Board (ISSB) on June 26, 2023, the Company's operating performance from 2020 to 2024 are presented in consolidated financial statements instead of individual financial statement data.
- Link to the financial statement: [tyg.com.tw/traditiona-investment.html](http://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 2024, please refer to Appendix F-2024 Consolidated Financial Statements.



## CHAPTER 02 Management and Governance

### 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
<b>Raw Material and Supply Chain Risk</b>	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.
<b>Safety and Health Risk</b>	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.
<b>Currency Risk</b>	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.
<b>Legal Risk</b>	Management department	Pay close attention to any policies and laws that may affect the company's finances, and strictly ensure compliance with laws.
<b>Market Risk</b>	President and each operation division	Set business strategies, analyze the market to take countermeasures, and control and deal with possible market risk crisis.
<b>Investment Risk</b>	Financial Department, Strategy Taskforce	The company does not engage in high-risk, high-leverage investment, derivative commodity transactions; endorsement and guarantee for the subsidiaries and invested businesses due to operational needs are all in accordance with the Endorsement Guarantee Operating Procedures.
<b>Tax Risk</b>	Financial Department	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. The tax disclosure of financial reports is handled in accordance with relevant regulations and standards.  In terms of transfer pricing, the Company issues an annual report prepared in accordance with OECD Transfer Pricing Guidelines and follows the arm's length principle. We will avoid shifting value to low-tax jurisdictions, use tax structures without commercial substance, or use confidentiality jurisdictions or so-called "tax havens " for tax avoidance purposes. Moreover, the Company considers relevant tax risks and impacts in all major operational decisions, which is subject to resolution by the board of directors. In the event of changes in tax regulations across jurisdictions, the Company will make careful assessment of the potential impact and draw up appropriate countermeasures to maintain good and friendly interaction with tax authorities and establish a sound communication channel.

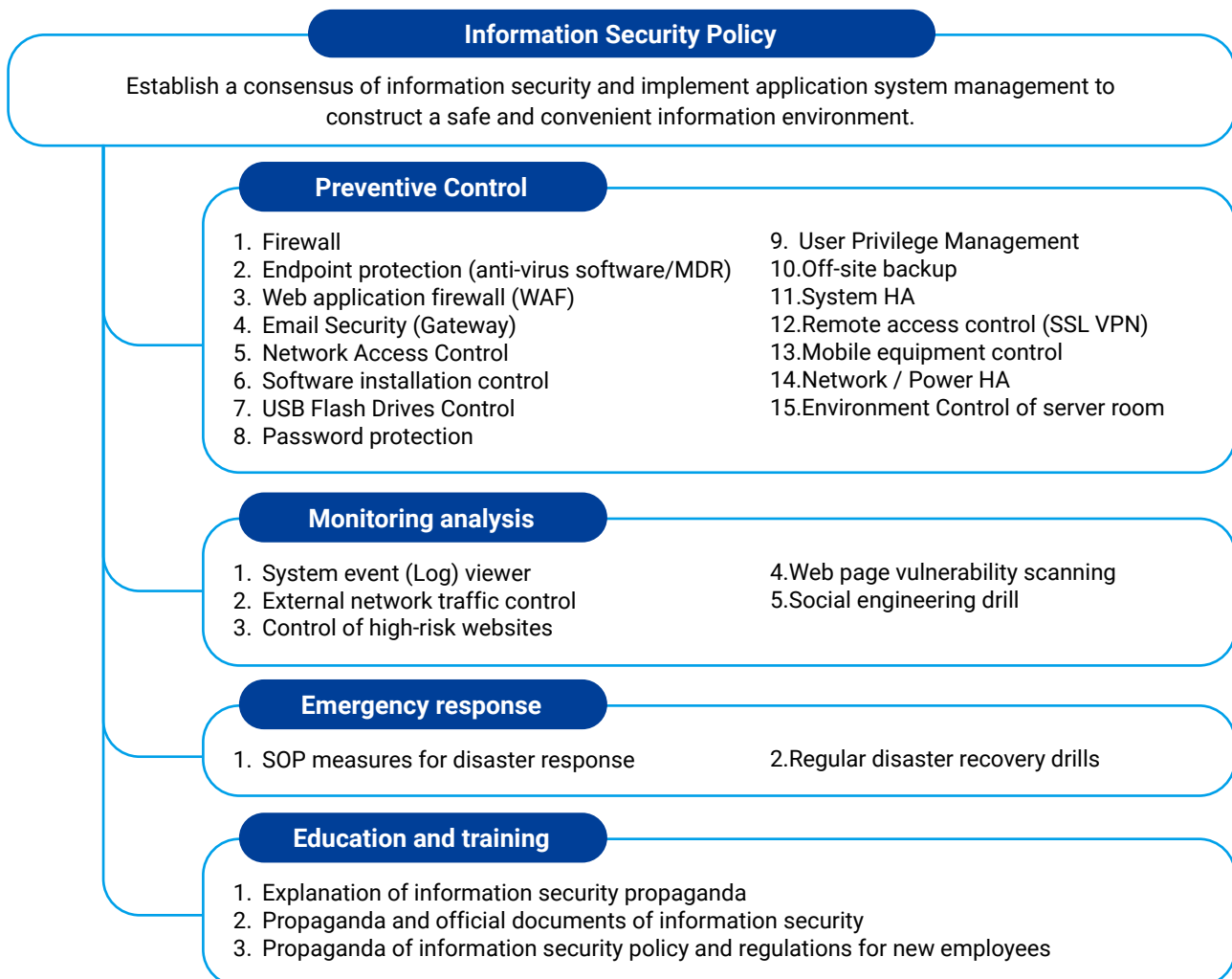


## CHAPTER 02 Management and Governance

### 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 2024, the total trainees of the information security education and training amounted to 2,415. 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.

In 2023, the Company has completed the establishment of a dedicated Information Security Officer and a dedicated staff member for information security in accordance with the requirements set forth by the Financial Supervisory Commission (FSC). They are responsible for the planning and promotion of the Company's information security governance, enhancing the Company's information security protection capabilities. Based on the planned schedule, the ISO/IEC 27001 Information Security Management System is expected to be introduced in 2026.



## CHAPTER 02 Management and Governance



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 is 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, ant-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.

Year	Amount
2020	5,474,000
2021	4,232,000
2022	5,646,769
2023	7,919,026
2024	8,755,406

### Publicity of Information Security- Official document announcement to all employees

功能	主旨	訊息類別	發佈日期	下檔日期	黨秩站別	文號
查看	資安宣導-防範手機通訊群組帳號被盜	一般事項	2025-01-22	2025-03-22		2025-0053
查看	【資安維護】資訊系統暫停服務通知	一般事項	2025-01-17	2025-01-19		2025-0043
查看	近期台灣遭受勒索病毒攻擊頻繁，請同仁加強資安意識！	一般事項	2024-10-22	2024-12-22		2024-0684
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	2024-10-14	2024-12-31	11167 張恩博	2024-0666
查看	[資安宣導] 近期台灣遭受勒索病毒攻擊頻繁，請加強資安意識！	一般事項	2024-09-19	2024-11-19		2024-0603
查看	電子郵件之資安防護講義說明	一般事項	2024-07-18	2024-08-30		2024-0470
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	2024-06-24	2024-08-24		2024-0403
查看	資訊宣導-公司軟體使用規範	一般事項	2024-05-30	2024-07-30		2024-0341
查看	電子郵件資訊安全案例宣導，請轉所屬知悉！	一般事項	2024-04-26	2024-06-25		2024-0252
查看	資安宣導-面對勒索病毒，用「四不二要」來防範	一般事項	2024-01-17	2024-12-31		2024-0034



## CHAPTER 02 Management and Governance

### Publicity of Information Security- Publicity of Information Security Company-wide

#### Publicity of Information Security for senior executives



#### Internal publicity for each department



## CHAPTER 02 Management and Governance



In December 2024, the Company's dedicated Information Security Officer and personnel attended three online courses with the duration of five hours organized by Taiwan Academy of Banking and Finance (TABF), and they passed the tests and obtained the course certificates.



The Company receives intelligence from the TWCERT Information Security Alliance on a regular basis and takes further actions based on the specific circumstances of the Company. For example, upon notification of a high-risk vulnerability in the Google Chrome browser in January, 2024, the Company promptly executed endpoint browser updates to mitigate associated risks.



遠距辦公資安專區 回首頁 網站導覽 訂閱電子報 English

新聞公告 News 資安服務 Services 資安宣導 Advocacy 相關網站 Links 關於我們 About us

首頁 / 軟體漏洞資訊

發布日期：2024-01-18

字型大小： 小 中 大

### Google緊急推出Chrome瀏覽器高風險0-day 更新

CVE編號	CVE-2024-0519
影響產品	Chrome瀏覽器
解決辦法	更新Chrome瀏覽器
張貼日	2024-01-18
上稿單位	TWCERT/CC

Google接獲外部組織通報，發現Chrome瀏覽器具有高風險的0-day(漏洞編號：CVE-2024-0519)，立即進行緊急搶修作業，近日同步向Windows、Mac與Linux三大系統用戶釋出更新版本，分別為「120.0.6099.224/225」、「120.0.6099.234」與「120.0.6099.224」。



## CHAPTER 02 Management and Governance

The Alliance also conducts education and training from time to time. In August, 2024, personnel were sent to participate in the information security education and training organized by the Alliance. The training covered "Information Security Incident Handling and Response Procedures" and "Information Security Incident Response Reporting and Handling".

### 113年台灣 CERT/CSIRT 聯盟資安教育訓練(台中場)(113.08.27)

發布日期: 2024-08-29

字型大小: 小 中 大

發布單位: TWCERT/CC

更新日期: 2024-08-30

點閱次數: 1380



TWCERT/CC於113年08月27日(二)假「集思台中文心會議中心」舉行113年第1場台灣CERT/CSIRT 聯盟資安教育訓練，本次訓練特別邀請到法務部調查局游騰華調查官，講述「資安事件處理的準備與作業方式」與「資安事件通報與應變指引」，並輔以新興資安議題與趨勢，提供全面且實用的資安知識。

游調查官常年從事電腦犯罪調查及網路威脅分析工作，協助公民營單位調查網路攻擊及APT駭偵行動，具有EC-Council CEH、CHFI和GIAC GCFA等國際專業證照，參與者學習如何建立有效的資安事件應變機制，掌握快速準確的通報流程，以及了解最新的資安威脅與防護策略。本課程旨在提升企業的整體資安意識和應變能力，協助建立更安全的數位環境。無論是資安專業人員還是企業決策者，都能從中獲得寶貴的洞見和實務技能。

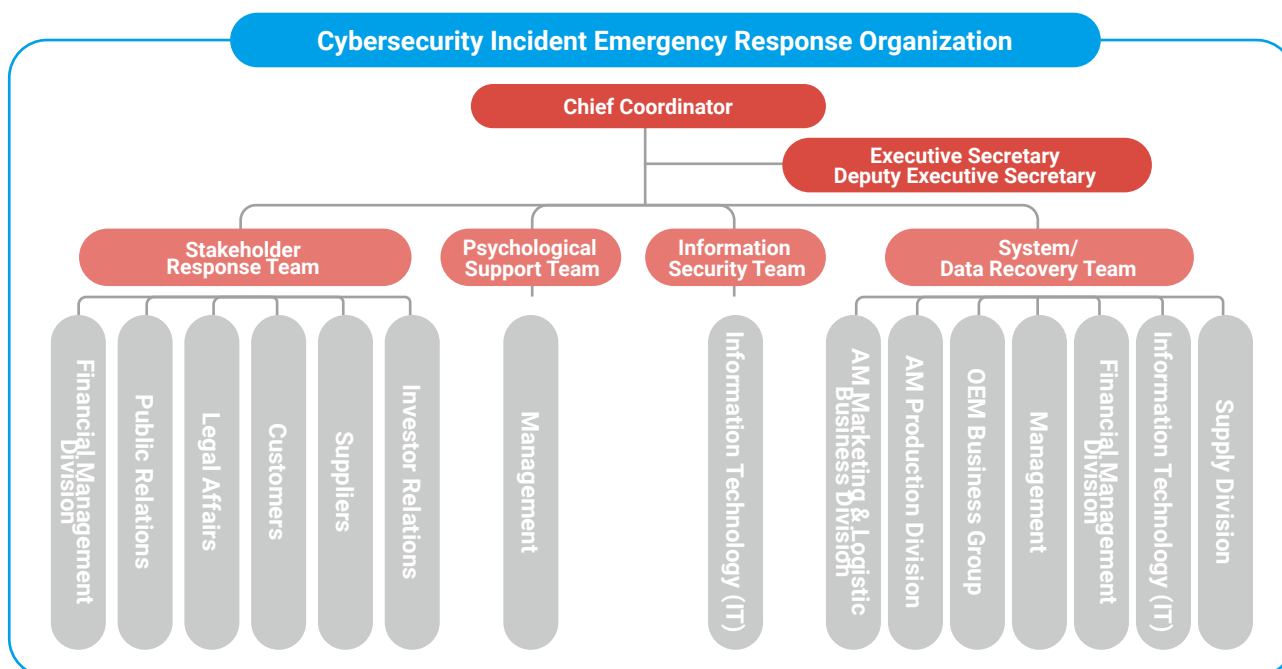
活動時間: 113.8.27(二) 14:30~17:00



## CHAPTER 02 Management and Governance



In December, 2024, the Company established an internal cybersecurity incident response team to strengthen its capability to respond to information security incidents.



Unit	Responsibility
<b>Chief Coordinator</b>	Coordinates the response team, task organization and work assignment, and reports the latest status of the information security incident to the president.
<b>Executive Secretary/ Deputy Executive Secretary</b>	<ol style="list-style-type: none"> <li>1. Assist the Chief Coordinator in convening incident response team meetings.</li> <li>2. Coordinate communication and cooperation among all sub-teams.</li> <li>3. Organize and report the latest status of the information security incident to the Chief Coordinator in a timely manner.</li> </ol>
<b>Information Security Group</b>	<ol style="list-style-type: none"> <li>1. Confirm the affected systems and data.</li> <li>2. Conduct network segmentation or partial isolation based on the scope of the impact.</li> <li>3. Collaborate with external cybersecurity consultants to perform incident forensics and determine the attack path and point of origin.</li> <li>4. Carry out emergency defensive measures as needed.</li> <li>5. Remove malicious software and apply necessary security patches.</li> <li>6. Provide recommendations for improvement after the incident analysis.</li> </ol>
<b>System/ Data Recovery Team</b>	<ol style="list-style-type: none"> <li>1. Assist in confirming the operational status of systems and the integrity of data.</li> <li>2. Assess the feasibility of switching to backup systems to ensure business continuity.</li> <li>3. The affected units switch to manual operation response (all units).</li> <li>4. Restore systems and data after malware has been fully removed.</li> <li>5. Assist in the correctness and integrity of the system/data after restoration (all units).</li> </ol>
<b>Psychological Support Team</b>	<ol style="list-style-type: none"> <li>1. Provide emotional support and reassurance to employees in affected units, promoting unity during the hard time.</li> <li>2. Ensure information control by reminding employees not to disclose inaccurate (unfavorable) information to external parties.</li> </ol>
<b>Stakeholder Response Team</b>	<ol style="list-style-type: none"> <li>1. Plan and coordinate external communications to external stakeholders (government, media, clients, suppliers, and investors) in response to cybersecurity incidents.</li> <li>2. Provide legal counsel regarding the incident and handle any contractual matters arising from the incident.</li> </ol>



## CHAPTER 02 Management and Governance

### 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	<p>1. 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 Sustainable Development (ESG) Management Committee in 2025. 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.</p> <p>2. The CEO serves as the convener of the Sustainable Development (ESG) Management 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&amp;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.</p>															
Strategies	<p>1. 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> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #0070C0; color: white;"></th> <th style="background-color: #0070C0; color: white;">Short-term</th> <th style="background-color: #0070C0; color: white;">Medium-term</th> <th style="background-color: #0070C0; color: white;">Long-term</th> </tr> </thead> <tbody> <tr> <td style="background-color: #ADD8E6; text-align: center; vertical-align: middle;"><b>Risk</b></td> <td> <b>【Transition Risk】</b>                      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                 </td> <td> <b>【Transition Risk】</b>                      Stigma of industry                 </td> <td> <b>【Transition Risk】</b>                      Stigma of industry, Changes in customer behavior and preferences, Economy transition to a low-polluting market                 </td> </tr> <tr> <td style="background-color: #ADD8E6; text-align: center; vertical-align: middle;"><b>Opportunity</b></td> <td> <b>【Resource efficiency】</b>                      Higher efficiency of energy use, Reuse of wastewater   <b>【Source of raw materials】</b>                      Reuse the recycled materials processed from the waste, Purchase the recycled materials in the market                 </td> <td> <b>【Product/services】</b>                      Develop of expand the market of water-based paint R&amp;D and innovation of raw materials/paint.                 </td> <td> <b>【Market opportunity】</b>                      Partnership in the new market, Obtain incentives from the public sector                 </td> </tr> </tbody> </table>					Short-term	Medium-term	Long-term	<b>Risk</b>	<b>【Transition Risk】</b> 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	<b>【Transition Risk】</b> Stigma of industry	<b>【Transition Risk】</b> Stigma of industry, Changes in customer behavior and preferences, Economy transition to a low-polluting market	<b>Opportunity</b>	<b>【Resource efficiency】</b> Higher efficiency of energy use, Reuse of wastewater  <b>【Source of raw materials】</b> Reuse the recycled materials processed from the waste, Purchase the recycled materials in the market	<b>【Product/services】</b> Develop of expand the market of water-based paint R&D and innovation of raw materials/paint.	<b>【Market opportunity】</b> Partnership in the new market, Obtain incentives from the public sector
	Short-term	Medium-term	Long-term													
<b>Risk</b>	<b>【Transition Risk】</b> 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	<b>【Transition Risk】</b> Stigma of industry	<b>【Transition Risk】</b> Stigma of industry, Changes in customer behavior and preferences, Economy transition to a low-polluting market													
<b>Opportunity</b>	<b>【Resource efficiency】</b> Higher efficiency of energy use, Reuse of wastewater  <b>【Source of raw materials】</b> Reuse the recycled materials processed from the waste, Purchase the recycled materials in the market	<b>【Product/services】</b> Develop of expand the market of water-based paint R&D and innovation of raw materials/paint.	<b>【Market opportunity】</b> Partnership in the new market, Obtain incentives from the public sector													



## CHAPTER 02 Management and Governance

Item	Description				
Strategies	Transformation				
	Climate-related risks	Potential financial impact	Type	Climate-related opportunities	Potential financial impact
	<b>Reduce the costs of VOC-emitting paint</b>	Operational cost ▲	Resource efficiency	<ul style="list-style-type: none"> <li>▪ Higher efficiency of energy use</li> </ul>	Operational cost ▼ Asset value ▲
	<b>Emission costs of GHG</b>	Operational cost ▲ Asset value ▼			<ul style="list-style-type: none"> <li>▪ Reuse of wastewater</li> </ul>
	<b>Investment in pollution (wastewater, VOC) reduction equipment and transition</b>	Operational cost ▲ Revenues ▼	Source of raw materials	<ul style="list-style-type: none"> <li>▪ Reuse the recycled materials processed from the waste</li> <li>▪ Purchase the recycled materials in the market</li> </ul>	Operational cost ▼ Revenues ▼
	<b>Stigma of industry</b>	Revenues ▼ Operational cost ▲ Asset value ▼	Products/ services	<ul style="list-style-type: none"> <li>▪ Develop or expand the market of water-based paint</li> <li>▪ R&amp;D and innovation of raw materials/ paint</li> </ul>	Revenues ▲ Asset value ▲
	<b>Changes in customer behavior and preferences</b>	Revenues ▼ Operational cost ▲	Market	<ul style="list-style-type: none"> <li>▪ Partnership in the new market</li> <li>▪ Obtain incentives from the public sector</li> </ul>	Operational cost ▼ Capital expenditures ▼
	<b>Transformation to a low-polluting market economy</b>	Operational cost ▲ Expenditures ▲			
<p>Corresponding measures</p> <ul style="list-style-type: none"> <li>▪ Started to introduce water-based coatings in 2016 to reduce pollution emissions.</li> <li>▪ Installed solar power generation equipment on the roofs of the plants to reduce carbon emissions. In 2024, the green electricity generated of 2.59 million kWh has been generated.</li> <li>▪ 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.</li> <li>▪ In view of the increasingly extreme climate, various contingency management measures for floods, earthquakes, fires and other disasters have been established.</li> <li>▪ Implement the classification and reuse of waste to reduce the output of waste.</li> <li>▪ Continue to observe and identify the trend for regulatory changes.</li> </ul>					



## CHAPTER 02 Management and Governance

Item	Description						
Risk Management	<p>1. 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 external environmental issues are put into consideration using the PDCA method for the identification of various potential risks of the Company.</p> <p>2. With the global climate and environment is increasingly exacerbated by GHG 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.</p>						
Indicators and Targets	<p>1. 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.</p> <p>2. The Company started the GHG inventory from 2023 and expects to obtain verification from a third-party from 2025. The 2024 GHG emissions (metric tonsCO<sub>2</sub>e) were as follows.</p> <table border="1" data-bbox="343 1559 1404 1738"> <thead> <tr> <th data-bbox="343 1559 697 1648">Scope 1</th> <th data-bbox="697 1559 1051 1648">Scope 2</th> <th data-bbox="1051 1559 1404 1648">Scope 3</th> </tr> </thead> <tbody> <tr> <td data-bbox="343 1648 697 1738">11,445.15</td> <td data-bbox="697 1648 1051 1738">49,992.44</td> <td data-bbox="1051 1648 1404 1738">15,184.55</td> </tr> </tbody> </table> <p>▪ 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.</p>	Scope 1	Scope 2	Scope 3	11,445.15	49,992.44	15,184.55
Scope 1	Scope 2	Scope 3					
11,445.15	49,992.44	15,184.55					



## CHAPTER 02 Management and Governance

Item	Description
Indicators and Targets	<ul style="list-style-type: none"> <li>▪ Management objectives and relevant performance               <ol style="list-style-type: none"> <li>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 2025 is to reduce by 45% compared with 2016.</li> <li>2. By installing solar power generation equipment on the roofs of the plants, the carbon emissions are reduced. The overall green electricity generation amounted to approximately 2.59 million kWh in 2024. It is estimated to generate 2.60million kWh of green electricity in 2025, and the solar power generation of new installed equipment is estimated to be approximately 361kw. Applications for Renewable energy certificates (RECs) was carried out, and the green electricity generated to account for more than 8% of the overall electricity consumption in the Company.</li> <li>3. Energy conservation and carbon reduction: Promote various energy saving measures. The electricity consumption per unit of output in 2025 decreased by more than 2% compared with 2024.</li> <li>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 300kg copper liquid waste in 2025 and improve heavy metal discharge in wastewater and concentration of hazardous industrial waste.</li> <li>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 2025 is 9.2%.</li> <li>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 2025 is 40% better than the legal standard for effluents.</li> <li>7. Implement various waste classification management to reduce outsourcing processing. The goal for waste output intensity per unit revenue for 2030 is to be 40% less than 2017. The goal set for 2025 is 34% less than the output intensity of 2017 (with 2017 serving as the base year).</li> </ol> </li> </ul>

### 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 2024, Tong Yang has introduced 33 sets of water-based paint equipment and 11 sets of VOC prevention and control equipment.



## CHAPTER 02 Management and Governance

### 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, 2025, the Company disclosed its 2024 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 May 24, 2024. 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.

#### Sustainability Internal Control System

To promote the management of sustainability information, the Company has set up the Sustainable Development (ESG) Management Committee, with the CEO as the chairmen of the committee, and a dedicated Sustainable Development Unit has been established to be in charge of the identification of sustainability information disclosure items, the collection, recording, processing, preparation, adjustment, disclosure and publication of sustainability information.

The content of sustainability information covers the risk assessment of the environment, society, human rights, and corporate governance. The Sustainable Development (ESG) Promotion Committee will then identify the material topics → identify the stakeholders → establish the performance measurement indicators to link the sustainable management goals with the Company's overall objectives. Each responsible unit will conduct the collection, recording, processing, preparation, and adjustment in accordance with the Sustainability Information Disclosure List, and the Sustainable Development (ESG) Management Committee will then submit the completed Sustainable Report to the board of directors for approval before issuance. In the future, we will follow the disclosure schedule requirements and also obtain a third-party confirmation or assurance.

The management of sustainability information is included in an audit item in the annual audit plan. Relevant internal control deficiencies that have been identified will also be communicated or reported to the management level, the board of directors, and the Audit Committee.

### 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,



## CHAPTER 02 Management and Governance

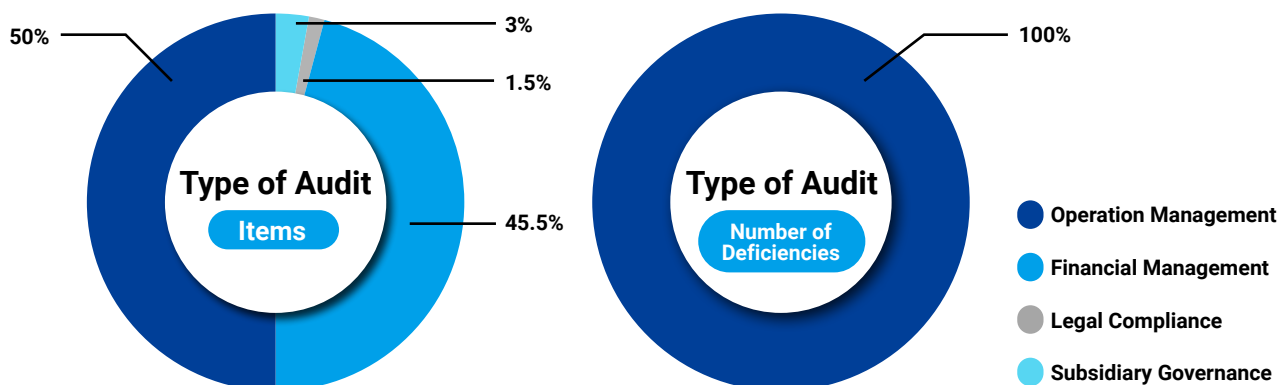
Internal Audit Department performs annual audits in accordance with the annual plans approved by the Board, and reports the audit results and improvement plan to the Audit Committee, the Board of Directors and the Management for the effectiveness of the audit .

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 our 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 2024, the internal audit is to carry out the 66 audit items such as 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 six deficiencies were found, including production control, real estate/plant/equipment management, development business management, electronic data management and so on, and the improvements of these deficiencies have been completed.



### Communication Status of Independent Directors and Internal Audit Director

A total of four communication meetings were held in 2024. 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.

- The monthly summary report on the deficiencies in audits and improvement and correction follow-up status in the previous month or quarterly improvement tracking status is submitted to the independent directors in writing for review, and the independent directors will give instructions and respond to the report.
- 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.
- 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.
- 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.



## CHAPTER 02 Management and Governance

### 2.5 Regulatory Compliance

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.  
(Email: 16845@tyg.com.tw; Tel: 06-3560511#6002 Manager Yu-Chih Hsu)
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 compliant 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).



## CHAPTER 02 Management and Governance

### 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.

### Education and Training

To enable the employees to abide by the Company's Integrity and Ethics regulations, the "New Employee Integrity Management Advocacy" and "Ethics and Moral Education Training" were specially planned for our employees. Among them, 493 new hires and 3,335 employees participated in the training, with a cumulative of 3,828 hours of training. The employees are required to read the online reading materials and complete the test, which covers ethical standards, employee code of conduct promotion, etc., with a cumulative of 3,659 trainees. Through the test, we implement government policies and conduct regular audits to create a sustainable management environment. In addition, there were no illegal incidents of corruption and bribery in 2024.

Year	Training target	Number of participants	Total training hours	Training coverage rate (%)
2024	New employees	493	493	100
	Employees (Management positions)	601	601	100
	Employees (Non-management positions)	2,734	2,734	100
2023	New employees	630	630	100
	Employees (Management positions)	558	558	100
	Employees (Non-management positions)	2,435	2,435	100

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. All the employees (including 493 new recruits) have completed the training, with a cumulative number of 3,828 trainees, and the total training hours reached 3,828 to enhance overall employee safety awareness through implementation.



## CHAPTER 02 Management and Governance

AEO Training for Foreign Employees



AEO Training for New Employees



### Personal Data Protection

In addition to actively creating and providing services that exceed customer satisfaction and fulfilling corporate social responsibility and to ensure the reasonable use of personal data of customers, employees, and partners and to avoid infringement of personal rights, Tong Yang has established the Company's personal data management system in accordance with the regulations of the Taiwan Personal Information Protection and Administration System (TPIPAS). The Regulation on the Management of Classified Records and Personal Data Protection Act clearly specify the norms and operating standards for the management of personal data protection. The collection, processing, and use of personal data shall be conducted within the scope of specific purposes, and appropriate measures should be adopted to ensure that such processing and use do not exceed the necessary extent required to fulfill the stated purposes for which the data subject has provided their persona data.

At the same time, the responsible unit should conduct regular inspections, internal assessments, and reviews to ensure the effective implementation and continuous improvement of the personal data protection management system. In addition, measures shall be established to prevent unauthorized access, loss, destruction, alternation, or leakage of personal data. In the event of data leakage, prompt and appropriate actions should be taken to mitigate any significant harm or impact to the parties involved.

### Other Related Regulatory Compliance

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



## CHAPTER 02 Management and Governance



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 2024. There were only three violations of environmental regulations, and all other aspects, including occupational safety and fire protection, were conducted in full compliance with applicable laws and regulations. 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.)

### Fines and Preventive/Corrective Measures

Year	Sanction Item	Cause of Violation	Preventive and Corrective Measures
2024 7/8	The Company violated Article 7, Paragraph 1 of the Water Pollution Control Act and Article 2 of the Effluent Standards. A sanction was imposed in accordance with Article 40, Paragraph 1 of the same Act. The estimated fine is NT\$120,000.	The wastewater operator failed to test the effluent in accordance with the Company's water quality testing SOP before discharge, leading to the failure to immediately discover abnormal water quality.	<ol style="list-style-type: none"> <li>1. Hold wastewater management meetings on a monthly basis to communicate concepts and pass on experience, as well as implement SOP education and training.</li> <li>2. Revise the testing SOP and conduct inspections of the effluents of each plant from time to time.</li> </ol>
2024 8/27	Violated Article 24 Paragraph 2 of the Air Pollution Control Act. The estimated fine amount is NT\$ 100,000.	The on-site unit tested energy conservation improvements, but failed to promptly notice that the control equipment instruments did not comply with the air pollution permit operating specifications.	The revision of the Air Pollution Permit is made to align with energy conservation management.
2024 12/12	Violated Article 24 Paragraph 2 of the Air Pollution Control Act, and in accordance with Article 62, Paragraph 1, Subparagraph 5 of the same Act, the estimated amount of fine is NT\$ 100,000 (Amount of fine: Appeal pending).	The duct cap fell off due to broken screws due to excessive wind pressure. After emergency repair, it caused the monitoring instrument to malfunction, which violated the regulations.	<ol style="list-style-type: none"> <li>1. Carried out case-based awareness and training session.</li> <li>2. Replaced screw materials and inventoried equipment to establish a spare parts mechanism.</li> </ol>



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## CHAPTER 03 Professional Service

### 3.1 Industry Overview

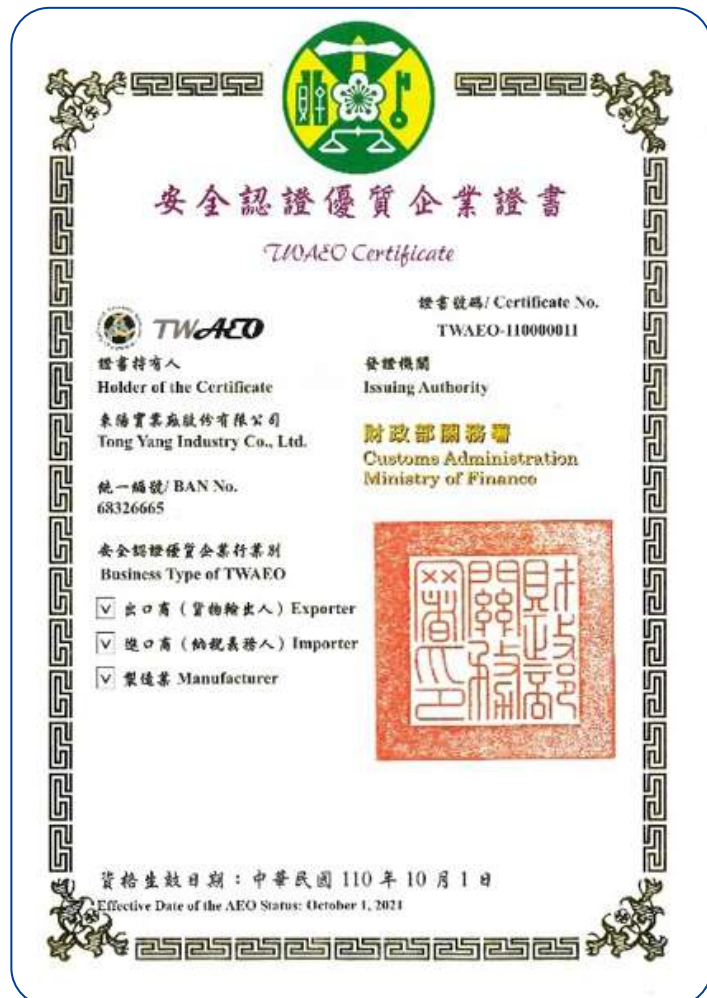
#### 3.1.1 Market Segmentation

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.





## CHAPTER 03 Professional Service

### 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 receiving 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.



## CHAPTER 03 Professional Service

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
<b>High Quality</b>	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. Furthermore, Tong Yang continuously improves and builds the foundation for being the leader of the industry.	<ol style="list-style-type: none"> <li>1. High-performance bumper/compound technology of instrument panel composite materials</li> <li>2. Innovative design and development of soft dashboard/door panel IMG vacuum forming technique</li> <li>3. High-frequency 3D composite induction heating technique</li> <li>4. Innovative R&amp;D of 3D front rails for e-vehicles</li> </ol>
<b>Environmental Protection</b>	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.	<ol style="list-style-type: none"> <li>1. Water-based coating / equipment / painting technique</li> <li>2. VOC biological treatment technique of pollution control</li> <li>3. Air recirculation for painting line and RTO incineration technique</li> <li>4. Localized high performance PP eco-friendly water-based paint</li> <li>5. Key technique of featherweight plastic green automotive injection foaming and molding</li> </ol>
<b>Lightweight</b>	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.	<ol style="list-style-type: none"> <li>1. Chemical/physical injection foaming and molding technique</li> <li>2. Lightweight car synchronous painting plastic fender molding technique</li> <li>3. Thin-wall parts injection molding technique</li> <li>4. Modularization of the automotive front-end system and the innovative R&amp;D of plastic front-end frame structural components to replace steel</li> <li>5. R&amp;D of the third generation of fully plasticized long-fiber composite for the manufacturing process of the automobile tailgate</li> </ol>



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Topic	Description	Details
<b>Automation</b>	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.	<ol style="list-style-type: none"> <li>1. All Robot automatic tracking and painting technique</li> <li>2. Injection molding auto-extraction and de-gate /de-burr technique</li> <li>3. Innovation of car door automatic assembly technique</li> <li>4. Laser cutting technique for Instrument panel airbag blasting line</li> <li>5. Automated folding welding method for instrument panel decoration</li> <li>6. Three-dimension ACC emblem using as a decoration for millimeter wave radar</li> </ol>
<b>Intelligentization</b>	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.	<ol style="list-style-type: none"> <li>1. The illumination of the front-end trim panel of the car bumper</li> <li>2. Optical grille for the front-end trim panel of the bumper</li> <li>3. Illumination of the car door trim</li> <li>4. Automotive dashboard panel/ Smart touch of air conditioner panel</li> <li>5. Smart touch of steering wheel</li> <li>6. Side door trim/ Smart touch of central armrest</li> <li>7. Integration of smart car prototypes in the car cockpit</li> </ol>

### 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

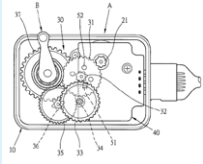
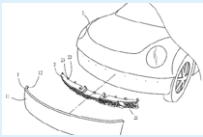
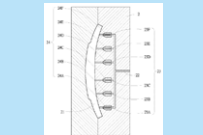
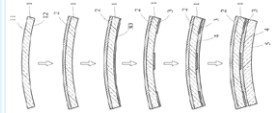
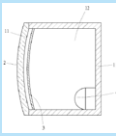

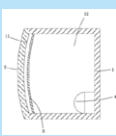

5.Good weight reduction



## CHAPTER 03 Professional Service

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	DRIVING DEVICE WITH STEPPER MOTOR	USA	Utility	2019/4/16	
2	IMPROVEMENT OF THE DRIVE STRUCTURE OF A STEPPER MOTOR	Taiwan	Utility Model	2016/5/11	
3	FOAM INJECTION-MOLDED BUMPER BUFFER STRUCTURE	Taiwan	Utility Model	2017/2/21	
4	CHEMICAL FOAMING MULTI-STAGE INJECTION MOLDED CONTROLLER STRUCTURE	Taiwan	Utility Model	2018/5/1	
5	VEHICLE RADAR COVER (PLATE)	Taiwan	Utility Model	2020/3/1	
6	STRUCTURE OF OPTICAL VIRTUAL TRIM PANEL FOR AUTOMOTIVE USE	Taiwan	Utility Model	2021/5/21	
7	STRUCTURE OF HIDDEN REFLECTIVE TOTEM TRIM PANEL	Taiwan	Utility Model	2021/5/21	
8	STRUCTURE OF OPTICAL VIRTUAL TRIM PANEL FOR AUTOMOTIVE USE	China	Utility Model	2022/5/24	



## CHAPTER 03 Professional Service

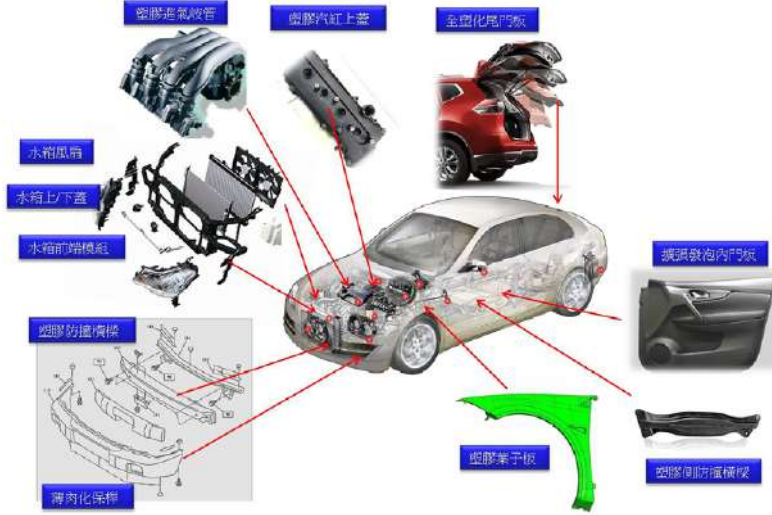
No.	Patent Title	Country	Type	Date of Authorization /Announcement	Figure of Patent
9	STRUCTURE OF HIDDEN REFLECTIVE TOTEM TRIM PANEL	China	Utility Model	2022/6/28	
10	AUTOMOTIVE TRIM PANEL AND THE FORMING METHOD	Japan	Invention	2022/2/16	
11	AUTOMOTIVE TRIM PANEL AND THE FORMING METHOD	China	Invention	2023/5/9	
12	AUTOMOTIVE TRIM PART	USA	Design	2023/5/16	
13	AUTOMOTIVE TRIM PART	Taiwan	Design	2020/5/1	
14	AUTOMOTIVE TRIM PART	China	Design	2020/1/14	
15	INTELLIGENT TRANSPARENT SHADING SYSTEM	Taiwan	Invention	2024/1/1	
16	INTELLIGENT TRANSPARENT SHADING SYSTEM	Japan	Invention	2024/6/6	
17	POWER-OPERATED GLOVE BOX	Taiwan	Utility Patent	2024/3/1	
18	POWER-OPERATED GLOVE BOX	China	Utility Model	2024/6/25	

Note: Patent No. 1 and 2 are jointly owned by Tong Yang and Taiyou Electric.  
Patent No. 12, 13, and 14 were transferred from Lian-Hwau Group Co., Ltd. to Tong Yang.



# CHAPTER 03 Professional Service

## 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
5. Smart illuminated tailgate
6. Smart central armrest
7. Smart touch panel
8. Electrical glove box

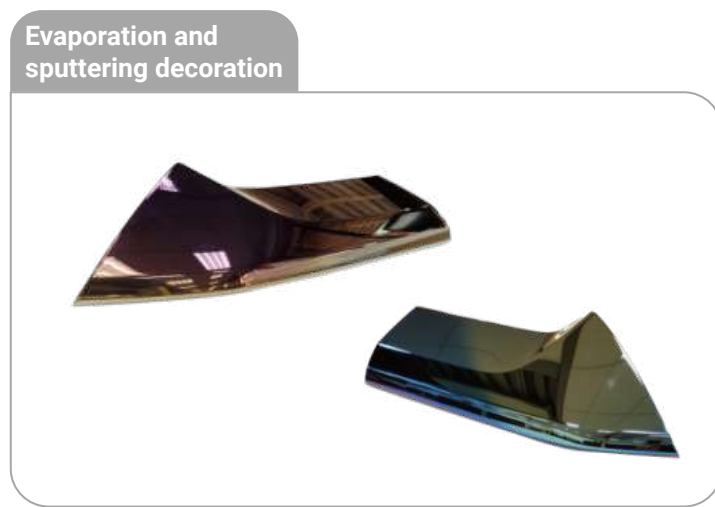
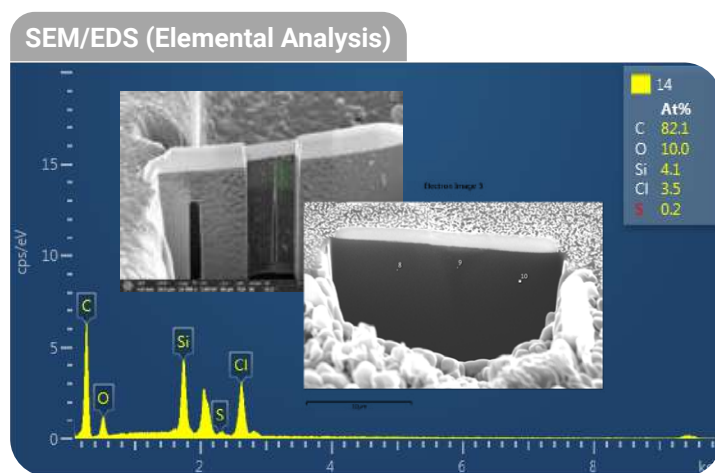
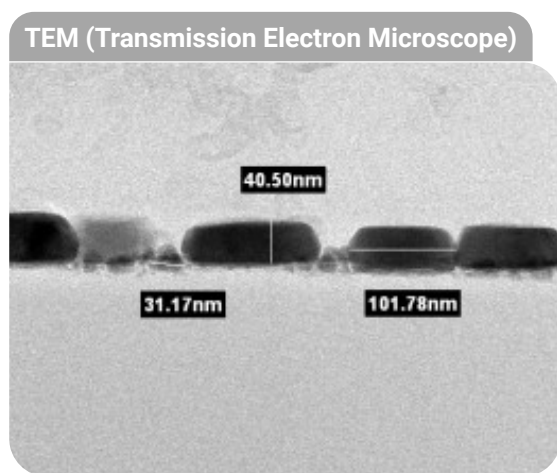


## CHAPTER 03 Professional Service

Tong Yang Group has in recent years been committed to the development of lightweight and intelligent automotive components. The Group maintains strong collaborative relationships with domestic academic and research institutions, such as the Micro Nano Center of National Cheng Kung University, the Industrial Technology Research Institute, and the Plastics Industry Development Center, to enhance its capabilities in R&D, testing, and analysis.

Cooperation projects include the use of high-end precision analytical instruments (such as high-resolution field emission scanning electron microscopes, high-resolution transmission electron microscopes, ellipsometers, and nanoscale surface roughness testers), hardware and software development (e.g., MCU development), and material testing and analysis, which help accelerate product development and facilitate problem analysis and resolution.

In addition, Tong Yang Group continues to address environmental issues. Besides the ongoing use of environmentally friendly Cr<sup>3+</sup> black electroplating technology, the Group has also recently invested in the development of sputtering decoration technology, which is expected to replace traditional electroplating decoration processes and achieve environmental friendliness.





## CHAPTER 03 Professional Service

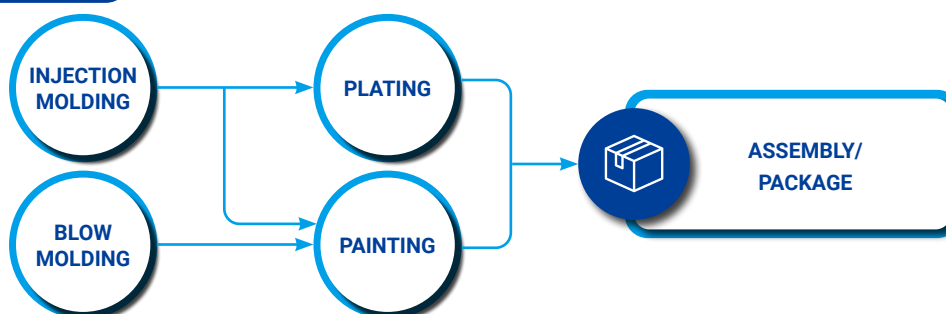
### 3.3 OEM Service

#### 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.

#### OEM Production Process



#### 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:

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.



## CHAPTER 03 Professional Service

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

**Performance and adjustment:**

1. 2024 quality of process and delivery performance: Customer complaint ratio: 0.0640%.
2. Customer satisfaction over the three years: 2022: 84.09%; 2023: 84.94%; 2024: 86.82 %

**Preventive or Remedial Measures:**

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.

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 2024, there was no incident of product recall due to quality issues in the OEM Business Division.



## CHAPTER 03 Professional Service



### 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.

###### 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).



## CHAPTER 03 Professional Service

### Material topics: Quality Management, Customer Satisfaction

#### 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. 2024 quality of process and delivery performance: Customer complaint ratio: 0.0629%.
2. The 2024 customer satisfaction was 92.0%.
3. In 2024, a total of 30 sessions of education and training were held, and 405 people were trained. The regular quality briefings and job instructions were conducted before the start of each workday to enhance product quality.

#### 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: Quality Management, Customer Satisfaction

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.



## CHAPTER 03 Professional Service

### Material topics: Quality Management, Customer Satisfaction

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.

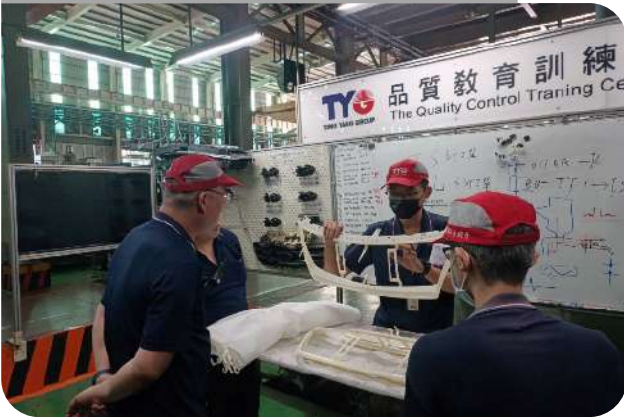
Preventive or Remedial Measures: Through the supervision of a third-party verification agency, high-quality products can be provided to customers. To prevent the occurrence of safety defects in the products sold, Tong Yang has established a recall and management measure for certified products, clearly 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

Daily quality control training before work



Daily quality control training before work



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.



## CHAPTER 03 Professional Service

### 3.4.3 Quality Assurance System

#### Regulations for the Qualification Review of AM Quality Assurance Personnel

To ensure the professional competence of the quality personnel, Tong Yang has established the Regulations for the Qualification Review of Quality Assurance Personnel, specifying regulations for the selection, training, and qualification review of quality personnel. Except for system auditors and laboratory personnel who need to be assigned and sent for external training and pass the test to obtain a certificate, the selection, training, and qualification review of other quality personnel will be carried out by each unit based on the quality personnel qualification standards and actual work needs.

After the assessment and training is completed, each unit will review the employees' training results and assess their competence. The assessment results will be recorded in the Department New/Transfer Personnel Education and Training Schedule, and those who pass the evaluation will be registered in the Quality Personnel Registration Form. If the evaluation result is unsatisfactory, follow-up training will be arranged for areas need to be strengthened.

#### Emergency Response Measures for AM Quality Personnel

To ensure that when major abnormal events occur, such as the termination of facility operations, labor shortages, major equipment failures, raw material shortages, after-sales market returns, etc., we can respond promptly and formulate emergency response plan for handling, so as to reduce the impact on customer rights, reasonably protect the supply of finished products to customers, and maintain normal shipments.

##### 1. Handling of facility operation termination

If the power outage in the manufacturing unit is over 10 minutes, the department supervisor will arrange the work and immediately notify the maintenance unit to handle the situation. If the problem cannot be solved, the equipment supplier will be engaged to provide outsourced support for resolution. In the event of an external power outage, the maintenance department will contact Taipower service office for assistance in restoration and notify all units of the estimated time of repair completion.

##### 2. Handling of manpower shortage

The unit supervisor will dispatch the staff in the department first according to the production and delivery needs. If the production and delivery needs cannot be met, manpower support may be mobilized through the Group or business units to ensure continuity.

##### 3. Handling of major equipment failures

The unit supervisors should first transfer the product production to alternate equipment, notify the maintenance department to dispatch personnel for repair, and ensure that the responsible unit fills out the maintenance work order. If the required parts for repair are not available in stock, the equipment supplier should be contacted for emergency procurement or outsourced repair services.



## CHAPTER 03 Professional Service

### 4. Handling of raw material shortages

The purchasing unit is responsible for coordinating with subcontractors to ensure the advance delivery of raw materials for production. If in-house production is not feasible due to capacity or technical constraints, the manufacturing unit should notify the sales and production planning department to initiate outsourcing for the specified ITEMS and notify the supply unit to urgently coordinate outsourced production arrangements.

### 5. After-sales return handling

The shipping unit should immediately fulfill the order using available inventory. If there is no inventory available, the sales and production planning unit should arrange emergency order revisions or priority production scheduling to fulfill the shipment requirements.

#### AM Quality Assurance System

Year	Quality Assurance System	Description
1996	ISO 9001:2015	Quality Management System.
2002	ISO 14001:2015	Environmental Management System.
2003	IATF 16949	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>
2005	ISO 45001:2018	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.

#### 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.	--



## CHAPTER 03 Professional Service

Year	Product Certification	Description	Note
2004	Thatam Certification	British Automotive Insurance/Car Research Center: Thatam 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)	The National Sanitation Foundation (NSF) was founded in 1944, and it operates as a non-governmental/non-profit organization.	2011/08/18~ 2019/09/30
2015	KAPA	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.	--
2017	China NSF	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	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	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.	--



## CHAPTER 04 Harmonious Workplace

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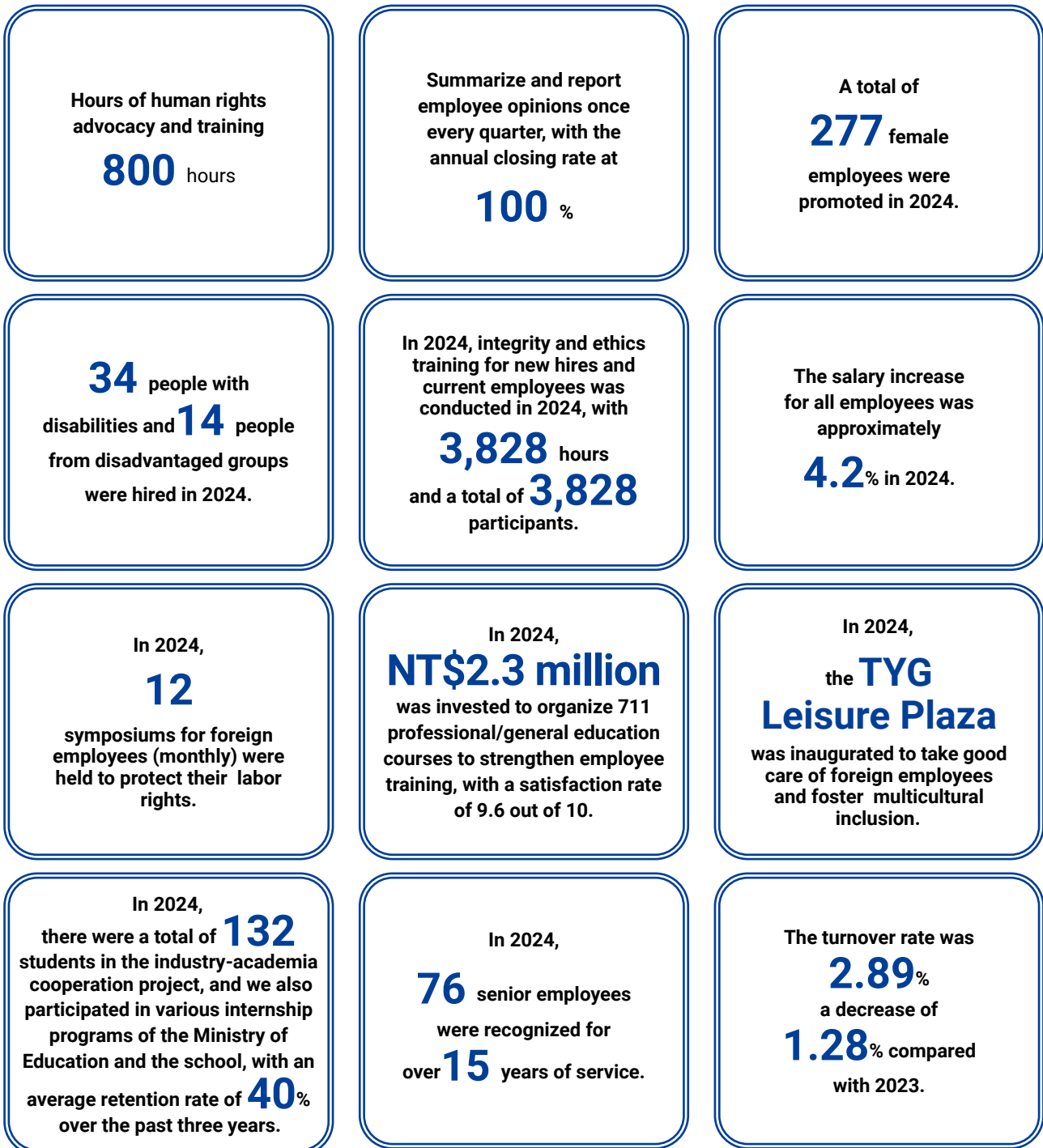




**BUSINESS PHILOSOPHY**

**Creating a Joyful Workplace Embracing LOHAS together by Engaging with Employees**

Strive to create a safe and comfortable working environment, continuously optimize the welfare system, Promote professional and comprehensive talent development plans, and grow with our employees for the creation of a better future.





## CHAPTER 04 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.
- 3.Strictly comply with labor laws and regulations to ensure that employees' rights are fully protected and respected.

#### 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 2024 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.



## CHAPTER 04 Harmonious Workplace

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. The Company does not employ child labor or engage in any form of human trafficking. Comprehensive training is provided to all employees to prevent workplace discrimination and harassment.

Tong Yang protects the basic human rights of all employees and stakeholders, and complies with Republic of China's Labor Standards Act, Employment Service Act, Gender Equality in Employment Act, Sexual Harassment Prevention Act, Occupational Safety and Health Act, and other labor-related laws and regulations to provide employees with a respectful, dignified, and safe working environment, thereby fulfilling our corporate social responsibility to take good care of employees.

Human Rights Management	
<b>Description of positive impacts</b>	Continue to implement human rights training and advocacy to enhance employees' awareness of gender equality, and actively carry out improvements of processes and optimize operations to help improve work efficiency.
<b>Description of negative impacts</b>	There were no major human rights incidents.
<b>Remedial mechanism/measures</b>	<ol style="list-style-type: none"> <li>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.</li> <li>2. The Company will regularly review the regulations to track whether internal regulations are regularly revised.</li> <li>3. The Company provides an opinion and feedback platform for employees to directly report matters to the personnel unit. Human rights violations verified through the complaint mechanism will be punished in accordance with the Company's relevant regulations.</li> </ol>
<b>Grievance/communication channels</b>	<p><b>Internal channels</b></p> <ol style="list-style-type: none"> <li>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, we will respond and handle the issues, and report the management level the handling results after summarizing and handling the situations on a quarterly basis.</li> <li>2. Set up union opinion mailbox and contact phone number of the human resource manager and the trade union.</li> <li>3. The Company will ensure confidentiality and protection for whistleblowers and individuals involved in investigations. All records related to the handling and investigation process will be documented and securely maintained as confidential files.</li> </ol> <p><b>External channels</b></p> <ol style="list-style-type: none"> <li>1. Set up grievance/reporting mailbox on the Company's official website.</li> <li>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.</li> </ol>



## CHAPTER 04 Harmonious Workplace

Human Rights Management	
<b>Policies/ strategies</b>	<ol style="list-style-type: none"> <li>1. Track the employees' opinion and feedback platform to meet the employees' needs and maintain a friendly working environment.</li> <li>2. For the potential needs of the employees, the Company will continue to design corporate benefit policies meeting the expectations of employees.</li> <li>3. Strictly comply with labor laws and regulations to ensure that employees' rights are fully protected and respected.</li> </ol>
<b>Responsibility</b>	Administration Department and each regional heads
<b>Target</b>	<ol style="list-style-type: none"> <li>1. Short-term goals :               <ol style="list-style-type: none"> <li>(1)No occurrence of violations of human rights, discrimination or ILO Conventions.</li> <li>(2)Annual compilation and reporting of employee opinions on the platform.</li> <li>(3)Review the collective agreement on a yearly basis and make adjustments based on the situation.</li> </ol> </li> <li>2. Medium- and Long-term goals :               <ol style="list-style-type: none"> <li>(1)Emphasis on human rights.</li> <li>(2)Gender equality.</li> <li>(3)Complete corporate welfare.</li> </ol> </li> <li>3. 800 hours of human rights advocacy and training</li> <li>4. 100% of new hires completed human rights education and training.</li> <li>5. There were no labor-management disputes such as violations of the Labor Standards Act.</li> </ol>
<b>Specific actions in 2024</b>	<ol style="list-style-type: none"> <li>1.No occurrence of violations of human rights, discrimination or ILO Conventions.</li> <li>2.Organized the employee opinions once every quarter, and the annual closing rate reached 100%.</li> <li>3.Reviewed the collective agreement and completed the signing of the agreement in September.</li> <li>4.Hold labor-management meetings on a quarterly basis and participate in the annual union member representative conference and 12 symposiums for foreign employees (monthly) to protect the employees' labor rights.</li> <li>5.Add employee psychological counseling and referral mechanism for employees. In the event of unlawful infringements or other major incidents affecting an employee's physical and mental well-being, the personnel supervisor and on-site nurse will intervene to provide support, and professional counseling or referral services will be arranged accordingly depending on the situation.</li> <li>6.Conduct education and training on human rights protection-related issues and also have a digital learning course established as part of the mandatory onboarding training for new hires.</li> <li>7.Carry out advocacy and training on the prevention of sexual harassment and workplace bullying to enhance employees' awareness of gender equality and unlawful conduct. Through our intranet and bulletin boards, we communicate the Company's policies on prevention of sexual harassment prevention and unlawful infringement in the workplace on an occasional basis.</li> <li>8.Provide multiple communication channels and actively adopt labor proposals to facilitate harmony between labor and management.</li> <li>9.Actively improve processes and optimize operations to help improve work efficiency.</li> <li>10.Control overtime hours, and those working excessive hours are included in the risk investigation list, and conduct regular employee health examinations.</li> </ol>



## CHAPTER 04 Harmonious Workplace

### Training and Advocacy on Human Rights

From the day when new hires report to work, we will help every employee understand the corporate culture, personal labor rights, personal data privacy, workplace safety and other related regulations through the onboarding training programs. To comply with government labor laws and EHS policies, we update internal regulations accordingly and share relevant information through internal announcements. In addition, we provide targeted training programs for all levels of management and future leaders to enhance their understanding and practical application of applicable regulations. In 2024, the "New Employee Integrity Management Advocacy " and "Ethics and Moral Concept Education Training " were held, with the number of participants of 493 and 3,335 respectively, amounting to a cumulative time of 3,828 hours.

### Human Rights Complaints and Handling

To provide a channel for internal and external personnel to report violations of integrity and employees to report workplace misconduct or harassment, the Company has established the Complaint Management Regulations. When an employee files a complaint regarding a breach of integrity or an incident of workplace conduct, the report may be submitted verbally or in writing through designated grievance channels. Upon receipt, the personnel unit will initiate an investigation. The investigation team is composed of the followings. (1) Incident of breaches of integrity: The personnel unit and department heads (the level of the heading authority will be designated based on the identity of the reported individual). (2) Workplace misconduct and maternity-related safety incidents: The investigation team should include personnel staff, occupational safety officers, medical or nursing staff, labor union representatives, and the department heads. In sexual harassment cases, female supervisors should be included in the investigation team as appropriate, and individuals with a potential conflict of interest or bias regarding the case shall rescue themselves from the investigation process.

The personnel department head investigation team within three days to start the work. The investigation process shall be conducted in accordance with principles of confidentiality and non-disclosure. If the complainant and the complaine cannot accept the arbitration result, they shall raise an objection within ten days. If no objection is raised, the case will be deemed closed, and no further appeal may be filed for the same matter after the case is closed. If the complaint is found to be true or false, the investigation team will recommend a handling method and issue a whistleblower bonus depending on the severity of the case. After the relevant department supervisor signs the report, it will be submitted to the CEO for approval according to the administrative process, and the report will be managed in a special file for future reference. If the complaint case needs to be followed up, the follow-up content should be recorded in the "Complaint Tracking Form". The results of the investigation will be communicated to the complainant. If the victim is physically or psychologically abused, medical staff will provide counseling and follow-up care. The company will keep the complainant or the person involved in the investigation confidential and protect them. Documents should be retained during the acceptance and investigation process and managed as confidential files.



## CHAPTER 04 Harmonious Workplace

### 4.1 Manpower Overview

#### 4.1.1 Number of Employees

As of the end of 2024, the total number of new staff was 141, and the number of retired employees was 12. The total number of regular employees is 3,828, of which males account for 81.74% while females 18.26%. In terms of age distribution, the majority of employees are within the young to middle-aged demographic, with employees aged between 31 and 64 accounting for 73.14%, showing the Company's solid and potential human resources base.

We also actively promote a diversified employment policy and continue to expand the recruitment of international talents. In 2024, there were a total of 1,453 Migrant Worker, with males accounting for 36.81% and females accounting for 1.15% of the total number of employees. These foreign workers are mainly from Indonesia, Vietnam, and other countries, which reflects the Company's emphasis on gender and cultural diversity.

At the same time, we also made use of the employment matching platform in accordance with the government's employment policy for people with disabilities. In 2024, Tong Yang actually employed 34 people with disabilities (weighted number), accounting for 0.89% of the total number of employees, and 14 people from disadvantaged groups, accounting for 0.37% of all employees. It is hoped that through a diverse, friendly, and inclusive workplace culture, we can create a working environment where everyone can realize their potentials.

2024 Statistics of Tong Yang's Employee Information

Category	Group	Male		Female		Total	
		Number	%	Number	%	Number	%
Age	<30	905	23.64%	104	2.72%	1,009	26.36%
	31-64	2,208	57.68%	592	15.46%	2,800	73.14%
	>65	16	0.42%	3	0.08%	19	0.50%
	Subtotal	3,129	81.74%	699	18.26%	3,828	100.00%
Managerial level	Regional manager and above	59	1.54%	8	0.21%	67	1.75%
	Department manager	80	2.09%	15	0.39%	95	2.48%
	Section manager	179	4.68%	38	0.99%	217	5.67%
	Supervisor	209	5.46%	19	0.50%	228	5.96%
	Staff	2,602	67.97%	619	16.17%	3,221	84.14%
	Subtotal	3,129	81.74%	699	18.26%	3,828	100.00%



## CHAPTER 04 Harmonious Workplace

Number of Employees from Minorities or Disadvantaged Groups Employed by Tong Yang

Year			2022	2023	2024
Item	Gender	Age	Number	Number	Number
Minorities or disadvantaged groups	Male	<30	6	7	5
		31-64	9	5	4
		>65	0	0	0
	Female	<30	0	0	0
		31-64	4	5	5
		>65	0	0	0
Foreign workers	Male	<30	444	538	569
		31-64	637	731	840
		>65	0	0	0
	Female	<30	8	23	25
		31-64	7	13	19
		>65	0	0	0
People with disabilities	Male	<30	4	3	1
		31-64	32	30	25
		>65	1	1	1
	Female	<30	4	4	5
		31-64	1	3	2
		>65	0	0	0

Note: Minority or disadvantaged groups: Groups with certain specific conditions or characteristics (such as economic, physiological, political, and social) that may suffer more severe negative impacts from organizational activities than general populations.

### 4.1.2 Employee Attraction and Retention

Tong Yang strictly complies with the labor and human rights laws and regulations. Recruitment and appointment shall not be differentiated based on nationality, race, age, gender, marital status, gender identity, physical or mental disability, pregnancy, faith, political stance, or other characteristics. Clear internal rules have been established to ensure compliance with regulations of Gender Equality in Employment Act. To avoid conflicts in leadership and management, the Company prohibits employees and their relatives (within the third degree of kinship, including spouses and their families) from working in the same unit.

<b>Description of positive impacts</b>	Through diversified recruitment channels, including job banks, campus recruitment, and industry-academia collaboration, we are committed to developing the strengths and capabilities of our employees through our comprehensive learning and development programs, empowering all employees to give full play to their strengths here.
<b>Description of negative impacts</b>	There is no actual negative impact, but the global talent shortage poses significant recruitment challenges. Without relevant supporting measures and active retention of key personnel, the cost of employee development will increase, which could undermine the Company's overall competitiveness in the long run.
<b>Remedial mechanism/measures</b>	All employee feedback is handled in accordance with the Company's relevant regulations.



## CHAPTER 04 Harmonious Workplace

<p><b>Grievance/ communication channels</b></p>	<p><b>Internal channels</b></p> <ol style="list-style-type: none"> <li>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. The processing status is summarized and reported to the management on a quarterly basis.</li> <li>2. Set up union opinion mailbox and contact phone number of the human resource manager and the trade union.</li> <li>3. The Company will ensure confidentiality and protection for whistleblowers and individuals involved in investigations. All records related to the handling and investigation process will be documented and securely maintained as confidential files.</li> </ol> <p><b>External channel</b></p> <ol style="list-style-type: none"> <li>1. Set up grievance/reporting mailbox on the Company's official website.</li> <li>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.</li> </ol>
<p><b>Policies/ strategies</b></p>	<ol style="list-style-type: none"> <li>1. Establish diversified recruitment channels to select suitable talents.</li> <li>2. New employee care: Every new hire is paired with a dedicated mentor to guide and support him/her as they adapt to the company environment. This approach facilitates communication and interaction among newcomers, helping them fit in more quickly into the Tong Yang Family.</li> <li>3. Employee care interviews: We conduct regular check-in interviews with employees on a regular basis to understand the conditions of each department and employee, providing timely assistance whenever needed.</li> <li>4. Build comprehensive welfare program.</li> <li>5. We work hand in hand to protect the health and safety of every employee.</li> <li>6. Through comprehensive learning and development programs, we strive to strengthen employee's strengths and capabilities, enabling all employees to give full play to their strengths here.</li> <li>7. Employee Assistance Program (EAP): We implement EPA services to support employees in addressing challenges at work and in life.</li> </ol>
<p><b>Responsibility</b></p>	<p>Administration Department and department heads</p>
<p><b>Management Evaluation Mechanism</b></p>	<p>Understand employee needs and gather feedback through satisfaction surveys on training programs and activities.</p>
<p><b>Target</b></p>	<ol style="list-style-type: none"> <li>1. Establish diverse and effective recruitment channels to attract talents.</li> <li>2. Continue to strengthen campus engagement by offering industry-academia collaborations and internship opportunities.</li> <li>3. Implement a market-competitive compensation system to attract outstanding professionals.</li> <li>4. Align with the Company's group development strategy to meet the demand for various professionals.</li> <li>5. Continue to promote the succession talent training program to reduce the risks of talent gaps.</li> </ol>



## CHAPTER 04 Harmonious Workplace

<p><b>Specific actions in 2024</b></p>	<ol style="list-style-type: none"> <li>1. Hold labor-management meetings on a quarterly basis and participate in the annual union member representative conference and 12 symposiums for foreign employees (monthly) to protect the employees' labor rights.</li> <li>2. Establish an employees' opinion and feedback platform to improve employee satisfaction.</li> <li>3. Regularly participate in salary surveys to review the market conditions of various positions. The salary increase for all employees in 2024 was approximately 4.2%.</li> <li>4. Cultivate outstanding talents in advance through internship programs and provide retention bonuses to increase their willingness to stay.</li> <li>5. Continue to promote the succession talent training program.</li> <li>6. Continue to organize training courses for professional skills, general skills, and supervisor management skills.</li> <li>7. Tong Yang provides excellent career and learning opportunities to encourage our employees to try different roles, experience different changes from different positions in their careers, so that they can make systematic learning and growth plans based on their personal work and development needs.</li> <li>8. Allowances for foreign workers to learn Chinese.</li> <li>9. New benefits: employee car purchase program, telecommunication discount program, smart vending machines, electronic gift certificates, employee psychological counseling, etc.</li> <li>10. Recognize the contribution and dedication of senior employees with 15 years of service, and a total of 76 individuals were honored in 2024.</li> <li>11. Continue to promote industry-academia collaboration.</li> </ol>
<p><b>Performance results</b></p>	<ol style="list-style-type: none"> <li>1. The succession talent training program has cultivated 131 people, and the training program still continues.</li> <li>2. The turnover rate is 2.89%, a 1.28% decrease compared with 2023.</li> <li>3. In 2024, a total of NT\$ 2.3 million was invested in employee learning and development, and a total of 711 sessions of education and training courses (619 internal training courses and 92 external ones) were organized, with a total of 11,212 participants. Each employee had an average of 6 hours of training courses, and the course satisfaction scored 9.6 points (out of 10 points).</li> <li>4. The reinstatement rate for those taking parental leave without pay reached 89 %, and the retention rate reached 100%.</li> <li>5. In 2024, 132 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 40%.</li> </ol>

### Diverse Recruitment Channels

We firmly believe that talent is Tong Yang's greatest asset. By valuing talent, respecting their professionalism, and providing a stage, we try to create a happy future together. Tong Yang attracts talents through multiple recruitment channels. In addition to job banks, campus internships, in-house hiring, and industry-academia collaboration, we actively engage in campus recruitment to attract young graduates. In addition to participating in industry-academia collaboration, we also provide young students with scholarships (NT\$3,054,920 of tuition subsidies for students participating in industry-academia collaboration programs) and internship opportunities to encourage them to establish a correct attitude toward work to enhance their adaptability and competitiveness in the workplace.



## CHAPTER 04 Harmonious Workplace

### New Hires and Retention

We firmly believe that talent is the greatest asset for Tong Yang. Employee turnover directly impacts operational stability. We care about new employees' adaptation. To support the successful onboarding training, supervisors assign mentors to help new employees improve their work skills, and new employees are also required to submit their learning reflections for their supervisors to better understand their progress and provide assistance to the new employees for them to fit in the big Tong Yang family more quickly. There were a total of 141 new employees in 2024, with a total employment rate of 3.68%.

In terms of resignation management, once an employee submits a resignation request, the immediate supervisor shall be promptly notified to arrange an exit interview. In addition to the interview by the departmental supervisor, the Personnel Department will also understand the main reasons for employee resignation to conduct resignation analysis, that can serve as the basis for improvement of the subsequent talent retention system. In 2024, a total of 111 people resigned, with a total turnover rate of 2.89%, a decrease of 1.28% compared with 2024. To increase employees' willingness to work long-term, those with more than 5 years of service are entitled to overseas travel subsidies, and those with 15 years of service are entitled to medals and gold coins. We will continue to invest in employee retention strategies by offering enhanced compensation and benefits, aiming to drive greater productivity and value creation.

2024 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	49	1.28%	25	0.65%
31-64	51	1.33%	16	0.42%
<b>Total number of new employees</b>	141			
<b>Total number of employees</b>	3,828			
<b>Employment Rate (%)</b>	3.68%			

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: The number of new employees does not include those who resigned within one month of employment.

2024 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	39	1.02%	11	0.29%
31-64	44	1.15%	15	0.39%
>65	2	0.05%	0	0.00%
<b>Total number of departed employees</b>	111			
<b>Total number of employees</b>	3,828			
<b>Demission rate (%)</b>	2.89%			

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.



# CHAPTER 04 Harmonious Workplace

## 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, family day, employee car purchase program, telecommunication discount program, 7-11 smart vending machines, and gift certificates (available in either physical and electronic forms) etc. These enable employees to enjoy a perfect welfare system. In addition, we recognized 76 dedicated employees in 2024 for their 15 years of service, expressing our gratitude for their contributions and long-term support through award presentations. Through a variety of employee welfare measures, we hope to make employees feel cared for and supported so that they can contribute to their work with peace of mind.



# CHAPTER 04 Harmonious Workplace



Employee Welfare Committee was established in 1976, and representatives are selected by each department, and meetings are held at least once every three months. It is responsible for coordinating, planning, and implementing a wide range of employee welfare programs. In addition to statutory benefits mandated by the government, we offer comprehensive and diverse welfare benefit programs. These include partnerships with designated stores, allowing employees to enjoy exclusive privileges. In addition, the Company also encourage employees to establish clubs and participate in club activities to improve their physical and mental well-being, thereby enhancing their work morale and performance. 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

## TYG Internal "Thanks and Encouragement " App

To motivate employees to actively participate in work, improve their work performance and create a culture of encouragement to strengthen employees' sense of belong to the Company, supervisors can make use of the Thanks and Encouragement Platform of TYG APP to instantly send small cards and gifts to express their affirmation, so as to enhance the cohesion among employees. Since its launch in 2024, a total of 5,306 people have been encouraged via this platform.

"Thanks and Encouragement " App

Thank-You Card Gift Redemption

Thank-You Card Content

Thank-You Card Content



## CHAPTER 04 Harmonious Workplace

### 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. The salary increase for all employees in 2024 was approximately 4.2%.

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.

Unit: NTD 1,000

Information of employee compensations				
Details	2022	2023	2024	Difference from the previous year (percentage)
<b>Number of the full-time employees who are not in a managerial position</b> <sup>Note 1</sup>	3,029	3,294	3,624	10%
<b>The total compensation of full-time employees who are not in a managerial position</b> <sup>Note 2</sup>	2,070,604	2,463,401	2,802,676	13.7%
<b>The average salary of the full-time employees who are not in a managerial position</b> <sup>Note 3</sup>	683	748	797	6.5%
<b>The medium of the salary of the full-time employees who are not in a managerial position.</b>	582	630	648	2.8%

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 2024.

Note 5: Difference from the previous year (percentage).

Note 6: Formula:  $2023-2022 \div [(2023-2022)/2022]$   
 $2024-2023 \div [(2024-2023)/2023]$ .



## CHAPTER 04 Harmonious Workplace

Tong Yang's standard salaries for entry-level employees in 2024 are all set above the minimum wage stipulated in the Labor Standards Act. The gender-based salary ratios are shown in the following table.

Country/Region	Ratio of male entry-level employees' standard salary to the local minimum wage	Ratio of female entry-level employees' standard salary to the local minimum wage
Taiwan	1.022	1.076

Note: Entry-level employees refer to new employees who are not supervisors or cadres and have no relevant work experience, including local and foreign nationals.

The Company's starting salary is in line with the minimum wage stipulated in the Labor Standards Act, regardless of gender. However, salary levels also take into account factors such as seniority and job performance, which may result in differences in pay ratios for different positions. The overall salary ratios in 2024 are shown in the following table.

Ratio of overall compensation of female employees to male employees			
Category	Group	Male	Female
Managerial level	Regional manager	1	1.168
	Department manager	1	0.980
	Section manager	1	1.085
	Supervisor	1	0.967
	Staff	1	1.140

### 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 2024, the retention rate and the reinstated employees of the company reached 100%.



## CHAPTER 04 Harmonious Workplace

Item	2024		
	Male	Female	Total
The number of employees eligible to apply for parental leave without pay (A)	168	74	242
The number of employees who actually applied for parental leave without pay in the current year (B)	7	13	20
The number of employees who were expected to be reinstated after parental leave without pay in the current year (C)	4	14	18
The number of employees who were actually reinstated in the current year (D)	3	13	16
The number of employees who were actually reinstated in the previous year (E)	8	7	15
The number of employees who were actually reinstated in the previous year and has been reinstated for 12 months (F)	8	7	15
Reinstatement rate in the current year % (D/C)	75%	93%	89%
Retention rate in the current year % (F/E)	100%	100%	100%

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 2020 and 2024.

### 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.

In addition to caring for current employees, we are equally committed to the care for our retirees. In compliance with regulations, monthly contributions are made to social insurance for every employee. Upon retirement, commemorative plaques and gifts are presented as tokens of appreciation. We also maintain regular contact through a dedicated social media group to ensure our retirees continue to feel respected, connected, and valued.





## CHAPTER 04 Harmonious Workplace

### 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.

- 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, 2024 to September 30, 2025. The collective agreement covers 97% of Taiwanese formal employees participating in the union.
- 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.
- 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.

In addition to the union channel, we also use a multi-tiered meeting system to ensure that employees are informed about and can express on management activities and corporate strategies. For example, a monthly meeting is held by the president to review business performance and engage in open communication with employees. Additionally, the CEO chairs the quarterly town hall meeting to disclose the Company's operational and financial status, and explain the short-, medium-, and long-term business strategies and management activities.



#### 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 Yong 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.

# CHAPTER 04 Harmonious Workplace



## 4.3.4 No Forced Labor

Tong Yang 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 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. In addition to mandatory onboard training for all newly hired security personnel, monthly education and training sessions are also held on a regular basis. The training covers topics including disaster prevention and emergency response, access control practices, traffic control and directing, human rights policies, and systems or procedural training. In 2024, 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.



### Monthly educational training meetings



BCB-z001-02-7 守衛人員值勤操作手冊 保管人:		
目 錄		
項次	作業名稱	頁次
1	守衛人員職掌重點	P2
2	守衛服裝儀容、禮儀標準	P3
3	應務勤務作業	P4
4	值勤狀況回報機制	P5
5	前警：守衛人員值勤位置及負責工作說明	P6
6	前警：大門人員車輛進出廠管制	P7-10
7	後警：守衛人員值勤位置及負責工作說明	P11
8	後警：大門人員車輛進出廠管制	P12-28
9	物流：守衛人員值勤位置及負責工作說明	P29
10	物流：大門人員車輛進出廠管制	P30-43
11	廠區巡邏注意重點	P44
12	訪客作業(電腦登錄資料)實施步驟	P45
13	放行單據檢查事項及注意要點	P46-P47
以下為附件		
14	罰則彙整	罰則 1-21
15	守衛室勤務配置	附表 1-3
16	守衛勤務紀錄表	附表 5-10
17	守衛勤務特殊狀況程序流程	附表 13-22
18	守衛道路交管勤務	附表 21
19	換具車重要管制限制	附表 23



## CHAPTER 04 Harmonious Workplace



### 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.

##### Management evaluation mechanism :

1. According to the evaluation mechanism of the Internal Training Management Regulations, three types of evaluations are designed, including reaction, learning, and behavior evaluation, to track the learning effectiveness of employees.
2. Review the course status every month. For courses that have not started, apply for course extension or cancellation according to the Company's prescribed procedures and explain the reason to ensure that the courses can be implemented as planned. A report on the results of tracking the education and training plan will be summarized and submitted to the management every year.

##### Performance and adjustment :

The attentive status of 2024 training performance is as follows.

1. Course implementation rate reached 96%.
2. Experience inheritance promotion reached 97%.

##### Preventive or Remedial Measures

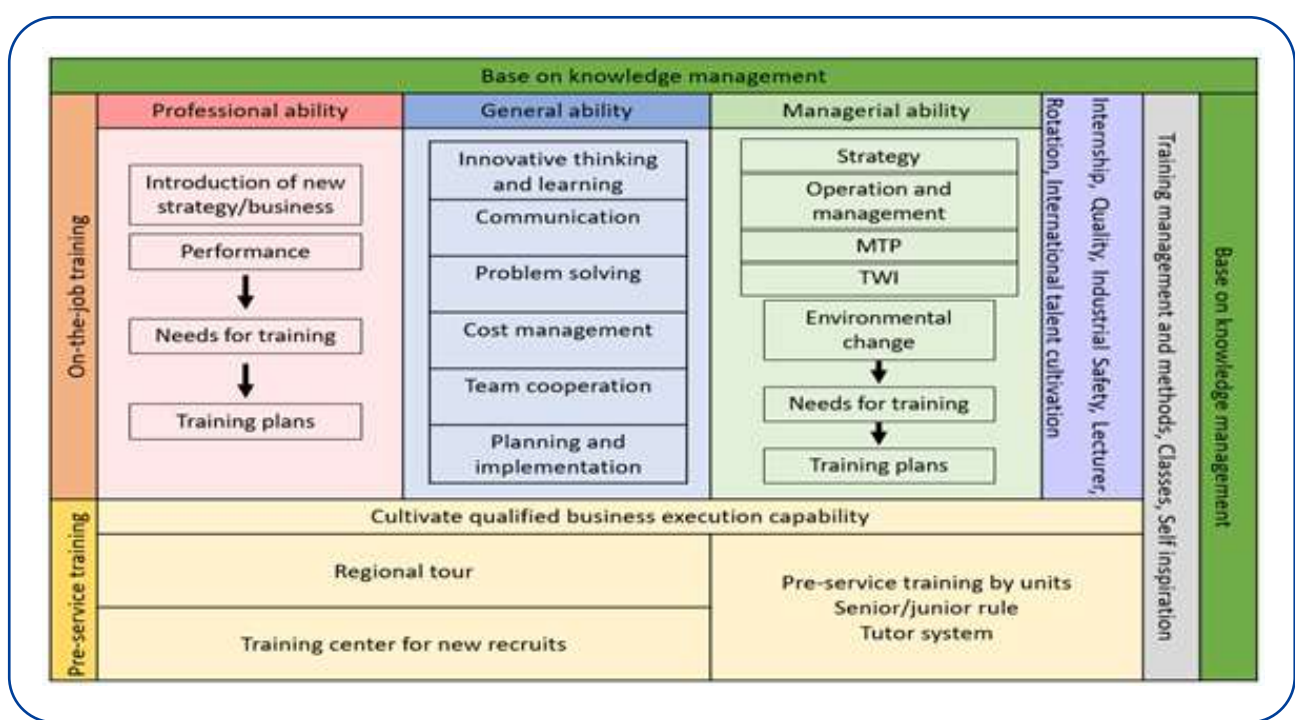
1. To enable the employees to work in a safe environment, preventive fire drill training is conducted every year.
2. In addition, to promote the spirits and ensure that our associate will abide by the code of conduct for employees, the Company specially planned the Ethics Training to prevent violations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



# CHAPTER 04 Harmonious Workplace

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



Tong Yang has established a training and development plan to enhance employees' career capabilities. The Company provides diversified training models, including pre-employment training, a mentor system, professional skill development, language enhancement, safety and quality courses, as well as celebrity lectures. Employees are also subsidized for external education and professional certification exams. Foreign workers are also entitled to allowance for Chinese Learning. In addition to internal and external courses, we also arrange hands-on training in process-related skills to enhance employees' understanding of our products and injection molding technology and coating technology. Information of the regular public lectures and second professional specialty training are provided on a monthly basis, and we also help employees plan ahead for their retirement. Moreover, managers above associate manager level should plan courses every year to pass on their knowledge and experience.

## CHAPTER 04 Harmonious Workplace



依照各層級規劃主管培訓，秉持知識、技能、態度培育優秀人才

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.



**團隊合作**  
提升幹部凝聚團隊共識  
的正確觀念與做法

**AI工具培訓**  
強化學員AI工具使用  
技能，以提升工作  
的效率

學習報告撰寫的能力和  
口頭報告技巧

**報告撰寫技巧**

Tong Yang strictly complies with the labor and human rights laws and regulations. In 2024, 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 2024 was 95, with a total number of 800 training hours.

# CHAPTER 04 Harmonious Workplace



In 2024, a total of NT\$ 2.3 million was invested in employee learning and development, and a total of 711 sessions of education and training courses (619 internal training courses and 92 external ones) were organized, with a total of 11,212 participants. Each employee had an average of 6 hours of training courses, and the course satisfaction scored 9.6 points (out of 10 points).

2024 statistics of education and training								
Training category		Gender	Male		Female		Total hours	Total number
			Hours	Number	Hours	Number		
Occupational safety training	Outsourcing services		3,831	1,277	765	255	4,596	1,532
	Internal employees		4,175	835	835	167	5,010	1,002
Managerial training			680	83	120	12	800	95
Professional training			3,274	1,628	1,438	705	4,712	2,333
General training			2,689	364	632	115	3,321	479
Orientation training			1,284	428	195	65	1,479	493
<b>Total</b>			<b>15,865</b>	<b>4,605</b>	<b>3,985</b>	<b>1,314</b>	<b>19,850</b>	<b>5,919</b>



# CHAPTER 04 Harmonious Workplace

## 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 2024, 132 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 40%.





## CHAPTER 04 Harmonious Workplace



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 hope that every employee can move toward his/her ideal career goals through his/her own efforts and performance. We believe that a fair and transparent promotion system can make every contribution visible and enable opportunities for growth regardless of the background.

In 2024, a total of 1,160 employees were promoted, including 277 female employees. This shows the results of their hard work, and also reflects our continued progress in promoting gender equality and diversity and inclusion. Every promotion signifies an affirmation, and it is also a beginning of a new journey.



## CHAPTER 04 Harmonious Workplace

### 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, Table Tennis Club and Basketball Club.





## CHAPTER 04 Harmonious Workplace

### 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.



## CHAPTER 04 Harmonious Workplace

### 4.5.4 Care for Foreign Employees

- 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, rest areas and TYG Leisure Plaza 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.
- Establish promotion channels for foreign workers, foster outstanding talents to serve as management cadres, and those who are capable of speaking Chinese and serve as supervisors are provided with additional benefits.
- Collaborate with CTBC University of Science and Technology 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.



**CHAPTER 04**  
**Harmonious Workplace**



Photos of foreign employee activities



Photos of foreign employee activities



Photos of foreign employee activities



Photos of foreign employee activities



Year-end banquet for foreign employee



TYG Leisure Plaza



Year-end banquet for foreign employee



TYG Leisure Plaza



Graduation photo of the specialized training program for foreign employee



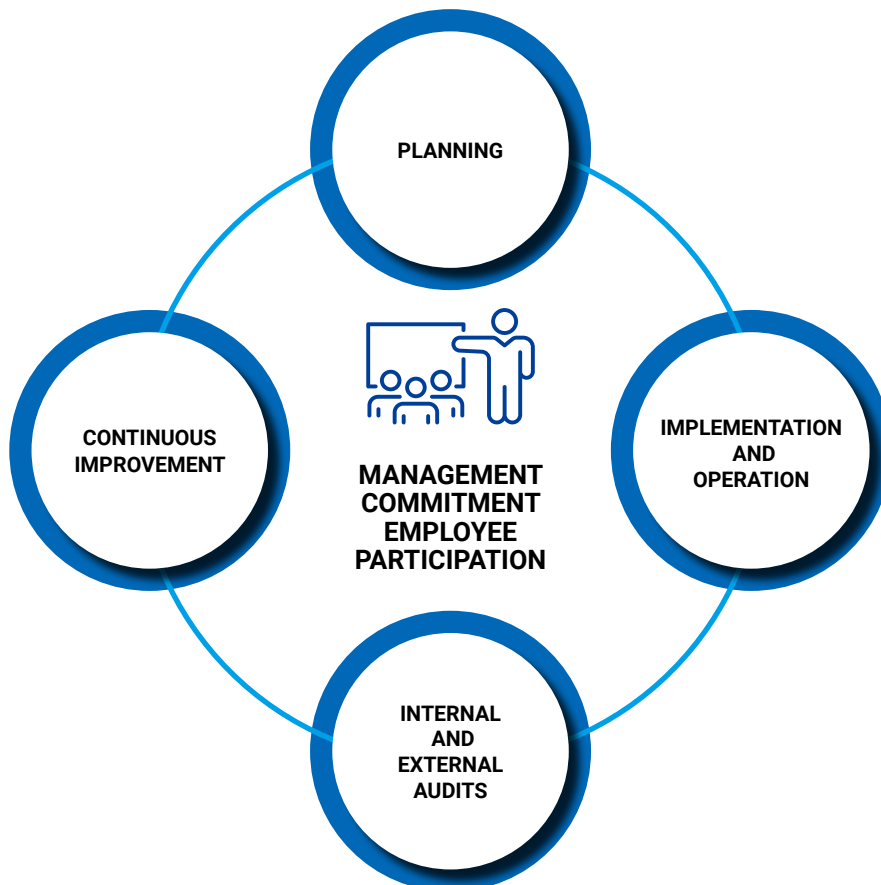
## CHAPTER 04 Harmonious Workplace

### 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. 2024 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.





CHAPTER 04  
Harmonious Workplace



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.

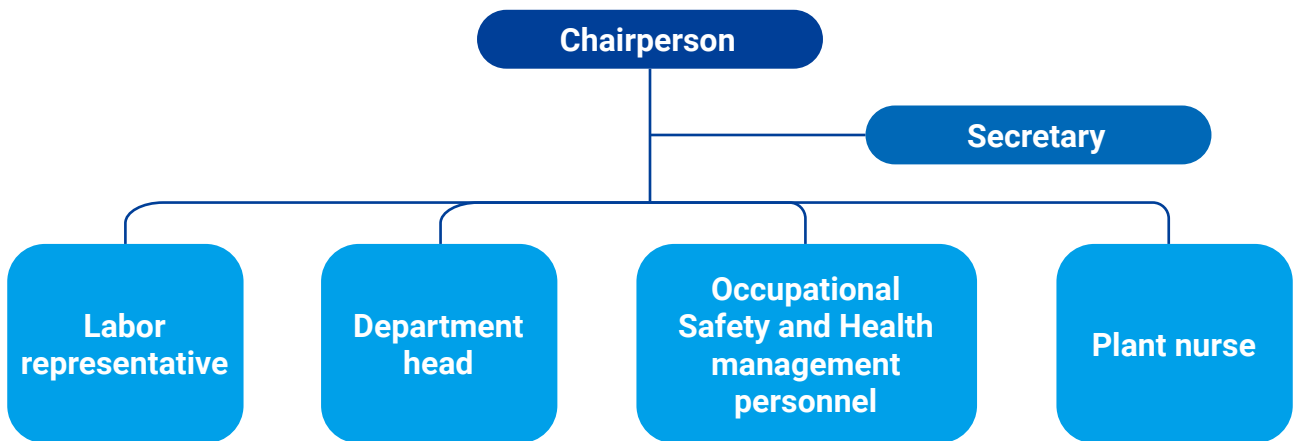




## CHAPTER 04 Harmonious Workplace

### 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.





## CHAPTER 04 Harmonious Workplace



### 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.

##### 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 2024, there was one incident of disabling injury. 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.



## CHAPTER 04 Harmonious Workplace

### 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.

#### Hazard identification

- Annual risk assessment education and training is held to equip the personnel with assessment capabilities.
- The assessor looks for potential hazards that may cause casualties, poor health and property loss in the work area.

#### Risk assessment

- Quantitative assessment of individual Hazard factor, including incident frequency, personal health, plant safety and calculation of risk value, is conducted based on professional knowledge and experience to identify hazard risks.

#### Risk control

- Propose management plans for the improvement of major hazards and risks and ensure the implementation of various measures through audits.

### 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.



## CHAPTER 04 Harmonious Workplace

### 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.



## CHAPTER 04 Harmonious Workplace

2024 Occupational safety and health education and training items	
Items	
	License education and training for forklift operation certification
	Aerial work vehicle license education and training
	Type C occupational safety and health supervisor education and training
	Senior management symposium
	Education and training of ISO 14001 & ISO 45001 management systems
	Safety and health education and training for foreign employees
	2024 Tong Yang SH Family Education and Training
	Industrial safety experience for contractors and training
	XR somatosensory occupational safety training at China Steel Corporation's XR Center
	Drill without warning for volunteer fire fighters
	Training of firefighting techniques
	Emergency fire test without warning
	Education and training for contractor site managers and supervisors from Tong Yang
	Seminar on healthy plate and home exercise skills

# CHAPTER 04 Harmonious Workplace



## 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 30 operating security standards provided in this form, and there will be more coming up. In addition, as the proportion of foreign employees increases, micro-learning videos are translated to simultaneously communicate key messages to foreign workers.

**外籍員工工安教育訓練教材專區(越南)**

113.05.20更新

教育訓練影片

- 一般職業安全衛生教育訓練(上)
- 一般職業安全衛生教育訓練(下)
- 落地式危險預防
- 化學性危害預防

作業安全微學習影片

- 起重機
- 變壓機組吊機
- 垂直機具吊機
- 旋轉吊機
- A字梯
- 蓋板作業
- 樓梯旋轉架作業

訓練教材PPT

- 113年機架吊機
- 起重機吊機吊機
- 天車吊機吊機
- 起重機吊機吊機

**外籍員工工安教育訓練教材專區(印尼)**

113.05.20更新

化學品危害標示(GHS)下載區(依部門區分)

- GHS下載區
- 危害品標籤

警語標示

- 工作場所禁煙
- 禁止飲酒
- 禁止吸煙
- 禁止吸煙
- 禁止吸煙
- 禁止吸煙
- 禁止吸煙
- 禁止吸煙

交通安全影片

- 下馬式行車安全
- 行車安全防範
- 路口車陣避讓
- 路口減速通行
- 駕駛大貨車
- 和伴併排行駛

**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觀看影片呦！

各職務工作安全

- 巡高機
- 沖床
- 拔車機
- 電動推車
- 作業安全
- 作業安全
- 作業安全
- 作業安全

- 旋轉設備
- 野出機
- 垂直機具吊機
- 旋轉機具吊機
- 作業安全
- 作業安全
- 作業安全
- 作業安全

- A字梯
- 直立梯
- 新蓋料
- 蓋頂作業安全
- 作業安全
- 作業安全
- 作業安全
- 作業安全



## CHAPTER 04 Harmonious Workplace

### 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 in a total of nine locations 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
<b>Off</b>	32.2	32.7	<b>Off</b>	31.6	31.6
<b>On</b>	27.5	28.5	<b>On</b>	27.3	28.6
<b>Difference</b>	-4.7	-4.2	<b>Difference</b>	-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.





## CHAPTER 04 Harmonious Workplace

### 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 2024, 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.



## CHAPTER 04 Harmonious Workplace



### 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 200 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 (EAP) 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.





## CHAPTER 04 Harmonious Workplace

### 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	2024 04/25	Chia Nan University of Pharmacy & Science University industrial safety somatosensory training	46	Chia Nan University of Pharmacy & Science University
2	2024 04/30	Occupational safety visit by Kaohsiung University of Science and Technology	40	National Kaohsiung University of Science and Technology
3	2024 05/23	CSC somatosensory training	37	Labor Affairs Bureau of Tainan City Government
4	2024 06/20	College students occupational safety and health experience camp visit	21	Center for Occupational Accident Prevention and Rehabilitation
5	2024 10/30	XR somatosensory training	34	Occupational Safety and Health Center in Southern Taiwan





## CHAPTER 04 Harmonious Workplace

### 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  
檢 號：  
保存年限：  
臺南市安南區公所 函

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

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  
類別：普通件  
密等及解密條件或保密期限：  
附件：

主旨：檢送臺南市空氣品質淨化區認養協議書乙份，請查照。



## CHAPTER 04 Harmonious Workplace

### 4.6.6 Safety of Work Partners

#### Statistics of Tong Yang's Occupational Injuries

In 2024, the Company recorded one occupational injury case. The initial assessment indicated that hospitalization would be required; however, subsequent medical evaluation determined that home care for 35 days would be sufficient. The incident has been fully investigated internally, and corrective actions have been implemented.

2024 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	1,033,008	0	1,033,008
	Male	0	0	0	4,735,384	0	4,735,384
Total		0	0	0	5,768,392	0	5,768,392
Average at Tong Yang				0 time		0 days	
National average				1.58 times		91 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	

#### Statistics of Contractors' Occupational Injury

In 2024, no occupational injuries occurred in our contractors.

(Note: The total working hours for female contractors was 37,368 hours, 110,105 hours for male contractors, and the total working hours for contractors was 147,473 hours)

#### Statistics of Occupational Diseases

In 2024, 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 1,713,916 hours, 6,855,664 hours for male employees, and the total working hours were 8,569,580 hours.
2. The total working hours for female workers of contractors (non-employee workers) were 37,368 hours, 110,105 hours for male workers, and the total working hours were 147,473 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.



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# CHAPTER 05 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, spare parts 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 2024 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. In 2024, Tong Yang AM Supply Division sourced as high as 90% and more from domestic suppliers; the OEM Supply Division sourced as high as 87% and more from domestic suppliers.

2024 Statistics of Supplier Procurement			
Business Group	Supplier Type	Procurement %	Number of Supplier
AM	Raw material supplier	52.03%	58
	Outsourcing and spare parts suppliers	32.80%	133
	Packaging material supplier	15.17%	20
OEM	Raw material suppliers (including paint suppliers)	17.8%	33
	Packaging material supplier	10.8%	19
	Other suppliers Note 1	71.4%	131

Note 1: Other suppliers include general spare parts, and designated manufacturers other than raw materials, coatings, and packaging materials

2024 Statistics of Domestic and Foreign Suppliers			
Business Group	Supplier Type	Procurement %	Number of Suppliers
AM	Domestic supplier	94.12%	206
	International supplier	5.88%	5
OEM	Domestic supplier	86.9%	159
	International supplier	13.1%	24

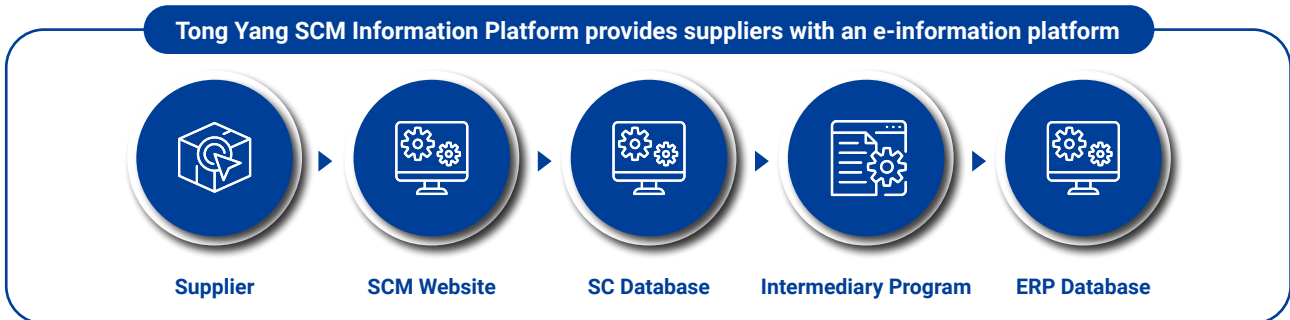


## CHAPTER 05 Dialogue with Partners

### 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

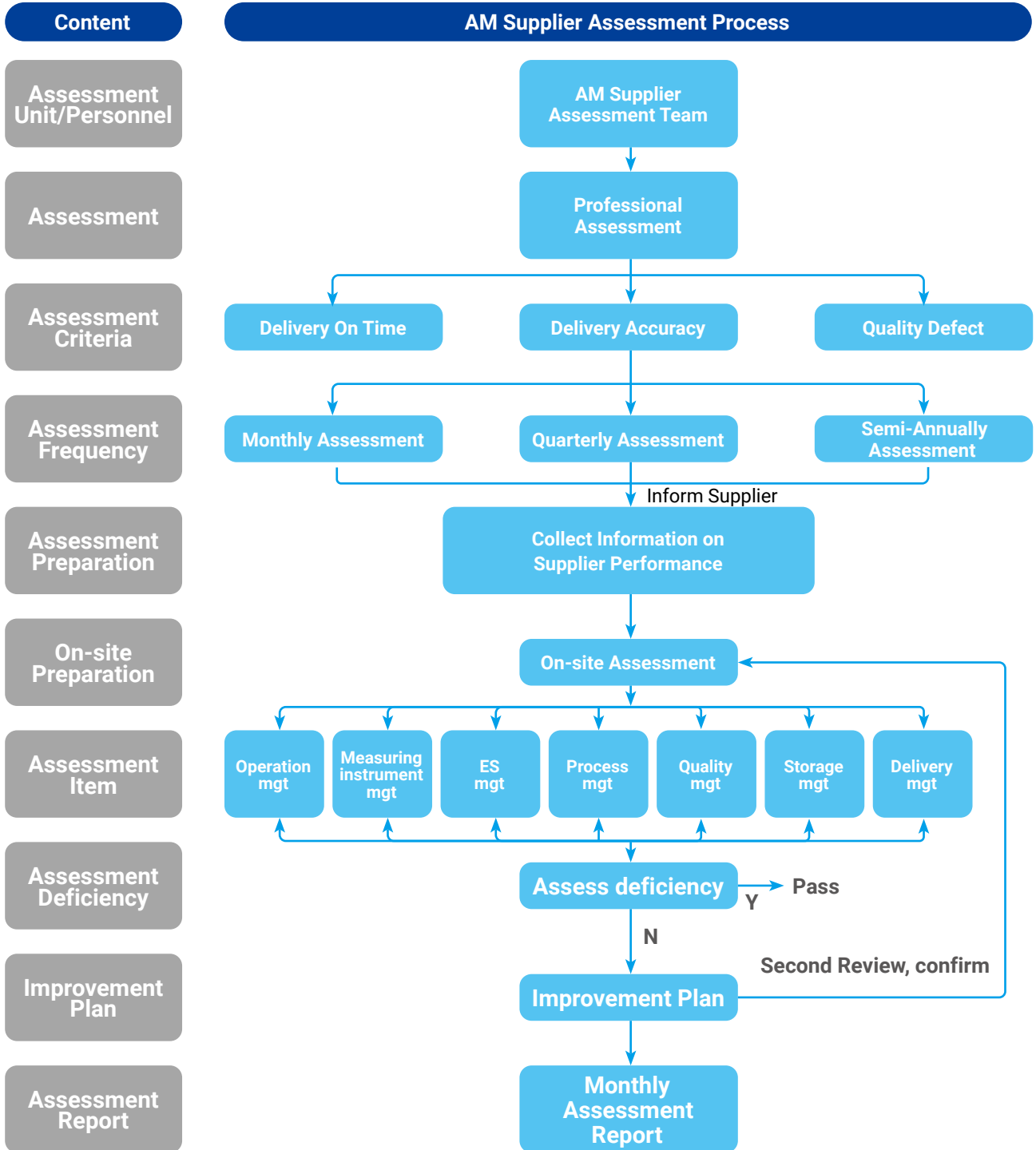
### 5.2.1 Supplier Evaluation and Audit

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.

# CHAPTER 05 Dialogue with Partners



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.

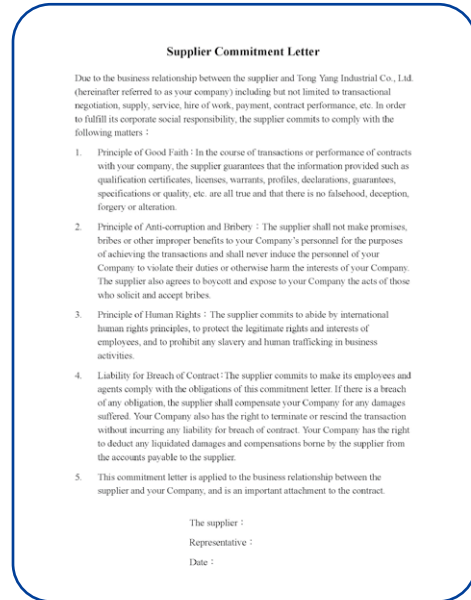
## CHAPTER 05 Dialogue with Partners



### 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 211 suppliers in 2024, and among them, 186 had signed the Supplier Commitment Letter, with the signing rate of 88.2%. For the OEM Supply Division, among the 183 suppliers we had transactions with in 2024, 121 had signed the Supplier Commitment Letter, with the signing rate of about 66.1%. The number of suppliers signing the Supplier Commitment Letter gradually increases, and they are also required to fulfill the contents in the commitment letter.



### 5.2.3 Supplier Low-Carbon Transition Guidance and Carbon Inventory Overview

As the environmental protection and energy awareness rises and in response to the global net zero trend, Tong Yang actively demonstrates its corporate responsibility and participated in the MOEA's "Low-carbon transition project in manufacturing through large enterprises supporting smaller ones" project, which is implemented from 2024 to 2025. Tong Yang serves as the central manufacturer and works with 11 supply chain manufacturers to jointly launch low-carbon transition actions, covering the utilization of equipment, lighting improvements, and introduction of ISO 14064 organizational carbon inventory and obtaining verification.

To strengthen communication and facilitate promotion, Tong Yang held a Low-carbon Transition Guidance and GHG Inventory Briefing on August 12, 2024 to explain the promotion content and implementation focus, and invited the representatives from counseling units and supplier leadership to participate. Through this project, Tong Yang hopes to actively work with its downstream suppliers to jointly promote energy conservation and carbon reduction in a "big company leading small ones" manner. Coaching counsellors and supplier executives were invited to explain relevant matters, with the expectation that they will lead supply chain partners to implement a low-carbon transition.



## CHAPTER 05 Dialogue with Partners

### Low-carbon Transition Guidance and GHG Inventory Briefing



### 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
2020	54.70%	45.30%
2021	50.99%	49.01%
2022	50.96%	49.04%
2023	49.83%	50.17%
2024	53.90%	46.10%

OEM's introduction of water-based coatings- procurement ratio distribution

Year	Proportion of general coatings	Proportion of water-based coatings
2020	96.6%	3.4%
2021	96.0%	4.0%
2022	96.2%	3.8%
2023	97.0%	3.0%
2024	94.7%	5.3%



## CHAPTER 05 Dialogue with Partners

### 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 2024 improved compared with 2023, The overall satisfaction in 2024 was 86.82%.

Annual Customer satisfaction of the OEM Assembly Market over the past five years					
Year	2020	2021	2022	2023	2024
Customer Satisfaction	83.05%	83.37%	84.09%	84.94%	86.82%

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

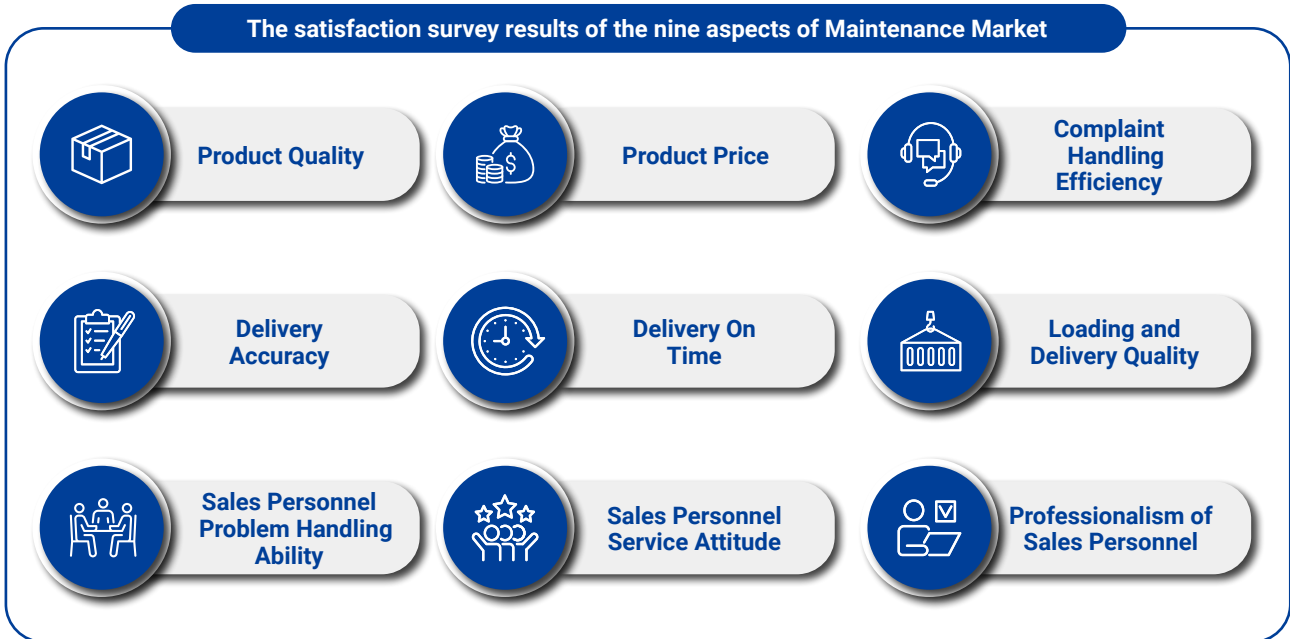
The overall customer satisfaction survey of the after-sales maintenance (AM) market measured by 9 indicators was 92% in 2024, an increase of 1% compared with the 91% in 2023, and better than the 85% of customer satisfaction in the same trade. The satisfaction in delivery on-time and container loading quality in 2024 was 13% higher than our competitors, and the overall quality was also 12% higher than that of the competitors. Although the satisfaction in the price increased by 3%, there still remains some room for improvement. Except for the price, the overall satisfaction in the other eight aspects still remained at 93%, particularly the service attitude and professionalism of the sales personnel 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.



## CHAPTER 05 Dialogue with Partners

AM Customer Satisfaction over the past five years					
Year	2020	2021	2022	2023	2024
Tong Yang	91%	89%	92%	91%	92%
Industry Average	85%	80%	85%	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.





## CHAPTER 05 Dialogue with Partners

### 5.4.3 Customer Privacy

Material topic: Customer Privacy						
<b>Reason of significance :</b> 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.						
<b>Policy :</b> 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".		<b>Strategies :</b> 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.				
<b>Goals and Objectives :</b> The goal for 2024 is to maintain Zero leakage of customer privacy.						
<b>Management evaluation mechanism :</b> 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.						
<b>Performance and adjustment:</b> Number of cases of customer privacy leakage over the past five years						
	<b>Item</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Number of cases of customer privacy leakage</b>	Goal	0	0	0	0	0
	Results	0	0	0	0	0
<b>Preventive or Remedial Measures :</b> 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 2024.



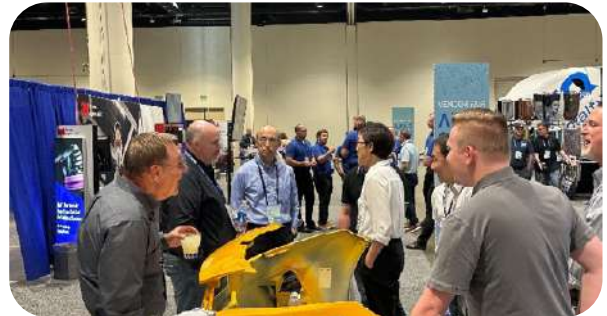
# CHAPTER 05 Dialogue with Partners

## 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.

Tong Yang fully resumed participation in domestic and international industry exhibitions to stay close to customers, gain insights into post-pandemic market needs and changes, and share updates on industry developments. These interactions have greatly contributed to advancements in new technologies and methods for quality improvement. In 2024, the Company participated in Taiwan Motor Show in April, Automechanika Frankfurt in Gemernay in September, and APPEX in Las Vegas, USA in November. We also participated in the annual meeting of our largest client in the U.S., and also welcomed a steady stream of domestic and foreign client visits. In addition to maintaining regular online video conferences, our sales teams have also actively conducted global client visits.

In 2024, Participation in exhibitions in Taiwan, U.S., and Europe as well as the client's annual meeting.





## CHAPTER 05 Dialogue with Partners

### Client visits and outbound visits

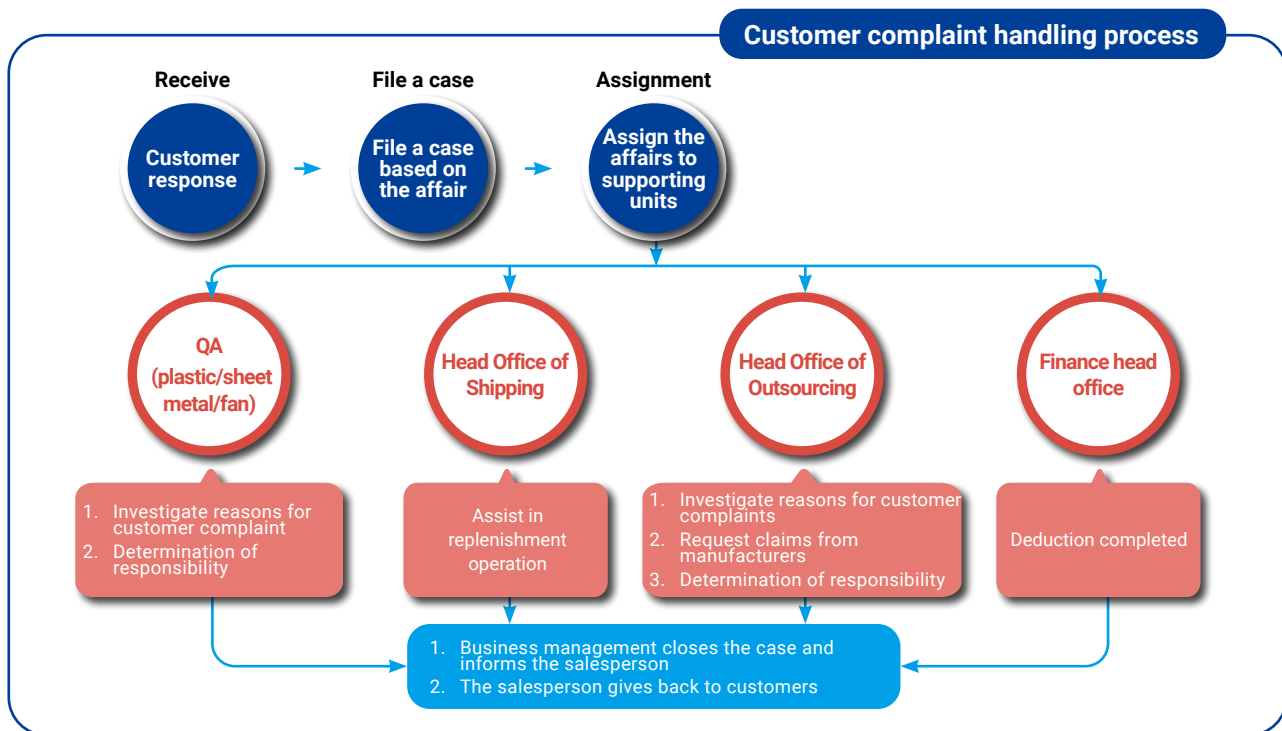


## CHAPTER 05 Dialogue with Partners



### 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 :

<b>STEP 1</b>	<b>Ensure order</b>	<ol style="list-style-type: none"> <li>1. The business division converts customer's order into internal order and delivers it to the management/shipment control group.</li> <li>2. Check details of the order.</li> </ol>
<b>STEP 2</b>	<b>Follow up the deadline of delivery</b>	<ol style="list-style-type: none"> <li>1. The production management group confirms the actual shipment quantity and notifies the tally window according to the delivery schedule.</li> <li>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.</li> <li>3. Products that fail to deliver on time need to fill out the "Daily Orders Delay Report".</li> </ol>
<b>STEP 3</b>	<b>Delivery</b>	The shipping window of production management division will print the Delivery Note on the confirmed shipping day for shipping.



## CHAPTER 05 Dialogue with Partners

### 5.4.6 Delivery Management

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/m<sup>2</sup>).
  - (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.





## CHAPTER 05 Dialogue with Partners

### Products Labeling

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

**Water Borne primer Painting Instructions**

1. Scuff or sand surface lightly with grey scuff pad or 1000-1200 grit sandpaper.
2. Clean the surface with soap, water, lint-free cloth and air.
3. Follow the painting instructions from paint companies for color and clear coats.

*Note: This part has been flame treated with an Environmentally Friendly Water Borne primer and is HAPs free.*  
For more information in North America, please call 1-877-894-8947

**Instrucciones de la pintura básica de agua**

1. Frote o lije ligeramente la superficie con una almohadilla para lijar o use papel de lija de firmeza 1000-1200 quetzales.
2. Limpie la superficie con jabón, agua, un trapo sin pelusa y aire.
3. Siga las instrucciones para pintar que vienen asignadas por las compañías de pintura para color y capa transparente.

*Nota: Esta parte ha sido pintada bajo tratamiento térmico con capa de cobertura a base de agua que es amigable con el medio ambiente y es libre de CAP'S (Contaminantes Peligrosos del Aire).*  
Si necesita más información de Nortamérica, podría llamar al 1-877-894-8947.

**PAINTING INSTRUCTIONS**  
**Painting instructions for PP/TPO/PC Plastic material**

1. Clean the surface of part with soap and water. Scuff or wet sand entire primed surface lightly with scuff pad or 1000-1200 sandpaper.
2. Re-clean surface with water, lint-free cloth and air. This primed bumper fascia is ready for Step. 4.
3. For greasy surface, apply Water Base Plastic Cleaner to lint-free cloth and wipe the greasy area only. Allow surface to dry completely.
4. Apply base coat directly on primed surface (TYG Highly Recommended) or apply appropriate amount of sealer as recommended by paint manufacturer. For an excellent painting performance, please give enough flash time between coats as recommended by painting company.
5. Apply clear coat if necessary according to paint manufacturer's directions.

**NOTE: THIS BUMPER HAS BEEN PRIMED WITH SOLVENT TYPE PRIMER.**  
For more information in North America, please call 1-877-894-8947

この商品はシンナー/シリコン系で拭き取らないで下さい。

### Risk Labeling

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



**WARNING!** BEFORE INSTALLING THIS REPLACEMENT HOOD, MUST CONFIRM THE ORIGINAL HOOD SUPPORTS CAN SUPPORT AT LEAST 25 KGS OR THE ORIGINAL HOOD SUPPORTS MUST BE REMOVED AND REPLACED WITH HEAVY DUTY HOOD SUPPORTS THAT CAN SUPPORT AT LEAST 25KG.

**DANGER.** Failure to follow the manufacturer's instructions or failure to remove the original hood supports for the proper installation of the appropriate heavy duty hood supports before installing the replacement hood can result in the replacement hood collapsing or falling unexpectedly and without warning resulting in possible **SERIOUS INJURY** to fingers, hands, arms, shoulders, neck, back, or head.

**! WARNING -** This product can expose you to chemicals including chromium (hexavalent compounds), which are known to the State of California to cause cancer and birth defects or other reproductive harm. For more information go to [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov).



## CHAPTER 06 Sustainable Environment

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## CHAPTER 06 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:



### 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.



### 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.



### 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.



### Cherishing Resources

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



### 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.



### Continuous Improvement

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



### Education and Training

Improve employees' awareness of EHS



# CHAPTER 06 Sustainable Environment

## 6.1 Material Management

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. The main raw material of the plastic bumper is PP (polypropylene) whose characteristics are being recyclable and re-manufacturable. To avoid the outflow of such products, 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.

PP raw materials are recyclable and re-manufacturable. However, recycling and remanufacturing will consume more resources. Tong Yang has been adhering to the quality 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.

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, and the performance evaluations of the departments and employees are also carried out on a monthly basis. We summarize the implementation results of the work goals, 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. In addition, 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.

Strategic goals	Results in 2024	Goal Set for 2025
<b>Short-term goals :</b> 1. To continue improve the defect rate of plastic products and reduce it by 5% compared with 2023. 2. To continue improve the scrap rate and reduce it by 5% compared with 2023. <b>Medium- and long-term goals :</b> 1. To continue improve the defect rate of plastic products and reduce it by 30% compared with 2021. 2. To continue improve the scrap rate and reduce it by 30% compared with 2021.	The scrap rate in process reduced by 5%.	1. The target of the plastic products defect rate: 1.82%. 2. The target of process scrap rate: 1.72%

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

Statistics of raw material consumption								
Business Group	Name of raw material		2020	2021	2022	2023	2024	Using percentage (%)
AM	ABS Plastic	Raw material	2,800	2,600	2,600	3,348	3,165	89.15%
		Recycled materials	320	330	354	364	385	10.85%
	Polypropylene	Raw material	13,000	18,800	18,900	23,456	21,466	92.26%
		Recycled materials	1,800	1,835	1,590	1,775	1,800	7.74%
OEM	ABS Plastic	Raw material	365	346	283	342	314	100%
	Polypropylene	Raw material	1,905	1,745	1,598	1,678	1,447	100%

Note: Recycled materials refer to the raw materials reused from in-house defective product scrap, externally developed trial mold products, and countermeasure scrap. No recycled materials were purchased.



## CHAPTER 06 Sustainable Environment



### 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 2.6 million kWh of green electricity in 2025.
2. It is estimated to install 361 kw solar power generation equipment in 2025.
3. The energy consumption per unit turnover is set to be 2% lower in 2025 compared with 2024.

##### 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 installed 2,249 kW of green electricity (solar energy), accounting for over 8% of the Company's contract capacity.
2. The Company continued to purchase energy-saving management to reduce waste in 2024, and the power consumption of the unit turnover in 2025 is expected to be set to reduce 2% compared with 2024.
3. The energy consumption in 2024 was 553,701 GJ; the energy intensity was 0.028 GJ/thousand in revenue, a decrease of about 10% 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.



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### 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 2024 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	2020	2021	2022	2023	2024
Electricity(kWh)	94,545,820	99,454,480	102,550,700	107,387,601	105,469,274
Natural Gas(kWh)	3,436,850	3,554,946	3,449,165	3,817,690	3,637,950
Diesel(Liter)	1,111,500	1,166,200	1,163,400	1,315,753	1,387,685
Energy usage(GJ)	494,729	518,014.08	525,521.36	560,624	553,701
Revenue (1,000 NTD)	13,264,281	13,732,527	15,707,401	18,205,468	19,822,391
Energy intensity (GJ/ thousand in Revenue)	0.037	0.038	0.033	0.031	0.028

Note :

- The electricity emission factors referred to the latest electricity carbon emission factors announced by the Energy Bureau of MOEA in 2024.
- 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/m<sup>3</sup>; 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, Scope 2 and Scope 3 emissions. The main sources are from sources owned or controlled by the organization, such as production processes and transportation vehicles. A third-party verification is scheduled to be conducted by the end of September 2025. The greenhouse gas emissions of Tong Yang's operation bases for the past five years are as follows.



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Unit: metric tons of CO<sub>2</sub>e

Statistics of Tong Yang's GHG emissions over the years					
Item	2020	2021	2022	2023	2024
Scope 1	9,389.72	9,736.21	9,512.80	11,647.06	11,445.15
Scope 2	48,123.82	49,926.15	52,198.31	53,049.47	49,992.44
Scope 3	Not inventoried	Not inventoried	Not inventoried	15,236.70	15,184.55
Scope 1+Scope 2+Scope 3	57,513.54	59,662.36	61,711.11	79,933.23	76,622.14
Revenue (1,000 NTD)	13,264,281	13,732,527	15,707,401	18,205,468	19,822,391
Greenhouse Gas Emission Intensity	0.0043	0.0043	0.0039	0.0044	0.0039

Note :

- 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: CO<sub>2</sub>e emission = fuel consumption x emission factor × GWP (based on the GHG emission Coefficient Management Table 6.0.4 Edition announced by the Environmental Protection Administration).
- Scope 2 refers to indirect energy emissions, such as purchased electricity. The calculation formula is: CO<sub>2</sub>e 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).
- Scope 3 refers to indirect GHG emissions from transportation and distribution, and waste treatment.
- GHG emissions data of Scope 1, Scope 2, and Scope 3 cover our plants in Taiwan (Tainan, Guanyin, and Taipei).
- Types of GHG emissions: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O).
- The emission results from 2020 to 2023 were estimated by the Company, and have not yet been verified by a third-party organization. The emissions for 2023 and 2024 are scheduled to obtain a third-party verification is scheduled to be conducted by the end of September 2025.
- The 2024 carbon emission(GHG) data disclosed in this report is based on internal calculations and is scheduled for third-party verification by the end of September 2025. Final figures will be based on the verification results.

### 6.3 Green Environment and Energy Conservation

#### 6.3.1 Energy Saving and Carbon Reduction

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 2025 will decrease by more than 2% compared with 2024. 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 2.60 million kWh of green electricity in 2025. A solar power system with an estimated capacity of approximately 361 kw is planned for installation.

To implement green procurement and environmental protection, priority is given to eco-friendly products with eco-labels, water efficiency labels, energy labels, etc., such as LED lamps, inkjet printers, water dispensers, and so on. In 2024, the amount of green procurement reached NT\$ 2.28 million.



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The number of equipment units actually in operation in the plant during the year (since 2014)

Name	Unit	Year				
		2020	2021	2022	2023	2024
Injection molding machine(Servo energy saving)	Unit	62	66	67	70	79
Air compressor (frequency conversion and energy saving)	Unit	24	25	26	28	29
Heat pump water heater (dormitory)	Unit	6	6	6	6	6

The number of lamps purchased within the plant during the year

Name	Unit	Year				
		2020	2021	2022	2023	2024
T5 energy-saving lighting fixtures	Unit	711	475	38	3	6
T5 energy-saving lamps/bulbs	Unit	1,840	2,185	2,395	2,077	1,752
T8 energy-saving lighting fixtures	Unit	-	-	-	-	0
T8 energy-saving lamps/bulbs	Unit	86	150	125	130	45
LED light fixture	piece	532	513	780	813	655
LED lamps/bulbs	Unit	406	405	192	211	245
T5 LED energy-saving lighting fixtures	piece	240	330	346	305	80
T5 LED energy-saving lamps/bulbs	Unit	103	275	66	44	111
T8 LED energy-saving lighting fixtures	piece	-	623	575	643	927
T8 LED energy-saving lamps/bulbs	Unit	22	20	261	633	1,080

Solar power generation during the year

Name	Unit	Year				
		2020	2021	2022	2023	2024
Rooftop solar power generation	kWh	155 million	264 million	244 million	250 million	259 million

Note: Rooftop solar power generation of 2249kw.

### 6.3.2 Greening of the Plant Area

Currently, there are more than 30 species of trees being planted, including mahogany, Terminalia mantaly, Araucaria, camphor trees, Washington palm trees, silk floss trees, banyan trees, Bead trees, Garcinia subelliptica, Podocarpus macrophyllus, etc., with a total of 1,500 medium and large trees planted in the plant area, covering more than 3% of the total land area, and the estimated carbon sequestration capacity is approximately 6 tons every year. The Company continues to promote the greening of the plant area, creating a natural ecological network to attract insects and birds to stay, and taking practical actions to do our part for environmental protection. All factory manufacturing processes comply with environmentally and biodiversity-friendly principles.



# CHAPTER 06 Sustainable Environment

## 6.4 Water Management

Material topic: Water and runoff
<p><b>Reason of significance :</b> Control and reuse in-plant water resources, and conduct annual water usage statistics as well as perform water quality testing.</p>
<p><b>Policy/Strategy :</b> Compliance with environmental laws and regulations reduces corporate legal risks and also minimizes adverse impacts on water bodies and ecosystems.</p>
<p><b>Goals and objectives :</b> The short-term goal is to make the comprehensive index of water pollution discharge exceed the legal standards by 40%, and the medium- and long-term goal for the comprehensive index of water pollution discharge is to exceed the legal standards by 45%.</p>
<p><b>Management evaluation mechanism :</b> The Company has systematically managed and compiled statistics of various emissions amount in accordance with the ISO14001 Environmental Management System.</p>
<p><b>Performance and adjustment :</b> The comprehensive index of water pollution discharge in 2024 exceeded the legal requirements by 39.5%, meeting the short-term target set by the Company.</p>
<p><b>Preventive or Remedial Measures :</b> Each wastewater treatment plant is equipped with water quality analysis equipment to make regular monitoring and testing of water quality and water volume to avoid abnormalities.</p>

### 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.



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Strategic goals	Results in 2024	Goal Set for 2025
Using the water consumption per unit of revenue in 2020 as the baseline year, the goal is to reduce water consumption per unit of revenue by 30% by 2030.	In 2024, water consumption per unit of revenue reduced by 22% compared with 2020.	In 2025, water consumption per unit of revenue to be reduced by 23% compared with 2020.

Unit : tons

Tong Yang's statistics of water consumption over the years					
Item	2020	2021	2022	2023	2024
<b>Water intake</b>	707,342	701,176	777,805	829,756	818,455
<b>Water discharge</b>	381,035	326,153	297,559	334,402	303,477
<b>Water consumption</b>	326,307	375,023	480,246	495,354	514,978
<b>Revenue(1,000 NTD)</b>	13,264,281	13,732,527	15,707,401	18,205,468	19,822,391
<b>Water intensity per unit</b>	0.053	0.051	0.050	0.046	0.041

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 2024 decreased by approximately 10% compared with that in 2023. 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 2024, 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.



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## 6.5 Pollution Prevention

Material topic: Emissions			
<p><b>Reason of significance :</b> 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.</p>			
<p><b>Policy/Strategy :</b> To reduce the wastewater and exhaust generated during the production process so as to reduce the impacts on the environment and human health.</p>			
<p><b>Goals and objectives :</b></p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>1. Air pollution: The short-term goal is to reduce the air pollution emissions per unit of turnover in 2025 by 45% 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.</p> </td> <td style="width: 50%; vertical-align: top;"> <p>2. Wastewater: The short-term goal is to make the comprehensive index of water pollution discharge exceed the legal standards by 40%, and the medium- and long-term goal for the comprehensive index of water pollution discharge is to exceed the legal standards by 45%.</p> </td> </tr> </table>		<p>1. Air pollution: The short-term goal is to reduce the air pollution emissions per unit of turnover in 2025 by 45% 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.</p>	<p>2. Wastewater: The short-term goal is to make the comprehensive index of water pollution discharge exceed the legal standards by 40%, and the medium- and long-term goal for the comprehensive index of water pollution discharge is to exceed the legal standards by 45%.</p>
<p>1. Air pollution: The short-term goal is to reduce the air pollution emissions per unit of turnover in 2025 by 45% 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.</p>	<p>2. Wastewater: The short-term goal is to make the comprehensive index of water pollution discharge exceed the legal standards by 40%, and the medium- and long-term goal for the comprehensive index of water pollution discharge is to exceed the legal standards by 45%.</p>		
<p><b>Management evaluation mechanism :</b> The Company has systematically managed and compiled statistics of various emissions amount in accordance with the ISO14001 Environmental Management System.</p>			
<p><b>Performance and adjustment :</b></p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>1. Air pollution: Compared with the base year of 2016, the air pollution emissions per unit of turnover have reduced by 40.48% in 2024, which has not yet met the short-term target set by the Company. In the future, the emission issues will continue to be managed.</p> </td> <td style="width: 50%; vertical-align: top;"> <p>2. The comprehensive index of water pollution discharge in 2024 exceeded the legal requirements by 39.5%, meeting the short-term target set by the Company.</p> </td> </tr> </table>		<p>1. Air pollution: Compared with the base year of 2016, the air pollution emissions per unit of turnover have reduced by 40.48% in 2024, which has not yet met the short-term target set by the Company. In the future, the emission issues will continue to be managed.</p>	<p>2. The comprehensive index of water pollution discharge in 2024 exceeded the legal requirements by 39.5%, meeting the short-term target set by the Company.</p>
<p>1. Air pollution: Compared with the base year of 2016, the air pollution emissions per unit of turnover have reduced by 40.48% in 2024, which has not yet met the short-term target set by the Company. In the future, the emission issues will continue to be managed.</p>	<p>2. The comprehensive index of water pollution discharge in 2024 exceeded the legal requirements by 39.5%, meeting the short-term target set by the Company.</p>		
<p><b>Preventive or Remedial Measures :</b> 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.</p>			

### 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, the main pollutants from the Company's manufacturing processes are VOCs and acid gasses.

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. The Company's air pollution control equipment uses a centralized control system and related monitoring systems to monitor the concentration of emissions at the outlet. This ensures proper operation of the control devices and helps reduce environmental pollution. We will continue to reduce pollutant emissions.



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Strategic goals	Results in 2024	Goal Set for 2025
<ol style="list-style-type: none"> <li>The VOC emission intensity per unit turnover in 2030 to decrease by 50% compared with 2016 (2016 serves as the baseline year).</li> <li>The VOC emissions per unit turnover in 2024 were set to decrease by 43% compared with 2016.</li> </ol>	<ol style="list-style-type: none"> <li>The VOC emission intensity per unit turnover dropped by 40.48%. Some control equipment licenses are still under application, so the reduction target has not been achieved.</li> <li>The VOC emissions in 2024 reached 762 metric tons, a decrease of 312 metric tons from 2016.</li> <li>All test results are compliant with regulations.</li> <li>FID testing instrument is used for routine monitoring to ensure compliance with regulations.</li> </ol>	<ol style="list-style-type: none"> <li>The VOC emission intensity per unit turnover to reduce by 45% compared with 2016 (2016 serves as the baseline year).</li> <li>In coordination with the Company's ongoing installation of control equipment, VOC emissions per million dollars of revenue in kilograms are targeted to be reduced from a 50% to a 60% reduction (medium- to long-term goal).</li> </ol>

### 6.5.2 Waste Management

Material topic: Waste	
<p><b>Reason of significance :</b></p> <p>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.</p>	<p><b>Policy/Strategy :</b></p> <p>To reduce the amount of waste produced in the production process so as to reduce the impact on the environment and human health.</p>
<p><b>Goals and objectives :</b></p> <p>The short-term goal is to reduce the waste production per unit of turnover in 2025 by 34% compared with 2017, and the medium-term goal for the waste production per unit of turnover in 2030 is set to reduce by 40% compared with 2017.</p>	<p><b>Management evaluation mechanism :</b></p> <p>The Company has systematically managed and compiled statistics of the disposal of various types of waste in accordance with the ISO14001 Environmental Management System.</p>
<p><b>Performance and adjustment :</b></p> <p>The waste production per unit of turnover has reduced by 45% compared with the baseline year of 2017 (the target was 32%), meeting the short-term target set by the Company. In the future, the discharging issues will continue to be managed.</p>	<p><b>Preventive or Remedial Measures :</b></p> <p>To regularly monitor and manage the amount of waste generated to meet the target amount planned.</p>

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.

<b>General/hazardous industrial waste</b>	Plastic mixture, sludge, paint slag, electroplating sludge, waste wood, general waste, etc.	<b>Recyclables</b>	Waste oil, scrap steel, scrap aluminum, plastic, wastepaper, fluorescent lamps, etc.
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### 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.

2024 Waste treatment methods and statistics		
Waste composition	Waste generated (tons)	Treatment method
Item	Off-site (treatment outside the plant)	Off-site (treatment outside the plant)
<b>Hazardous waste</b>		
1. Electroplating sludge	197	Heat treatment
2. Fluorescent lamp	0	Recycling
<b>Total amount</b>	197	-
<b>Non-hazardous waste</b>		
1. General garbage	462	Incineration
2. Waste wood mixture	4	Incineration
3. Waste plastic mixture	0.42	Incineration
4. Sludge	399	Heat treatment
5. Paint residue	124	Incineration
6. Scrap steel	180	Recycling
7. Scrap aluminum	718	Recycling
8. Mixed paper waste	0	Incineration
9. Mixed waste oil	4	Physical treatment
10. Waste fabric	0.06	Incineration
11. Sludge	16	Physical treatment
12. Waste lubricating oil	128	Physical treatment
13. Waste resin	172	Landfill
14. Wastepaper	548	Recycling
15. Waste wood pallets	9	Incineration
16. General waste chemical mixture	6	Cleaning
<b>Total amount</b>	2,771	

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.



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2023 Waste treatment methods and statistics		
Waste composition	Waste generated (tons)	Treatment method
Item	Off-site (treatment outside the plant)	Off-site (treatment outside the plant)
<b>Hazardous waste</b>		
1. Electroplating sludge	274	Heat treatment
2. Fluorescent lamp	0	Recycling
<b>Total amount</b>	274	-
<b>Non-hazardous waste</b>		
1. General garbage	312	Incineration
2. Waste wood mixture	8	Incineration
3. Waste plastic mixture	0.5	Incineration
4. Sludge	322	Physical treatment
5. Paint residue	33	Incineration
6. Scrap steel	129	Incineration
7. Scrap aluminum	740	Physical treatment
8. Mixed paper waste	1	Incineration
9. Mixed waste oil	4	Other processing operations
10. Waste fabric	0.2	Physical treatment
11. Sludge	12	Landfill
12. Waste lubricating oil	80	Recycling
13. Waste resin	216	Recycling
14. Wastepaper	535	Recycling
<b>Total amount</b>	2,393	-

**Note :**

- For the composition of waste, please refer to the category of (A/B/C/D/E/R···) in the "Waste Disposal Plan".
- The weight of waste is all measured in tons.
- Types of recycling operations: such as preparation for reuse, reuse and others.
- The type of recycling can be specified: downgrade utilization.
- Other recycling operations: Such as change of purpose of use or refurbishing.
- Types of disposal methods, such as incineration (including energy recovery), incineration (excluding energy recovery), landfill and other disposal operations.
- Other disposal operations can be specified: such as dumping, open air burning and deep well injection.
- "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.



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### 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 2024	Goal Set for 2025
<ol style="list-style-type: none"> <li>To reduce the waste production per unit of turnover in 2030 by 40% (with 2017 as the base year).</li> <li>The waste generation per unit turnover for 2024 to decrease by 32% compared with 2017.</li> </ol>	The waste generation per unit turnover reduced by 45% compared with 2017 (the goal is 32%).	The waste generation per unit turnover reduce by 34% compared with 2017.

Description of waste reduction measures and results			
Promotion strategy	Countermeasure	Promotion goal	Promotion effectiveness and improvement results
<b>Reduction of general process waste</b>	Implement the classification of various waste items	To reduce the waste production 0.055 metric tons/million in turnover in 2024 to 0.052 metric tons/million in turnover.	Savings of approximately NT\$ 8.51 million
<b>Reduction of hazardous process waste</b>	Introduce waste dryers to reduce moisture content and achieve the reduction effect	To reduce the waste production 0.015 metric tons/million in turnover in 2024 to 0.01 metric tons/million in turnover.	Savings of approximately NT\$ 0.99 million

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 2024, 244kg of copper was recycled, and the discharge of heavy metals in wastewater and harmful heavy metal content in sludge were improved.

### 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 2024.

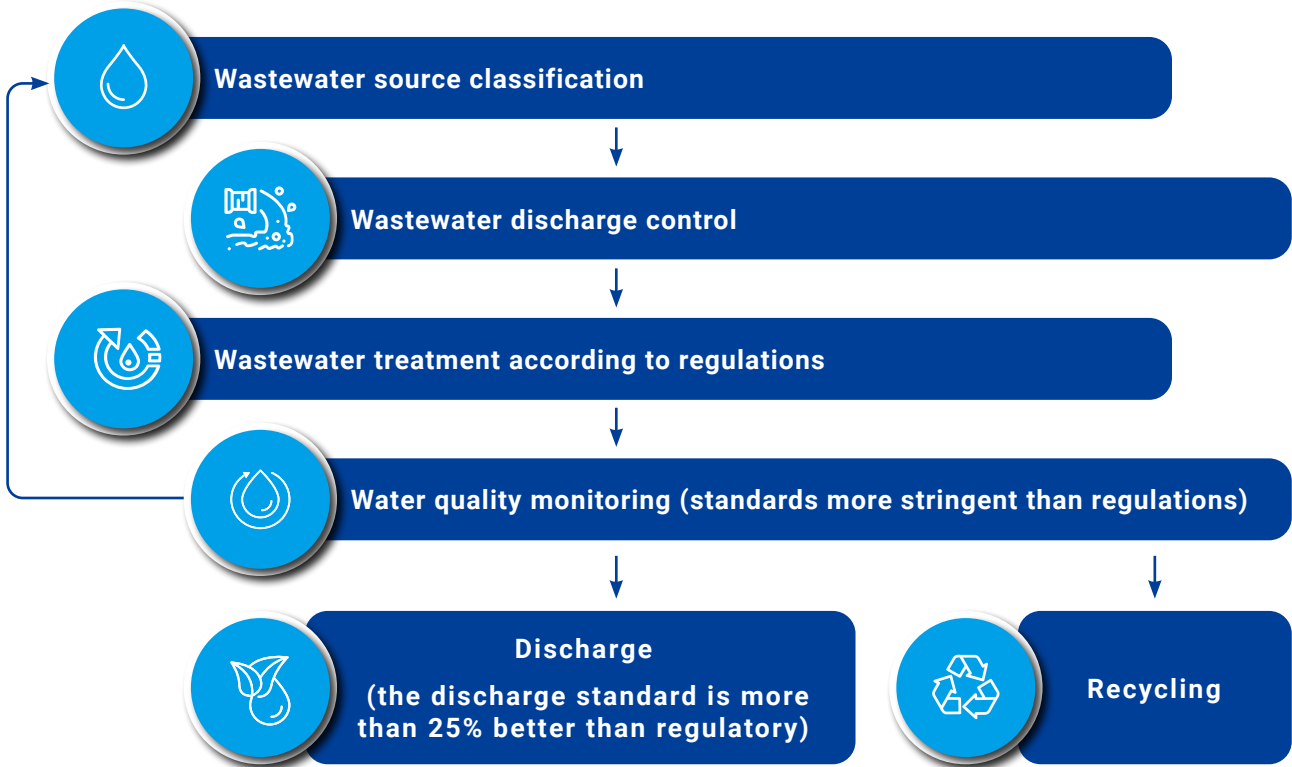
Strategic goals	Results in 2024	Goal Set for 2025
<ol style="list-style-type: none"> <li>The comprehensive indicator of water pollution in 2030 to be 45% better than regulatory standards.</li> <li>To set the 2024 comprehensive index of water pollution discharge exceed the legal standards by 39%</li> </ol>	The comprehensive indicator of water pollution was 39.5% better than the regulatory standards.	The comprehensive indicator of water pollution to be 40% better than the regulatory standards.

Note: The comprehensive water pollution index is a comprehensive average of the main pollutants from the Company's processes, including COD, copper, nickel, and chromium.

## CHAPTER 06 Sustainable Environment



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	2024	
	Annual average monitoring value (ppm)	Annual average monitoring value (ppm)
COD (mg/L)	100	33
SS (mg/L)	30	6

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 2024	Goal Set for 2025
1. The water recycling amount to account for 10% of the tap water use in 2030. 2. The 2024 target is set at 9.1%.	The water recycling amount accounted for 7.6% of the tap water use in 2024.	The water recycling amount to account for 9.2% of the tap water use in 2025.

Note: The main reason is that some coating processes have been improved to reduce the use of recycled water.



## CHAPTER 07 Enthusiasm for Public Welfare

- 7.1 Traffic Safety Activities
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## CHAPTER 07 Enthusiasm for Public Welfare

Tong Yang upholds the corporate spirit of "enthusiasm with a caring heart," with a strong commitment to social responsibility. Guided by the United Nations Sustainable Development Goals (SDGs) as its core focus, the Group integrates internal and external resources to continuously promote initiatives in traffic safety, community care, youth cultivation, cultural sustainability, tourism development, and other social welfare programs.

From the education of traffic safety at schools to the promotion of traffic safety concept to the public, we combine the local cultural and historical development in Tainan and the tourism characteristics together for sustainable development, and try to enrich the society with enthusiasm to create a better and safer life for all.

Theme	Public Welfare Contribution	Community Involvement
<b>Purpose of activity</b>	Upholding the mission of "caring for traffic culture and enhancing public road safety awareness," TYG operates GoNews, an online knowledge platform for traffic safety. Through the platform, we promote the concept of "Safe-Go" to the general public. This initiative has been acknowledged and commended by government agencies.	In addition to being committed to traffic safety promotion related to our core business, we also uphold the corporate spirit of "enthusiasm and care" by actively engaging in community care and participating in various community welfare activities.
<b>Total labor cost invested in 2024 (NT\$)</b>	NTD 2.829 million	NTD 406,000
<b>Total cash expenditure invested in 2024 (NT\$)</b>	NT\$ 3.235 million in total	
<b>Total cash expenditure invested in 2024 (NT\$)</b>	NT\$ 1.941 million in total	
<b>Number of participants in 2024</b>	Website reached 5.052 million people.	1,196 people
<b>2024 goals/ results</b>	<ul style="list-style-type: none"> <li>Target: 50 articles in the columns on the websites of traffic safety knowledge / Results: 68 articles in total, goal achieved.</li> <li>Continue to publicize traffic safety to the public/ goals achieved (see description in 7.1)</li> </ul>	<ul style="list-style-type: none"> <li>Continue to participate in various charity activities and sponsorship/ Goal achieved (see description in 7.2)</li> <li>Organize 3 employee blood donation activities/ Goal achieved.</li> </ul>
<b>Goal for 2025</b>	<ul style="list-style-type: none"> <li>50 articles in the columns on the websites of traffic safety knowledge</li> <li>Traffic safety publicity to all</li> </ul>	<ul style="list-style-type: none"> <li>Continue to participate in various charity activities and sponsorship.</li> <li>Organized 2 employee blood donation activities</li> </ul>
<b>Long-term goal for 2026</b>	<ul style="list-style-type: none"> <li>Cumulative of more than 500 articles in the columns on the websites of traffic safety knowledge</li> </ul>	<ul style="list-style-type: none"> <li>Continue to participate in various charity activities and sponsorship.</li> <li>Cumulative of more than 30 employee blood donation activities</li> </ul>



## CHAPTER 07 Enthusiasm for Public Welfare

### 7.1 Traffic Safety Activities (Note: All activities were conducted online)

#### 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.



# CHAPTER 07 Enthusiasm for Public Welfare



## 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 acceleration lanes, wedge-shaped markings, and so on) 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 411, and dozens of articles have been placed on the homepage of the search engine, Google. The total clicks of the website amounted to 410,895 in 2024. 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.

The purpose of this activity aligned with two of the UN's SDGs				
<ul style="list-style-type: none"> <li>SDG 3: Ensure healthy lives and promote well-being for all at all ages</li> <li>Target 3.6 Half global deaths from road traffic accidents.</li> </ul>		<ul style="list-style-type: none"> <li>SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable</li> <li>Target 11.2 Provide access to safe, affordable, accessible, and sustainable transport system for all, improving road safety</li> </ul>		
Cumulative activity period	Cumulative number of original articles	Total accumulated online exposure	2024 Input cost Personnel Cost	2024 Input cost Cash Expenditure
2018-2024	411	3.10 million people	NTD 990,080	NTD 177,875

## CHAPTER 07 Enthusiasm for Public Welfare



### 7.1.3 2024 Hell's Paradise Online Event



We worked with Dcard, a social platform popular among young people, and used "Hell's Paradise " as the theme to call on young people to cultivate a good concept of road safety and continue to promote the care for public travel safety. At the same time, psychological test activities popular among both adults and children were also launched to enhance the public's awareness of the importance of road safety, making the road traffic culture a consensus among the public.

With the perspective of "Hell's Paradise " and the cute illustrations, the main visual effect was enriched. We used "the distance from hell " to metaphorically describe the risk of traffic accidents, aiming at reminding all that road safety is closely related to every single person. Bumper cars were used to illustrate situations that may occur in our daily life, and further brought out traffic issues and relevant information of the Foundation. The psychological test articles of this event had over 80,000 views and the number of people participated in the tests exceeded 14,000. The overall activities achieved the expected targets, and also set a new high record for the Foundation's online events. During this event, the online promotional exposure reached 3,688,936 times, successfully resonating with the young people.

#### The purpose of this activity aligned with two of the UN's SDGs



- SDG 3: Ensure healthy lives and promote well-being for all at all ages

- SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable

Activity period	Cumulative number of participants	Total accumulated online exposure	2024 Input cost Personnel Cost	2024 Input cost Cash Expenditure
2024	14,605	3.688 million people	NTD 282,880	NTD366,560



## CHAPTER 07 Enthusiasm for Public Welfare

### 7.1.4 The "Old School Lifestyle of Tainan Islanders " Online Event

To establish the foundation's image, enhance the value of GONEWS, promote local culture, promote articles on GONEWS, we guided our target audience to experience the characteristics of physical fields through a series of visits. Taking advantage of the public's love of photography and sharing, combined with the theme of Tainan's cultural and historical sites, the most authentic daily life of Tainan Islanders is shared with the netizens across Taiwan.



We planned three route themes, old houses, old gourmets, and old hipsters, inviting netizens to share their photos of Tainan's cultural and historical sites, the oldest buildings, department store, movies, cuisine, etc., presenting Tainan City's own uniqueness and, old-school attitude and capturing the century-old charm of the city with images.

Participants visited designated event venues, took designated photos and uploaded them to the designated section on our Facebook FanPage to show the new look of this ancient capital city to gain Likes, publicly share the posts, and leave comments to participate in the lucky draw activity and increase fan participation. During the event, the online promotion reached 953,000 people. The theme was set at "Tainan's Special Attractions ", which was well-suited to the audience's life experience and interests, making the overall participation results great. Through the event, the public can get to know the Foundation, expanding the Foundation's focus on the road safety.

#### The purpose of this activity aligned with two of the UN's SDGs



- SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
- Target 4.7: Ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, appreciation of cultural diversity and of culture's contributions to sustainable development.

- SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
- Target 8.9: Diversify and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.

Activity period	Cumulative number of participants	Cumulative number of people reach online	2024 Input cost Personnel Cost	2024 Input cost Cash Expenditure
2024	4,957	0.953 million people	NTD 990,080	NTD 278,409



## CHAPTER 07 Enthusiasm for Public Welfare

### 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.



The purpose of this activity aligned with two of the UN's SDGs



▪ SDG 3: Ensure healthy lives and promote well-being for all at all ages.

▪ SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable.

Cumulative activity period	Playing hours	2024 Input cost Personnel Cost	2024 Input cost Rental Expenditure	2024 Input cost Electricity Expenditure
1994-2024	1,460 hours	NTD 282,880	NTD 940,000	NTD 20,958

# CHAPTER 07 Enthusiasm for Public Welfare

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

We promoted information on Tainan Trip and other related activities and 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.



The purpose of this activity aligned with four of the UN's SDGs			
<p>3 GOOD HEALTH AND WELL-BEING</p>	<p>4 QUALITY EDUCATION</p>	<p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>
<ul style="list-style-type: none"> <li>SDG 3: Ensure healthy lives and promote well-being for all at all ages.</li> </ul>	<ul style="list-style-type: none"> <li>SSDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</li> </ul>	<ul style="list-style-type: none"> <li>SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</li> </ul>	<ul style="list-style-type: none"> <li>SSDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable</li> </ul>
Advocacy period	Number of articles published	2024 Input cost Personnel Cost	2024 Input cost Cash Expenditure
2024	4	NTD 282,880	NTD 157,500




## CHAPTER 07 Enthusiasm for Public Welfare

### 7.2 Community Welfare Events

#### 7.2.1 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.

The purpose of this activity aligned with one of the UN's SDGs		
	<ul style="list-style-type: none"> <li>SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable.</li> </ul>	
Adoption period	Cleaning and maintenance hours	2024 Input cost
2024	260 hours	NTD 88,000

#### 7.2.2 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.



The purpose of this activity aligned with one of the UN's SDGs		
	<ul style="list-style-type: none"> <li>SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable</li> </ul>	
Adoption period	Cleaning and maintenance hours	2024 Input cost
2024	520 hours	NTD 177,000



## CHAPTER 07 Enthusiasm for Public Welfare

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

Tong Yang actively supports environmental sustainability and local natural resources protection. 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 regular watering of trees to maintain the environment and care for the green belt. This section of greenway is adjacent to the ecological protection greenway in Taijiang National Park, which belongs to the national conservation area. The overall route was planned by the Forestry Bureau, and crosses multiple national scenic areas and ecosystem basins, with high natural value and biodiversity significance.

Although the National Park Headquarters leads the monitoring and habitat protection, Tong Yang helps mitigate the degradation of the environment and habitats through adoption and daily management, creates a more suitable habitat for species, and provides a safe and comfortable green space for the public. This action aligns with SDG 15.1 and 15.5, and also complies with GRI 304-3 regarding the disclosure of potential impacts and management methods of companies near conservation areas on natural ecosystems, showing Tong Yang's determination to practice biodiversity conservation and social responsibility.

The purpose of this action aligned with two of the UN's SDGs		
<ul style="list-style-type: none"> <li>SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable</li> </ul>		<ul style="list-style-type: none"> <li>SDG 15 : Protect, restore and promote sustainable use of terrestrial ecosystem.</li> </ul>
Adoption period	Watering and maintenance hours	2024 Input cost
2024	416 hours	NTD 141,000

### 7.2.4 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. Currently, the cumulative number of sessions has reached 26, with 949 participants, and the cumulative blood collection effect amounted to 265,600 C.C.

The purpose of this activity aligned with one of the UN's SDGs		
	<ul style="list-style-type: none"> <li>SDG 3: Ensure healthy lives and promote well-being for all at all ages</li> </ul>	
Duration of the activity	Cumulative blood donation sessions/ number of people	Cumulative donation of blood
2024	3 sessions /79 people (115 bags)	28,750 C.C.



## Appendix

Appendix 1: Global Reporting Initiative (GRI) Index	166
Appendix 2: Sustainability Accounting Standards Board, SASB Index	177
Appendix 3: Climate-related Information of Listed OTC Companies	180
Appendix 4: External Assurance Certificates	184





# Appendix

## Appendix 1: Global Reporting Initiative (GRI) Index

<b>Statement of use</b>	TONG YANG has reported in accordance with the GRI Standards for the period of January 1, 2024 through December 31, 2024. Data is referenced according to the GRI Content index.
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	N/A

GRI Category/ Material Aspects	No.	GRI Index	Chapter and Section	Page	Omit/ remark
<b>1. The Organization and its Reporting Practices</b>					
GRI 2 : General Disclosures 2021	2-1	Organizational details	2.1 Glory of Tong Yang	33	
	2-2	Entities included in the organization's sustainability reporting	About This Report	7	
	2-3	Reporting period, frequency and contact point	About This Report	7	
	2-4	Restatements of information	About This Report	7	
			1.1 Identification of and Communication with Stakeholders	11	
1.2 The Value Chain Boundary of Material Topics	16				
2.3 Prosperous Economy	49				
2-5	External assurance / confirmation	About This Report	7		
<b>2. Activities and Workers</b>					
GRI 2 : General Disclosures 2021	2-6	Activities, value chain and other business relationships	2.1 Glory of Tong Yang	33	
			3.1 Industry Overview	68	
			3.3.1 OEM Assembly Car Market	76	
3.4.1 AM After-Sales Maintenance Market			78		
5.1 Partners			127		
2-7	Employees	4.1 Manpower Overview	90		
2-8	Workers who are not employees	4.1 Manpower Overview	90		
<b>3. Governance</b>					
GRI 2 : General Disclosures 2021	2-9	Governance Sstructure and composition	2.1 Glory of Tong Yang	33	
			2.2 Integrity Management	44	
	2-10	Nomination and selection of the highest governance body	2.2 Integrity Management	44	
	2-11	Chair of the highest governance body	2.2 Integrity Management	44	
2-12	Role of the highest governance body in overseeing the management of impacts	2.1 Glory of Tong Yang	33		



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GRI Category/ Material Aspects	No.	GRI Index	Chapter and Section	Page	Omit/ remark
	2-13	Delegation of responsibility for managing impacts	2.1.2 Sustainability Management Committee	33	
	2-14	Role of the highest governance body in sustainability reporting	2.1 Glory of Tong Yang	33	
	2-15	Conflicts of interest	2.2 Integrity Management	44	
	2-16	Communication of critical concerns	1.2.1 Material Topics Identification Process	46	
	2-17	Collective knowledge of the highest governance body	2.2 Integrity Management	44	
	2-18	Evaluation of the performance of the highest governance body	2.2 Integrity Management	44	
	2-19	Remuneration policies	2.2 Integrity Management	44	
	2-20	Process to determine remuneration	2.2 Integrity Management	44	
<b>4. Strategy, Policies and Practices</b>					
GRI 2 : General Disclosures 2021	2-21	Annual total compensation ratio	Disclosure is withheld due to confidentiality requirements.	N/A	
	2-22	Statement on sustainable development strategy	Chairman's Message	3	
	2-23	Policy commitments	Human Rights Management	88	
	2-24	Embedding policy commitments	Human Rights Management	88	
	2-25	Processes to remediate negative impacts	1.2.3 Impact Boundary of Material Topics	16	
	2-26	Mechanisms for seeking advice and raising concerns	2.5 Regulatory Compliance	63	
	2-27	Compliance with laws and regulations	2.5 Regulatory Compliance	63	
	2-28	Membership associations	2.1 Glory of Tong Yang	63	
<b>5. Stakeholder Engagement</b>					
GRI 2 : General Disclosures 2021	2-29	Approach to stakeholder engagement	1.1 Identification of and Communication with Stakeholders	11	
	2-30	Collective bargaining agreements	4.3.1 Labor-Management Communication	100	



# Appendix

## Disclose of material topics

GRI No.	Topic	SECTOR STANDARD	No.	GRI Index	Chapter and Section	Page	Omit/remark
<b>GRI 3: Material Topics 2021</b>	Management Policy	-	3-1	Process to determine material topics	1.2 The Value Chain Boundary of Material Topics	16	
<b>GRI 3: Material Topics 2021</b>	Management Policy		3-2	List of material topics	1.2 The Value Chain Boundary of Material Topics	16	
<b>Material Topics : Economic Performance(GRI 201) 、 Sustainable Development</b>							
<b>GRI 3: Material Topics 2021</b>	Economic Performance 、 Management Policy		3-3	Management of material topics	2.2 Integrity Management	44	
<b>GRI 201</b>	2016 Economic Performance 2016	-	201-1	Direct economic value generated and distributed	2.3 Prosperous Economy	49	
		-	201-2	Financial implications and other risks and opportunities due to climate change	2.4 Risk Adaptation	50	
		-	201-3	Defined benefit plan obligations and other retirement plans	4.2.3 Retirement Protection	95	
		-	201-4	Financial assistance received from government	No government subsidies were received in 2024.	N/A	
<b>Material Topics : Customer Health and Safety(GRI 416)</b>							
<b>GRI 3: Material Topics 2021</b>	Customer Health and Safety Management Policy	-	3-3	Management of material topics	3.3.2 OEM Product Quality Control Policy	76	
<b>GRI 416</b>	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	76 78 132	
		-	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.5 Regulatory Compliance 3.3 OEM Service	63 76	



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GRI No.	Topic	SECTOR STANDARD	No.	GRI Index	Chapter and Section	Page	Omit/remark
<b>Material Topics : Customer Satisfaction</b>							
<b>GRI 3: Material Topics 2021</b>	Customer Satisfaction Management Policy	-	3-3	Management of material topics	3.3.2 OEM Product Quality Control Policy	76	
					3.4.2 Quality Management Policy of AM Products	76	
<b>Material Topics : Quality Management</b>							
<b>GRI 3: Material Topics 2021</b>	Quality Management Management Policy	-	3-3	Management of material topics	3.3.2 OEM Product Quality Control Policy	76	
					3.4.2 Quality Management Policy of AM Products	78	
<b>Material Topics : Delivery Management</b>							
<b>GRI 3: Material Topics 2021</b>	Delivery Management Management Policy	-	3-3	Management of material topics	3.3.2 OEM Product Quality Control Policy	76	
<b>Material Topics : Product Safety</b>							
<b>GRI 3: Material Topics 2021</b>	Product Safety Management Policy	-	3-3	Management of material topics	3.4.2 Quality Management Policy of AM Products	78	
<b>Material Topics : Employment/ Labor/Management Relations(GRI 401 、 GRI 402)</b>							
<b>GRI 3: Material Topics 2021</b>	Employment/ Labor/ Management Relations	-	3-3	Management of material topics	4. Harmonious Workplace	72	
<b>GRI 401</b>	Labor/ Management Relations Management Policy 2016	-	401-1	New employee hires and employee turnover	4.1 Manpower Overview	90	
			401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2 Salary and Benefit	95	
					4.5.4 Care for Foreign employees	108	
401-3	Parental leave	4.2.2 Parental leave without pay	95				
<b>GRI 402</b>	Employment Management Relations Management Policy 2016	-	402-1	Minimum notice periods regarding operational changes	4.3.2 Advance Notice of Operation Change	100	



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GRI No.	Topic	SECTOR STANDARD	No.	GRI Index	Chapter and Section	Page	Omit/remark
<b>Material Topics : Training and Education (GRI 404)</b>							
<b>GRI 3: Material Topics 2021</b>	Training and Education Management Policy	-	3-3	Management of material topics	4.4.1 Education and Training	102	
<b>GRI 404</b>	Training and Education 2016	-	404-1	Average hours of training per year per employee	4.4.1 Education and Training	102	
		-	404-2	Programs for upgrading employee skills and transition assistance programs	4.4.1 Education and Training	102	
		-	404-3	Percentage of employees receiving regular performance and career development reviews	4.4.1 Education and Training	102	
<b>Material Topics : Occupational Health and Safety (GRI 403)</b>							
<b>GRI 3: Material Topics 2021</b>	Occupational Health and Safety Management Policy	-	3-3	Management of material topics	4.6.2 Management of Occupational Safety	115	
<b>GRI 403</b>	2018 Occupational Health and Safety	-	403-1	Occupational health and safety management system	4.6 Safeguarding Occupational Safety	112	
		-	403-2	Hazard identification, risk assessment, and incident investigation	4.6.2 Management of Occupational Safety	115	
		-	403-3	Occupational health services	4.5.2 Health Examination	109	
		-	403-4	Worker participation, consultation, and communication on occupational health and safety	4.6.1 Occupational Health and Safety Committee	114	
		-	403-5	Worker training on occupational health and safety	4.6.3 Occupational Safety Education and Training	117	
		-	403-6	Promotion of worker health	4.5.3 Healthy Diet Management	109	



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GRI No.	Topic	SECTOR STANDARD	No.	GRI Index	Chapter and Section	Page	Omit/remark
		2018 Occupational Health and Safety-	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	120	
					4.6.5 Occupational Safety and Health Management	121	
	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	121	
		-	403-9	Work-related injuries	4.6.6 Safety of Work Partners	125	
-	403-10	Work-related ill health	4.6.6 Safety of Work Partners	125			
<b>Material Topics : customer privacy (GRI 418)</b>							
<b>GRI 3: Material Topics 2021</b>	customer privacy Management Policy		3-3	Management of material topics	5.4.3 Customer Privacy	134	
<b>GRI 418</b>	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	50 132	
<b>Material Topics : Energy (GRI 302)</b>							
<b>GRI 3: Material Topics 2021</b>	Energy Management Policy	-	3-3	Management of material topics	6.2 Energy Management	143	
<b>GRI 302</b>	Energy 2018	-	302-1	Energy consumption within the organization	6.2.1 Energy use	143	
		-	302-2	Energy consumption within the organization	-	-	
		-	302-3	Energy Density	6.2.1 Energy use	143	
		-	302-4	Reduce energy consumption	6.3.1 Energy saving and carbon reduction	144	
		-	302-5	Reduce the energy requirements of products and services	6.3.1 Energy saving and carbon reduction	144	



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GRI No.	Topic	SECTOR STANDARD	No.	GRI Index	Chapter and Section	Page	Omit/remark
<b>Material Topics : Emission (GRI 305)</b>							
<b>GRI 3: Material Topics 2021</b>	Emission Management Policy	-	3-3	Management of material topics	6.5 Pollution Prevention	149	
<b>GRI 305</b>	Emission 2016	-	305-1	Direct (Scope 1) greenhouse gas emissions	6.2.2 Greenhouse gas emissions	144	
		-	305-2	Energy indirect (Scope 2) greenhouse gas emissions	6.2.2 Greenhouse gas emissions	144	
		-	305-3	Other indirect (Scope 3) greenhouse gas emissions	-	-	
		-	305-4	Greenhouse gas emission intensity	6.2.2 Greenhouse gas emissions	144	
		-	305-5	Reduction of greenhouse gas emissions	6.3.1 Energy saving and carbon reduction	145	
		-	305-6	Emissions of ozone destructing substances (ODS)	6.5.1 Air Pollution Management	149	
		-	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant gas emissions	5.3 Green Procurement 6.5.1 Air Pollution Management	131 149	
<b>Material Topics : Disclosure of Waste (GRI 306)</b>							
<b>GRI 3: Material Topics 2021</b>	Disclosure of Waste Management Policy	-	3-3	Management of material topics	6.5.2 Waste Management	150	



# Appendix

GRI No.	Topic	SECTOR STANDARD	No.	GRI Index	Chapter and Section	Page	Omit/remark
<b>GRI 306</b>	Disclosure of Waste topics 2020	-	306-1	Waste generation and significant waste-related impacts	6.5.2 Waste Management	150	
		-	306-2	Management of significant waste-related impacts	6.5.3 Waste Reduction	153	
		-	306-3	Waste generated	6.5.2 Waste Management	150	
		-	306-4	Waste diverted from disposal	6.5.2Waste Management	150	
		-	306-5	Waste directed to disposal	6.5.2Waste Management	150	
	Disclosure of Waste 2016	-	306-3	Waste generated	6.5.4Wastewater Management	153	
<b>Material Topics : water and runoff (GRI 303)</b>							
<b>GRI 3: Material Topics 2021</b>	water and runoff Management Policy	-	3-3	Management of material topics	6.4.1 Water Management	147	
<b>GRI 303</b>	water and runoff 2018	-	303-1	Mutual impacts of shared water resources	6.4.1 Water Management	147	
		-	303-2	Management of drainage-related shocks	6.5.4 Wastewater Discharge Management	153	
		-	303-3	Water withdrawal	6.4.1 Water Management	147	
		-	303-4	Water discharge	6.4.1 Water Management	147	
		-	303-5	Water consumption	6.4.1 Water Management	147	



# Appendix

## Other topics revealed

GRI Category/ Material Aspects	No.	GRI Index	Chapter and Section	Page	Omit/ remark
<b>Subject-specific guidelines: 200 series (economic topics)</b>					
<b>Market Presence</b>					
<b>GRI 202: Market Presence 2016</b> Topic-specific disclosures	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4.2.1 Remuneration system	97	
	202-2	Proportion of senior management hired from the local community	4.1.1 Number of employees	90	
<b>Indirect Economic Impacts</b>					
<b>GRI 203: Indirect Economic Impacts 2016</b> Topic-specific disclosures	203-1	Infrastructure investments and services supported	7. Enthusiasm for Public Welfare	135	
	203-2	Significant indirect economic impacts	7.2 Community Welfare Events	163	
<b>Procurement Practices</b>					
<b>GRI 204: Procurement Practices 2016</b> Topic-specific disclosures	204-1	Proportion of spending on local suppliers	5.1.1 Supplier Overview	127	
<b>Anti-corruption</b>					
<b>GRI 205: Anti-Corruption 2016</b> Topic-specific disclosures	205-1	Operations assessed for risks related to corruption	-	-	
	205-2	Communication and training about anti-corruption policies and procedures	2.5 Regulatory Compliance	63	
	205-3	Confirmed incidents of corruption and actions taken	2.5 Regulatory Compliance	63	
<b>Anti-competitive behavior</b>					
<b>GRI 206</b> Anti-competitive behavior disclosure 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.5 Regulatory Compliance	63	
<b>Tax</b>					
<b>GRI 207: Tax 2019 Management Approach Disclosures</b>	207-1	Approach to tax	-	-	
	207-2	Tax governance, control and risk management	2.4.1 Risk Management	50	
	207-3	Stakeholder engagement and management of concerns related to tax	-	-	
<b>GRI 207: Tax 2019 Topic-specific Disclosure</b>	207-4	Country-by-country reporting	-	-	



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GRI Category/ Material Aspects	No.	GRI Index	Chapter and Section	Page	Omit/ remark
<b>Topic-specific disclosure: 300 series (Environmental topics)</b>					
<b>materials</b>					
<b>GRI 301 Materials 2016</b>	301-1	Materials used by weight or volume	6.1 Material Management	142	
	301-2	Recycled input materials used	-	-	not applicable
	301-3	Reclaimed products and their packaging materials	-	-	not applicable
<b>Biodiversity</b>					
<b>GRI 304 Biodiversity 2016 Topic-specific disclosures</b>	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	163	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	-	-	
<b>Supplier Environmental Assessment</b>					
<b>GRI 308 Supplier Environmental Assessment 2016 Approach Disclosures</b>	308-1	New suppliers that were screened using environmental criteria	5.2.1 Supplier Evaluation and Audit	128	
	308-2	Negative environmental impacts in the supply chain and actions taken	5.2.1 Supplier Evaluation and Audit	128	
<b>Topic-specific Disclosures: 400 Series (Social Themes)</b>					
<b>Diversity and Equal Opportunity</b>					
<b>GRI 405: Diversity and Equal Opportunity 2016 Approach Disclosures</b>	405-1	Diversity of governance bodies and employees	-	-	
	405-2	Ratio of basic salary and remuneration of women to men	-	-	
<b>Non-discrimination</b>					
<b>GRI 406: Non-Discrimination 2016 Approach Disclosures</b>	406-1	Incidents of discrimination and corrective actions taken	Human Rights Management	88	
<b>Freedom of Association and Group Consultation</b>					
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	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	100	



# Appendix

GRI Category/ Material Aspects	No.	GRI Index	Chapter and Section	Page	Omit/ remark	
<b>Child Labor</b>						
<b>GRI 408: Child Labor 2016</b>	408-1	Operations and suppliers at significant risk for incidents of child labor	4.3.4 No Forced Labor 5.2.2 Supplier Code of Conduct	101 130		
		<b>Forced or Compulsory Labor</b>				
<b>GRI 409 Forced or Compulsory Labor 2016</b>	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.3.4 No Forced Labor 5.2.2 Supplier Code of Conduct	101 130		
		<b>Security Practices</b>				
<b>GRI 410: Security Practices 2016</b>	410-1	Security personnel trained in human rights policies or procedures	4.3.5 Management of Security Personnel	101		
		<b>Rights of Indigenous Peoples</b>				
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	411-1	Incidents of violations involving rights of indigenous peoples	-	-		
		<b>Local Communities</b>				
<b>GRI 413: Local Communities 2016</b>	413-1	Operations with local community engagement, impact assessments, and development programs	7. Enthusiasm for Public Welfare	157		
	413-2	Operations with significant actual and potential negative impacts on local communities	-	-		
<b>Supplier Social Assessment</b>						
<b>GRI 414 Supplier Social Assessment 2016</b>	414-1	New suppliers that were screened using social criteria	5.2.2 Supplier Code of Conduct	130		
	414-2	Negative social impacts in the supply chain and actions taken	5.2.2 Supplier Code of Conduct	130		
<b>Public Policy</b>						
<b>GRI 415 Public Policy 2016</b>	415-1	Political contributions	-	-		
		<b>Marketing and Labeling</b>				
<b>GRI 417 GRI 417: Marketing and Labeling 2016</b>	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	76 78 138		
		417-2	Incidents of non-compliance concerning product and service information and labeling	2.5 Regulatory Compliance	63	
		417-3	Incidents of non-compliance concerning marketing communications	2.5 Regulatory Compliance	63	



# Appendix

## Appendix 2: Sustainability Accounting Standards Board, SASB Index

Transportation_Auto Parts						
Topic	Code	Accounting Metric	Disclosure in 2024	Category	Chapter and Section	Page
<b>Energy Management</b>	TR-AP-130a.1	1.Total energy consumed 2.percentage grid electricity 3.percentage renewable	1. The total operational energy consumption in 2024 is 553,701GJ. 2. 68.57% of electricity is from the grid. 3. In 2024, the company will use renewable energy, which accounts for more than 8% of the company's power contract capacity.	Quantitative	6.2.1 Energy Use	144
<b>Waste Management</b>	TR-AP-150a.1	1.Total amount of waste from manufacturing 2. percentage hazardous 3.percentage recycled	1. The total amount of waste in 2024 was 2,968 metric tons. 2.Hazardous waste in 2024 was 6.64%. 3.Non-hazardous waste in 2024 was 93.36%.	Quantitative	6.5.2 Waste Management	150
<b>Product Safety</b>	TR-AP-250a.1	Number of recalls issued, total units recalled	There was no customer product recalls due to quality issues in 2024.	Quantitative	3.3.3 OEM Quality Assurance System	77
<b>Design for Fuel Efficiency</b>	TR-AP-410a.1	Revenue from products designed to increase fuel efficiency and/or reduce emissions	N/A	Quantitative	Not applicable	-



# Appendix

Transportation_Auto Parts						
Topic	Code	Accounting Metric	Disclosure in 2024	Category	Chapter and Section	Page
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 211 suppliers in 2024, of which 186 have signed supplier commitment letters, with a signing rate of 88.2%. Among the 183 domestic and foreign suppliers that the OEM Supply Department had transactions with in 2024, 120 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.</p>	Discussion and Analysis	5.2 Evaluation Management 5.3 Green Procurement	128 131
			<p>N/A</p>			
Materials Efficiency	TR-AP-440b.1	Percentage of products sold that are recyclable	N/A	Quantitative	Not applicable	-



# Appendix

Transportation_Auto Parts						
Topic	Code	Accounting Metric	Disclosure in 2024	Category	Chapter and Section	Page
<b>Materials Efficiency</b>	TR-AP-440b.2	Percentage of input materials from recycled or remanufactured content	N/A	Quantitative	Not applicable	-
<b>Competitive Behavior</b>	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 2024.	Quantitative	2.5 Regulatory Compliance	63
<b>Number of parts produced</b>	TRAP-000.A	Number	1.Bumpers : 5,915,525 PCS 2.Front column : 2,895,156 PCS 3.Engine hood : 805,192 PCS 4.Fender : 2,340,967 PCS	Quantitative	-	-
<b>Weight of parts produced</b>	TRAP-000.B	t	1. Bumpers : 23,662.10 t 2.Front column : 3,763.70 t 3.Engine hood : 12,850.86 t 4.Fender : 6,086.51 t	Quantitative	-	-
<b>Area of manufacturing plants</b>	TRAP-000.C	m <sup>2</sup>	1.Usine de Tainan : 535 734 m2 2.Usine de Guanyin : 19 990,02 m2	Quantitative	-	-



# Appendix

## Appendix 3: Climate-related Information of Listed OTC Companies

Project	Corresponding Chapter	Page
1. Board and management oversight, and governance of climate-related risks and opportunities.	2.4.3 Financial Risks of Climate Change	57
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	57
3. Describe the financial impact of extreme climate events and transitional actions.	2.4.3 Financial Risks of Climate Change	57
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	57
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	144



# Appendix



## 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 CO<sub>2</sub>e), intensity (tons CO<sub>2</sub>e/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:

		2023		2024	
		Emissions (metric tons of CO <sub>2</sub> e)	Density (metric tons of CO <sub>2</sub> e/Turnover of NT\$ million)	Emissions (metric tons of CO <sub>2</sub> e)	Density (metric tons of CO <sub>2</sub> e/Turnover of NT\$ million)
<b>The Company</b>	Scope 1: Direct greenhouse gas emissions	11,647.06	-	11,445.15	-
	Scope 2: Indirect greenhouse gas emissions	53,049.47		49,992.44	
	Scope 3: Indirect greenhouse gas emissions	15,236.70		15,184.55	
	Subtotal	79,933.23		76,622.14	
<b>Total</b>		79,933.23	4.4	76,622.14	3.9

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: Emissions for 2024 are expected to obtain third-party certification by the end of September 2025.

Note 6: The 2024 carbon emission(GHG) data disclosed in this report is based on internal calculations and is scheduled for third-party verification by the end of September 2025. Final figures will be based on the verification results.



# Appendix

## 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 2023 and 2024, Third-party verification is expected to be carried out by the end of September 2025. 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 2024, about 2.59 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.



# Appendix

## 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 2025 to decrease by 45% compared with 2016.
2. By installing solar power generation on the roof of the factory, carbon emissions will be reduced, and the green power generation capacity will be about 2.59 million kWh in 2024. In 2025, in addition to continuously generating about 2.6 million kWh of green electricity, it is expected to build about 361kW of new solar power generation and apply for green power certificates. It is estimated that the generation of green electricity can reach more than 8% of the company's electricity contract capacity
3. Energy conservation and carbon reduction: Promote various energy-saving measures, and reduce electricity consumption per unit turnover by more than 2% in 2025 compared with 2024.
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 2025 is to recover 300KG 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 2025 target is set at 9.2%.
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 2025 is set at 40% 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 40% compared with 2017, and the target output intensity in 2025 will be reduced by 34% (with 2017 as the base year).

## Achievement of reduction in 2024

1. In 2024, VOC emissions per unit turnover (kg/NT\$ million turnover) was reduced by 47.23%.
2. The company has installed 2,249kW of green power (solar energy), accounting for more than 8% of the company's electricity contract capacity.
3. Energy conservation and carbon reduction: The company continued to purchase relevant energy-saving lamps and equipment in 2024. It is expected that the electricity consumption per unit turnover will decrease by 2% in 2025 compared with 2024 levels.
4. Circular economy: Dongyang cooperates with manufacturers to research circular economy waste recycling technology, electrolytic recovery of copper waste liquid in the electroplating process, transfer it to manufacturers for refining, and return to the process for use, recycling 244KG of copper in 2024 to improve the discharge of heavy metals in wastewater.
5. Conserve water resources: Water recycling accounted for 7.6% of tap water usage in 2024.
6. Continue to improve wastewater treatment technology: In 2024, the comprehensive water pollution index was 39.5% better than the legal requirements on average.
7. Compared with the base year of 2017, the company's waste output per unit turnover in 2024 has been reduced by 45% (the target was 32%), 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.



# Appendix

## Appendix IV External Assurance Certificates



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**Independent practitioner's assurance report**

To: TONG YANG INDUSTRY CO., LTD.

**Scope**

We have been engaged by Tong Yang Industry Co., Ltd. (the "Company") to perform a 'limited assurance engagement,' as defined by the Taiwan Accounting Research and Development Foundation, hereinafter referred to as the engagement, to report on selected sustainability performance indicators (the Subject Matter) contained in the Company's 2024 Sustainability Report (the "Report").

**The Subject Matter selected by the Company and their applicable criteria**

Regarding the Subject Matter selected by the Company and their applicable criteria, please refer to Appendix A.

**The Company's responsibilities**

The Company's management is responsible in accordance with the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies issued by the Taiwan Stock Exchange and adequate criteria, including referencing the 2021 Global Reporting Initiatives Standards ("GRI Standards") issued by the Global Reporting Initiative (GRI), Task Force on Climate-related Financial Disclosures (TCFD), and the disclosure standards issued by the Sustainability Accounting Standards Board (SASB) for auto parts industry, and the Company adopts other self-established Subject Matter for the selected criteria information based on industry characteristics, and for the design, execution and maintenance of internal controls in regard to report preparation to support the collection and presentation of the Company's 2024 Sustainability Report. The Company's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

**EY's responsibilities**

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

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## Appendix

We conducted our engagement in accordance with the International Statements on Assurance Engagements (ISAE) 3000” Assurance Engagements Other than Audits or Reviews of Historical Financial Information”, issued by the Taiwan Accounting Research and Development Foundation, and the terms of reference for this engagement as agreed with the Company. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

### **Our independence and quality management**

We have maintained our independence and confirm that we have met the requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China and have the required competencies and experience to conduct this assurance engagement.

EY also applies Standards on Quality Control No. 1 “Quality Control for Public Accounting Firms”, which requires that we design, implement, and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Description of procedures performed**

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.



## Appendix

Our procedures included:

- Conducted interviews with personnel to understand the business of the Company, the overall implementation of sustainability development and the reporting process
- Conducted interviews with personnel and inspections of documents to understand how the Company communicates with and responds to main stakeholders, and to understand stakeholders' expectations and needs
- Conducted interviews with key personnel of the Company to understand the process for collecting, collating and reporting the Subject Matter during the reporting period
- Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria
- Undertook analytical procedures on the Subject Matter; collected and evaluated the supporting documentation, obtained management's assertions of the Subject Matter, and, if necessary, tested on a sample basis
- Identified and tested assumptions supporting calculations
- Tested, on a sample basis, the underlying source information to check the accuracy of the data
- Read the Report to ensure that the overall implementation of sustainability development is consistent with our understanding

### **Inherent Limitation**

Non-financial information contained within the Sustainability Report are subject to measurement uncertainties. The selection of different measurement techniques can result in materially different measurement. Also, assurance engagements are based on selective testing of information being examined, and it is not possible to detect all of the existing material misstatements whether resulting from fraud or error.

### **Conclusion**

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter for the year ended December 31, 2024, in order for it to be in accordance with the applicable Criteria.

Hung, Kuo-Sen

Ernst & Young

August 25, 2025



# Appendix

Appendix A:

No.	Page	Corresponding Chapter	Corresponding Report Contents	Applicable Criteria	Supplementary Explanation
1	63	2.5 Regulatory Compliance	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations in 2024.	The list of legal proceedings summarized by the Company.	The disclosures refer to the accounting metrics of SASB TR-AP-520a.1: Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations.
2	95	4.2 Compensation and Benefit	The number of employees eligible to apply for parental leave without pay and the number of employees who actually applied for parental leave without pay in the current year; The number of employees who were actually reinstated in the previous year and has been reinstated for 12 months; reinstatement rate and retention rate.	The consolidated data on maternity leave, paternity leave, and parental leave by the Company.	The disclosures refer to GRI 401-3: Parental leave.
3	69	3.2 Technological innovation	2024 Valid Patents Information.	The list of valid patents summarized by the Company.	Patent information includes the patent name, country, type, date of authorization/announcement, and expiration date.
4	157	7.1 Traffic Safety Activities	Total amount of cash expenditures on public welfare contributions and community involvement in 2024.	The total cash expenditure for company activities, as summarized by the Company.	The total cash expenditures for public welfare contributions and community involvement in accordance with GRI 203-1 and 413-1.



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